

SCHOOL DISTRICT
OF
GREENWICH TOWNSHIP

Greenwich Township School District
Board of Education
Stewartsville, Warren County
New Jersey

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

Comprehensive Annual

Financial Report

of the

**Greenwich Township School District
Board of Education**

Stewartsville, New Jersey

For the Fiscal Year Ending June 30, 2017

Prepared by

GREENWICH Township School District

Board of Education

Finance Department

OUTLINE OF CAFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	8-10
Required Supplementary Information – Part I Management’s Discussion and Analysis	13-20
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	27
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	34-59
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62-69
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	70
Notes to Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	71

OUTLINE OF CAFR

Required Supplementary Information – Part III	<u>Page</u>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-3 Schedule of the District's Proportionate Share of the Net Pension Liability	72
L-2 Schedule of District Contributions	73
Notes to Required Supplementary Information - Part III	74
Other Supplementary Information	
D. School Level 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, Special Revenue Fund – Budgetary Basis	77
E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	79
F-2 Summary Schedule of Revenues and Expenditures	80
F-2a - b Detail Schedule of Revenues and Expenditures-By Project	81-82
G. Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	See B-4
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3 Combining Statement of Cash Flows	See B-6
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

OUTLINE OF CAFR

Other Supplementary Information-(Continued)

	<u>Page</u>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	85
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	87
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	89
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule Debt Service Fund	90

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section	91
Financial Trends	
J-1 Net Position by Component	92
J-2 Changes in Net Position	93-94
J-3 Fund Balances - Governmental Funds	95
J-4 Changes in Fund Balances - Governmental Funds	96
J-5 General Fund Other Local Revenue by Source	97
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	98
J-7 Direct and Overlapping Property Tax Rates	99
J-8 Principal Property Taxpayers	100
J-9 Property Tax Levies and Collections	101
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	102
J-11 Ratios of General Bonded Debt Outstanding	103
J-12 Direct and Overlapping Governmental Activities Debt	104
J-13 Legal Debt Margin Information	105
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	106
J-15 Principal Employers	107
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	108
J-17 Operating Statistics	109
J-18 School Building Information	110
J-19 Schedule of Required Maintenance Expenditures by School Facility	111
J-20 Insurance Schedule	112

OUTLINE OF CAFR

SINGLE AUDIT SECTION		<u>Page</u>
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 <i>Government Auditing Standards</i>	114-115
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's Circular 15-08	116-117
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	118
K-5	Notes to the Schedules of Awards and Financial Assistance	119-120
K-6	Schedule of Findings and Questioned Costs	121-123
K-7	Summary Schedule of Prior Audit Findings	124

Introductory Section

Greenwich Township Board of Education

240 Route 519

Phillipsburg, NJ 08864

(908) 859-8155 Tel.

(908) 859-8067 Fax

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Greenwich Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The Greenwich Township Board of Education and all its schools constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped students. The district completed the 2016-17 fiscal year with an enrollment of 738 students.

TUITION PUPILS: Greenwich Township School District sends our grade 9 to12 students to

Phillipsburg High School on a tuition basis. Approximately 375 students attended Phillipsburg High School while 16 students attended the Warren County Technical School District.

Currently the district sends approximately 15 children, ages three through twenty-one, for special educational instruction outside the Greenwich Township School District as per the individual student's educational placement requirements.

PRESENT CONDITION AND OUTLOOK:

Both the Greenwich Elementary School and Stewartville Middle School buildings receive regular cleaning and maintenance of all building systems. Community groups and sports teams hold many activities and events on nights and weekends inside and outside of the building. Student activities and events at night cause heavy use of the facilities.

MAJOR INITIATIVES/PLANNING: In 2016/17, we

1. Expanded our Response to Intervention Program to include a Dyslexia Checklist to assist in the identification of children with dyslexia
2. Provided Orton Gillingham Training for teachers who provide instruction to children who have been diagnosed with Dyslexia.
3. Provided Orton Gillingham Instructional Kits for teachers who provide instruction to children who have been diagnosed with Dyslexia.
4. Expanded use of TCI Science, a lab-based Science Program, to grade 3 to provide continuity of Science instruction from grade 3 through grade 5.
5. Engaged in focused professional development with all staff to include the following: data driven instructional practices, understanding links between assessments and curriculum sequencing, and vertical articulation of instructional practices. This focused PD allowed teachers to come together in content area and across grade levels to engage in identifying instructional strengths and weaknesses based upon student assessment data. Instructional staff then made decisions regarding unit sequencing, rigor and timing as well as, student ability grouping based upon assessment data.
6. Our Gifted and Talented Program Coordinator provided teachers with in-service training on higher order questioning techniques to further enhance programs provided to students identified for our Gifted and Talented Program.
7. Consulted with a Board Certified Behavior Analyst who provided direct instruction and consultative services for our MD Program.
8. Fully aligned our K-8 Science curriculum with the NJ Student Learning Standards for Science.
9. Fully aligned our PK curriculum with the NJ Student Learning Standards for Preschool.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue

fund and the debt service fund. The final budget amount is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

ECONOMIC CONDITION: 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.

BUDGET INFORMATION SHEET - OVERALL COMMENTS: The Greenwich Township School District's 2016-17 School Budget encompassed the educational programs for students from grades kindergarten through twelfth grade in regular education, and preschool through age twenty-one in special education. In addition, the district's budget included the operational expenses for the township school.

The 2016-17 budget was developed to stay within the "Maximum Permitted Net Budget" as defined by the State of New Jersey Department of Education. The 2016-17 budget needed to support the educational and operational costs of delivering a thorough and efficient education was developed using the allowable spending growth limitation adjustments in the area of non-remote transportation. Revenues to support the 2016-17 budget were principally derived from the local tax levy.

DEBT ADMINISTRATION: The district had debt service payments of interest and principal totaling \$1,528,021.71 for the 2016-17 school year.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government 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. Cash, not immediately required for district payments, is deposited in accounts held with Investors Bank.


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. During 2016-17, the district participated in the School Alliance Insurance Fund. This is a joint insurance fund specializing in insurance for public

education entities.

OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The Board selected the accounting firm of Ardito & Co. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Greenwich Township 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 diligent auditing services of the firm of Ardito & Co.

Respectfully Submitted,

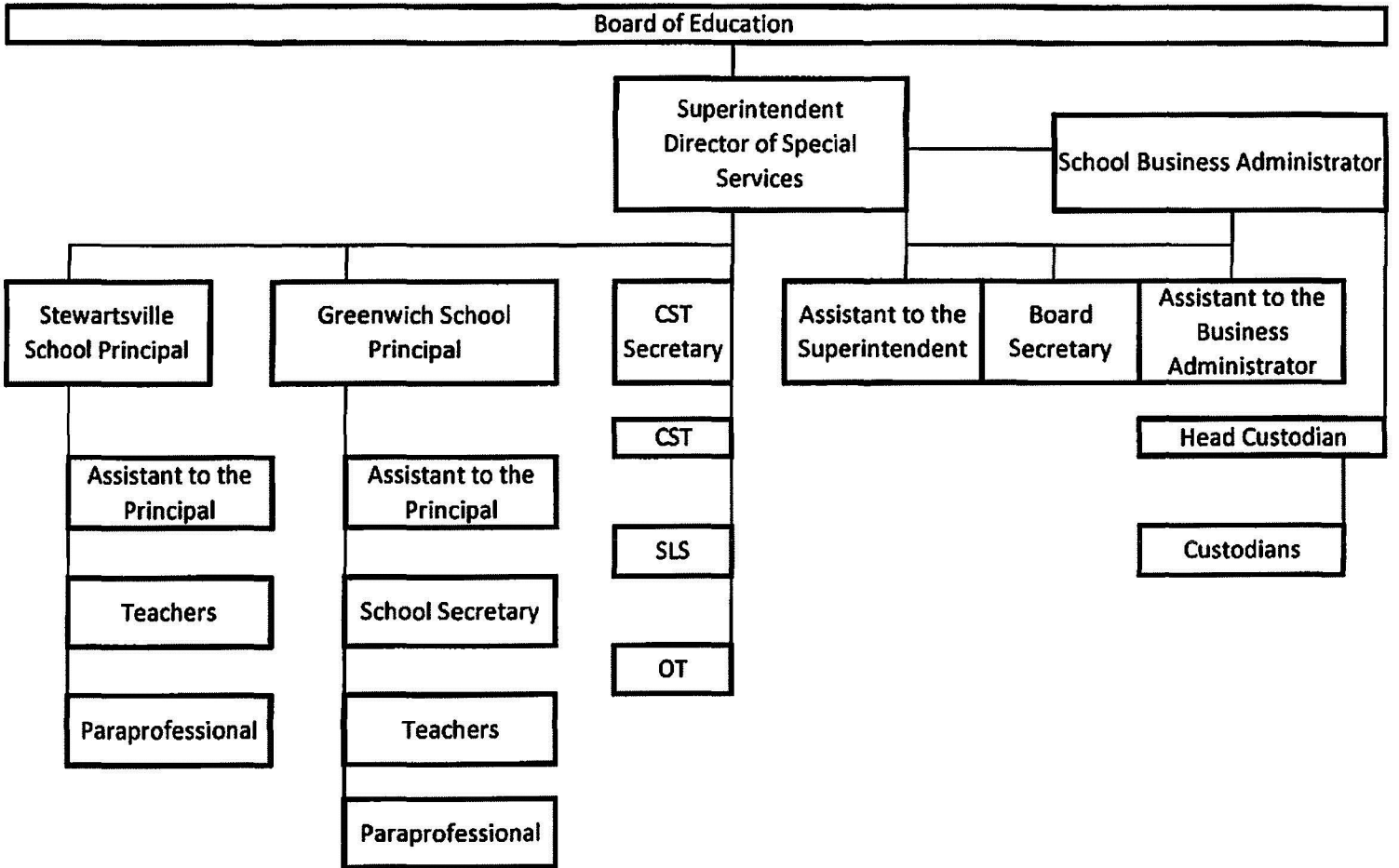


Maria Eppolite
Superintendent



Tim Mantz
Board Secretary/Business Administrator

Greenwich Twsp School District
Organizational Chart



GREENWICH TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2017

Members of the Board of Education

Term Expires

Denise Valle, <i>President</i>	2017
Beth Rooney, <i>Vice-President</i>	2018
Kevin Bayne	2017
Michelle Faychak	2018
Victoria Little	2019
Scott Nodes	2019
Jill McCormick	2017
Christy Tighe	2018
Susan Harwell	2019

Other Officials

Maria Eppolite, Superintendent

Tim Mantz, Business Administrator/ Board Secretary

Teresa E. Barna, Treasurer of School Monies

Joanne L. Butler, Esquire Attorney

GREENWICH TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ardito & Co., LLP
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

ATTORNEY

Joanne L. Butler, Esquire
Schenck, Price, Smith, & King
220 Park Avenue, PO Box 991
Florham Park, NJ 07932

OFFICIAL DEPOSITORY

Investors Bank
101 JFK Parkway
Short Hills, NJ 07078

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Greenwich Township School District
County of Warren
Stewartsville, New Jersey 08886

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Greenwich Township School District Board of Education, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greenwich Township School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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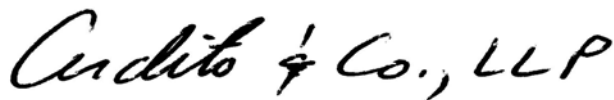
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are fairly stated in all material respects in relation to the basic financial statements as a whole.

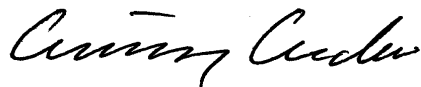
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, on our consideration of the Greenwich Township School District Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP
August 31, 2017



Licensed Public School Accountant No. 2369

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

GREENWICH TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

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

Financial Highlights

Key financial highlights for 2017 are as follows:

- ◆ In total, Net Position increased \$461,151 which represents a 5.8% increase from 2016.
- ◆ General revenues accounted for \$10,684,147 in revenue or 49.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$10,780,893 or 50.2% of total revenues of \$21,465,040.
- ◆ Total assets of governmental activities decreased by \$3,245,506, as cash and cash equivalents decreased by \$2,711,350, receivables increased by \$5,299, and capital assets decreased by \$537,988.
- ◆ The School District had \$21,003,889 in expenses; only \$10,780,893 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,684,147 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$17,167,358 in revenues and \$17,212,494 in expenditures. The General Fund's surplus balance decreased \$45,136 over 2016, which compares favorably to the budgeted decrease of \$195,451.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Greenwich 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 Greenwich Township School District, the General Fund is by far the most significant fund.

GREENWICH TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the 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 Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting 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 changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions 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. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

GREENWICH TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

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

	<u>2017</u>	<u>2016</u>
Table 1 Net Position		
Assets		
Current and Other Assets	\$ 582,723	\$ 3,290,241
Capital Assets	<u>14,446,828</u>	<u>14,984,816</u>
Total Assets	<u>15,029,551</u>	<u>18,275,057</u>
Deferred Outflows of Resources	<u>993,319</u>	<u>541,368</u>
Liabilities		
Long-Term Liabilities	7,304,750	10,740,958
Other Liabilities	<u>73,983</u>	<u>97,211</u>
Total Liabilities	<u>7,378,733</u>	<u>10,838,169</u>
Deferred Inflows of Resources	<u>248,966</u>	<u>44,236</u>
Net Position		
Invested in Capital Assets, Net of Debt	10,474,985	7,146,887
Restricted	424,629	3,022,180
Unrestricted	<u>(2,504,443)</u>	<u>(2,235,047)</u>
Total Net Position	<u>\$ 8,395,171</u>	<u>\$ 7,934,020</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

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

Total assets of governmental activities decreased by \$3,245,506, as cash and cash equivalents decreased by \$2,711,350, receivables increased by \$5,299, and capital assets decreased by \$537,988.

The cash decrease was due to \$2,510,000 in bond proceeds which was utilized to refund 2006 series bonds on July 1, 2017. The decrease in capital assets was entirely due to depreciation expense for the year.

Table 2 shows the changes in Net Position from fiscal year 2016.

Table 2
Changes in Net Position

	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 567,786	\$ 541,642
Operating Grants and Contributions	10,213,107	9,480,822
General Revenues:		
Property Taxes	10,668,200	10,334,487
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	13,077	6,276
Other	<u>2,870</u>	<u>53,361</u>
Total Revenues	<u>21,465,040</u>	<u>20,416,588</u>
 Program Expenses		
Instruction	9,154,914	8,659,008
Support Services:		
Tuition	6,379,571	6,094,356
Pupils and Instructional Staff	1,591,344	1,358,716
General Administration, School Administration, Business	1,277,901	1,070,389
Operations and Maintenance of Facilities	939,580	823,458
Pupil Transportation	796,786	795,714
Business-Type Activities	609,968	473,530
Interest and Fiscal Charges	<u>253,825</u>	<u>253,632</u>
Total Expenses	<u>21,003,889</u>	<u>19,528,803</u>
 Increase in Net Position	 <u>\$ 461,151</u>	 <u>\$ 887,785</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 49.7% percent of revenues for governmental activities for the Greenwich Township School District for the fiscal year 2017.

Instruction comprises 43.6% of district expenses. Support services expenses make up 52.3% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2016. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 9,154,914	\$ 2,744,046	8,659,008	\$2,730,174
Support Services:				
Tuition	6,379,571	6,379,571	6,094,356	6,094,356
Pupils and Instructional Staff	1,591,344	140,166	1,358,716	55,348
General Admin., School Admin., Business	1,277,901	(87,967)	1,070,389	(180,494)
Operation and Maintenance of Facilities	939,580	423,797	823,458	351,096
Pupil Transportation	796,786	796,786	795,714	795,714
Business-Type Activities	609,968	90,499	473,530	(35,012)
Interest and Fiscal Charges	253,825	(263,902)	253,632	(304,843)
Total Expenses	<u>\$ 21,003,889</u>	<u>\$ 10,222,996</u>	<u>\$ 19,528,803</u>	<u>\$ 9,506,339</u>

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

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

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

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service and early childhood care.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 30.0% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 69.7%. The community, as a whole, is the primary support for the Greenwich Township School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$18,856,069 and expenditures of \$21,460,344. The General Fund's surplus balance decreased \$45,136 over 2016, which compares favorably to the budgeted decrease of \$195,451.

General Fund Budgeting Highlights

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$15,925,545, \$73,382 under original budgeted estimates of \$15,998,927. This difference was due primarily to a shortfall in tuition revenue and extraordinary aid compared to budgeted aid.

General fund revenues fell short of expenditures by \$48,225. Again this deficit compares to a budgeted deficit of \$195,451, which was due to the budgeted use of prior years excess surplus needed to balance the 2017 budget.

The budgeted deficit was reduced due cost savings in the areas of instruction and administration.

Overall general fund balance (budget basis) was \$809,445, and amounts ear-marked and reserved for future purposes were \$482,749, creating a surplus in unreserved fund balance of \$326,696. Management believes unreserved fund balance at the 2% statutory levels will provide adequate working capital for the district.

GREENWICH TOWNSHIP SCHOOL DISTRICT

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

Capital Assets

At the end of the fiscal year 2017, the School District had \$14,446,828 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

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

	<u>2017</u>	<u>2016</u>
Land Improvements	23,696	30,768
Buildings and Improvements	14,399,936	14,883,115
Machinery and Equipment	<u>23,196</u>	<u>64,113</u>
Totals	<u>\$ 14,446,828</u>	<u>\$ 14,977,996</u>

Overall capital assets decreased \$531,168 from fiscal year 2016 to fiscal year 2017. The decrease in capital assets was due to depreciation expense for the year.

Capital improvements of \$0 were purchased during fiscal year 2017.

Debt Administration

At June 30, 2017, the School District had \$4,127,191 as outstanding long term debt. Of this amount, \$155,348 is for compensated absences and \$3,971,843 is for bonds payable outstanding.

At June 30, 2017, the School District's overall legal debt margin was \$20,468,160 and the unvoted debt margin was \$16,496,317.

GREENWICH TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

For the Future

The Greenwich Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. The Greenwich Township School District is primarily a residential community, thus the burden is focused on homeowners to bear the tax burden. However, future finances are not without challenges as the community continues to grow and state funding is frozen.

In conclusion, the Greenwich Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Tim Mantz, School Business Administrator/Board Secretary at Greenwich Township School District, 101 Wyndham Farm Boulevard, Stewartsville NJ, 08886.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 129,511	\$ 289,390	\$ 418,901
Receivables from Other Governments	124,868	1,503	126,371
Interfund Receivables	32,733		32,733
Inventory		4,718	4,718
Capital Assets, Net (Note 6):	14,446,828		14,446,828
Total Assets	14,733,940	295,611	15,029,551
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	993,319		993,319
LIABILITIES			
Accounts Payable			
Interfund Payable		32,733	32,733
Unearned Revenue	3,199	2,411	5,610
Accrued Interest	35,640		35,640
Net Pension Liability (Note 8)	3,177,559		3,177,559
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,452,815		1,452,815
Due Beyond One Year	2,674,376		2,674,376
Total Liabilities	7,343,589	35,144	7,378,733
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	248,966		248,966
Net Position			
Invested in Capital Assets, Net of Related Debt	10,474,985		10,474,985
Restricted for:			
Other Purposes	424,629		424,629
Unrestricted	(2,764,910)	260,467	(2,504,443)
Total Net Position	\$ 8,134,704	\$ 260,467	\$ 8,395,171

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 6,316,785	\$ 46,221	\$ 4,941,469		\$ (1,329,095)	\$ (1,329,095)
Special Education	2,519,922	13,638	1,409,540		(1,096,744)	(1,096,744)
Other Special Instruction	318,207				(318,207)	(318,207)
Support Services:						
Tuition	6,379,571				(6,379,571)	(6,379,571)
Student & Instruction Related Services	1,591,344	13,638	1,437,540		(140,166)	(140,166)
School Administrative Services	686,669	7,871	813,560		134,762	134,762
General and Business Admin. Services	591,232	5,217	539,220		(46,795)	(46,795)
Plant Operations and Maintenance	939,580	4,943	510,840		(423,797)	(423,797)
Pupil Transportation	796,786		-		(796,786)	(796,786)
Interest and Depreciation Charges	253,825		517,727		263,902	263,902
Total Governmental Activities	20,393,921	91,528	10,169,896		(10,132,497)	(10,132,497)
Business-Type Activities:						
Food Service	206,587	145,836	43,211		\$ (17,540)	(17,540)
Shared Services	56,000	56,000			-	-
Child Care	347,381	274,422			(72,959)	(72,959)
Total Business-Type Activities	609,968	476,258	43,211	-	(90,499)	(90,499)
Total Primary Government	\$ 21,003,889	\$ 567,786	\$ 10,213,107		\$ (10,132,497)	\$ (90,499)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 9,692,044		\$ 9,692,044
Taxes Levied for Debt Service				976,156		976,156
Investment Earnings				13,077		13,077
Miscellaneous Income				2,663	\$ 207	2,870
Total General Revenues, Special Items, Extraordinary Items and Transfers				10,683,940	207	10,684,147
Change in Net Position				551,443	(90,292)	461,151
Net Position—Beginning				7,583,261	350,759	7,934,020
Net Position—Ending				\$ 8,134,704	\$ 260,467	\$ 8,395,171

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

FUND FINANCIAL STATEMENTS

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 66,551	\$ 3,199	\$ 2,581	\$ 57,180	\$ 129,511
Interfund Receivables	32,733				32,733
Receivables from Other Governments	124,868				124,868
TOTAL ASSETS	\$ 224,152	\$ 3,199	\$ 2,581	\$ 57,180	\$ 287,112
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deferred Revenue	-	\$ 3,199			\$ 3,199
Total Liabilities	-	3,199	-	-	3,199
Fund Balances:					
<u>Restricted for:</u>					
Excess Surplus	\$ 107,900				107,900
Excess Surplus-Desig. Subs. Yr.	290,714				290,714
Capital Reserve	677				677
Emergency Reserve	25,338				25,338
Debt Service					-
<u>Assigned to:</u>					
Year-End Encumbrances	58,120				58,120
Capital Projects Fund			2,581		2,581
Debt Service Fund				\$ 57,180	57,180
<u>Unassigned:</u>					
General Fund	(258,597)				(258,597)
Total Fund Balances	224,152	-	2,581	57,180	283,913
TOTAL LIABILITIES AND FUND BALANCE	\$ 224,152	\$ 3,199	\$ 2,581	\$ 57,180	\$ 287,112

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 \$23,993,544 and the accumulated depreciation is \$9,546,716.	\$14,446,828
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	993,319
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(248,966)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(3,177,559)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(35,640)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(4,127,191)
Net Position of governmental activities	\$ 8,134,704

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 9,692,044			\$ 976,156	\$ 10,668,200
Tuition	91,528				91,528
Miscellaneous	13,078	\$ 2,662			15,740
Total - Local Sources	9,796,650	2,662	-	976,156	10,775,468
State Sources	7,370,708			517,727	7,888,435
Federal Sources		192,166			192,166
Total Revenues	17,167,358	194,828	-	1,493,883	18,856,069
EXPENDITURES					
Current:					
Regular Instruction	3,631,964	166,828			3,798,792
Special Education Instruction	1,922,463				1,922,463
Other Special Instruction	318,207				318,207
Support services and undistributed costs:					
Tuition	6,379,571				6,379,571
Student and Instruction Related Services	965,885	28,000			993,885
School Administrative Services	341,827				341,827
Other Administrative Services	362,674				362,674
Plant Operations and Maintenance	723,051				723,051
Pupil Transportation	796,786				796,786
Unallocated Benefits	1,737,837				1,737,837
Debt Service:					
Principal				3,866,086	3,866,086
Interest and Other Charges				171,936	171,936
Capital Outlay	32,229		\$ 15,000		47,229
Total Expenditures	17,212,494	194,828	15,000	4,038,022	21,460,344
Excess (Deficiency) of Revenues Over Expenditures	(45,136)	-	(15,000)	(2,544,139)	(2,604,275)
OTHER FINANCING SOURCES (USES)					
Transfers to Debt Service Fund			(2,567,180)	2,567,180	-
Total other financing sources and uses			(2,567,180)	2,567,180	-
Net Change in Fund Balances	(45,136)	-	(2,582,180)	23,041	(2,604,275)
Fund Balance—July 1	269,288	-	2,584,761	34,139	2,888,188
Fund Balance—June 30	\$ 224,152	-	\$ 2,581	57,180	\$ 283,913

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (2,604,275)

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

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

Depreciation Expense	\$ (531,168)	
Capital Outlays	_____ -	(531,168)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

(179,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

3,866,086

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(3,657)

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. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount.

3,457

Change in Net Position of Governmental Activities

\$ 551,443

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2017

	Business-Type Activities- Enterprise Funds		
	<u>Food Service</u>	<u>Child Care</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 32,203	\$ 257,187	\$ 289,390
Federal and State Accounts Receivable	1,503		1,503
Inventories	4,718		4,718
Total Current Assets	38,424	257,187	295,611
Noncurrent Assets:			
Furniture, Machinery and Equipment	210,000		210,000
Less Accumulated Depreciation	(210,000)		(210,000)
Total Noncurrent Assets			
Total Assets	38,424	257,187	295,611
LIABILITIES			
Current liabilities:			
Interfund Payable		32,733	32,733
Deferred Revenue	2,411		2,411
Total Current Liabilities	2,411	32,733	35,144
Total Liabilities	2,411	32,733	35,144
Net Position			
Invested in Capital Assets Net of Related Debt Unrestricted	36,013	224,454	260,467
Total Net Position	\$ 36,013	\$ 224,454	\$ 260,467

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities- Enterprise Fund			Total Enterprise
	Food Service	Shared Services	Child Care	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 138,939			\$ 138,939
Daily Sales - Non-Reimb.Programs	6,897			6,897
Miscellaneous	207	\$ 56,000	\$ 274,422	330,629
Total Operating Revenues	146,043	56,000	274,422	476,465
Operating Expenses:				
Cost of Sales - Reimbursable Programs	72,512			72,512
Cost of Sales - Non-reimbursable Programs	14,090			14,090
Salaries	64,038	56,000	135,989	256,027
Employee Benefits	13,649		101,197	114,846
Supplies	7,538		71,250	78,788
Other Purchased Professional Services	13,802		16,945	30,747
Tuition			22,000	22,000
Utilities	14,138			14,138
Depreciation	6,820			6,820
Total Operating Expenses	206,587	56,000	347,381	609,968
Operating Income (Loss)	(60,544)		(72,959)	(133,503)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	1,626			1,626
Federal Sources:				
National School Lunch Program	31,420			31,420
Food Distribution Program	10,165			10,165
Total Nonoperating Revenues (Expenses)	43,211			43,211
Income (Loss) Before Contributions and Transfers	(17,333)		(72,959)	(90,292)
Transfers In (Out)	-			-
Change in Net Position	(17,333)		(72,959)	(90,292)
Total Net Position—Beginning	53,346		297,413	350,759
Total Net Position—Ending	\$ 36,013		\$ 224,454	\$ 260,467

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2017

	Business-Type Activities- Enterprise Funds			
	Food Service	Shared Services	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 146,043	\$ 56,000	\$ 274,422	\$ 476,465
Payments to Employees and Benefits	(77,687)	(56,000)	(253,290)	(386,977)
Payments to Suppliers	(111,453)		(110,195)	(221,648)
Net Cash Provided by (used for) Operating Activities	(43,097)	-	(89,063)	(132,160)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	1,587			1,587
Federal Sources	30,613			30,613
Operating Subsidy Transfers from Other Funds	-			-
Net Cash Provided by (used for) Non-Capital Financing Activities	32,200	-	-	32,200
Net Increase (Decrease) in Cash and Cash Equivalents	(10,897)		(89,063)	(99,960)
Balances—Beginning of Year	43,100		346,250	389,350
Balances—End of Year	\$ 32,203	-	\$ 257,187	\$ 289,390
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (60,544)		\$ (72,959)	\$ (133,503)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	6,820			6,820
Federal Commodities	10,165			10,165
(Increase) Decrease in Receivables				
(Increase) Decrease in Inventories	1,467			1,467
Increase (Decrease) in Payables	(1,005)		(16,104)	(17,109)
Total Adjustments	17,447	-	(16,104)	1,343
Net Cash Provided by (used for) Operating Activities	\$ (43,097)	-	\$ (89,063)	\$ (132,160)

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>286,205</u>
Total Assets	\$ <u>286,205</u>
LIABILITIES	
Payroll Deductions and Withholdings	\$ 11,498
Salaries & Wages - Summer Plan	243,608
Payable to Student Groups	<u>31,099</u>
Total Liabilities	\$ <u>286,205</u>
Net Position	
Held in Trust for Claims & Other Purposes	<u><u> </u></u>

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

Notes to Financial Statements

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, an amendment of GASB No. 27. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2015.

A. Reporting Entity:

The Greenwich Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Greenwich Township School District had an approximate enrollment at June 30, 2017, of 738 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

PROPRIETARY FUNDS

The District reports the following proprietary funds:

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

Enterprise (Shared Services) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's shared services of the Chief School Administrator with the Borough of Bloomsbury School District.

Enterprise (Child Care) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's early childhood operations. The child care fund provides preschool services recovered primarily through user charges (tuition).

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund and the Payroll Agency Fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute as the municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all e

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred 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.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position are 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the district would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2017, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking	\$418,901	\$286,205	\$705,106
	\$418,901	\$286,205	\$705,106
	\$418,901	\$286,205	\$705,106

The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$705,106 and the bank balance was \$2,093,338. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,843,338 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2017, consisted of intergovernmental receivables for grants and lunch reimbursements. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$124,868	\$124,943
Federal Aid	-	1,428
Gross Receivable-Governm.	124,868	126,371
Other Receivables	-	-
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$124,868	\$126,371

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 4: INVENTORY

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

Food	\$ 3,582
Supplies	<u>1,136</u>
Total	<u><u>\$ 4,718</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 6: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	\$ 141,428			\$ 141,428
Buildings and Building Improvements	23,569,266			23,569,266
Machinery and Equipment	282,850			282,850
Total at Historical Cost	<u>23,993,544</u>	-		<u>23,993,544</u>
Less Accumulated Depreciation for:				
Land Improvements	(110,660)	\$ (7,072)		(117,732)
Building and Improvements	(8,686,151)	(483,179)		(9,169,330)
Equipment	(218,737)	(40,917)		(259,654)
Total Accumulated Depreciation	<u>(9,015,548)</u>	<u>(531,168)</u>		<u>(9,546,716)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>14,977,996</u>	<u>(531,168)</u>		<u>14,446,828</u>
Government Activity Capital Assets, Net	<u>\$ 14,977,996</u>	<u>\$ (531,168)</u>		<u>\$ 14,446,828</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 478,051
Unallocated	<u>53,117</u>
Total Depreciation Expense	<u>\$ 531,168</u>

NOTE 7: LONG-TERM OBLIGATIONS

Bonds are authorized in accordance with State law by the voters of the district through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2017, are as follows:

	Balance <u>7/1/16</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/17</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 7,837,929	-	\$ (3,866,086)	\$3,971,843	\$1,452,815
Other Liabilities:					
Compensated Absences Payable	151,691	\$3,657		155,348	
Total	<u>\$7,989,620</u>	<u>\$3,657</u>	<u>(\$3,866,086)</u>	<u>\$4,127,191</u>	<u>\$1,452,815</u>

Compensated absences and capital leases have ben liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2017, it is not necessary for the Board to establish a liability for arbitrage rebate.

	<u>Government Activities</u>				
	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Original Issue</u>	<u>Balance June 30, 2017</u>
General School Renovations					
Bonds Payable-Series 2013	3/12/13	2.45%	1/15/21	\$ 1,000,000	\$ 581,843
Bonds Payable-Series 2014	12/23/14	1.25%-1.50%	1/15/18	2,765,000	925,000
Bonds Payable-Series 2016	4/5/16	2.0%	7/1/22	2,510,000	<u>2,465,000</u>
Total Bonds					<u>\$ 3,971,843</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2017, is as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,452,815	\$ 73,580	\$ 1,526,395
2019	539,564	48,406	587,970
2020	551,335	36,864	588,199
2021	563,129	25,079	588,208
2022	430,000	13,000	443,000
2023	435,000	4,350	439,350
	<u>\$ 3,971,843</u>	<u>\$ 201,279</u>	<u>\$ 4,173,122</u>

B. Bonds Authorized But Not Issued

As of June 30, 2017 the Board has \$101,858 of bonds authorized but not issued related to the 2011 window/roof/drainage project

C. Bonds Payable/Advance Refunding:

On March 12, 2013, the District issued general obligation bonds of \$1,000,000 with an interest rate of 2.45%. The bonds mature on January 15, 2018 through 2021. The general obligation bonds were issued to fund the upgrade/renovation project including roof and window replacement at the Stewartsville School and site/drainage improvements at the Greenwich School.

On December 23, 2014, the District issued refunding bonds of \$2,765,000 with an interest rate of 1.00-1.50%. The bonds mature on January 15, 2018. The proceeds were used to refund \$2,650,000 of series 2005 refunding school bonds with interest rates ranging from 3.0% to 5.0%. The refunding bonds are non-callable. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on January 26, 2015. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

On April 4, 2016, \$2,510,000 school bonds were issued to advance refund a portion (\$2,425,000) of the 2006 School Bonds and to pay for interest and issuance costs. The interest rate is 2% and the bonds mature on July 1, 2018 through July 1, 2022.

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies - 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$34,318,581 as measured on June 30, 2016 and \$29,546,288 measured on June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$2,578,564 and revenue of \$2,578,564 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2015 and June 30, 2016.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$7,521,378,257	\$17,440,003,201
Collective deferred inflows of resources	\$554,399,005	\$195,027,919
Collective net pension liability (Nonemployer-State of New Jersey)	\$63,204,270,305	\$78,666,367,052
State's portion of the net pension liability that was associated with the district	\$29,546,288	\$34,318,581
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.046747%	0.043625%

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

Inflation:	2.50%	
Salary Increases:		
Through 2021		Varies based on experience
Therafter		Varies based on experience
Investment Rate of Return:	7.65%	

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

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

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

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2017, the District reported a liability of \$3,177,559 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016, the District's proportion was 0.01073% which was an decrease of 0.00153% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$265,297. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 59,093	-
Changes of assumptions	658,220	
Net difference between projected and actual earnings on pension plan investments	121,163	
Changes in proportion and differences between District contributions and proportionate share of contributions	58,479	\$ 248,966
District contributions subsequent to the measurement date	96,364	
Total	\$ 993,319	\$ 248,966

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

\$96,364 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability measured as of June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2017	\$145,889
2018	145,889
2019	169,017
2020	141,999
2021	<u>45,195</u>
Total	<u>\$647,989</u>

	<u>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$3,578,755,666	\$8,685,338,380
Collective deferred inflows of resources	993,410,455	870,133,595
Collective net pension liability (Non State - Local Group)	\$22,447,996,119	\$29,617,131,759
District's portion of net pension liability	\$2,751,338	\$3,177,559
District's proportion %	0.01225650%	0.01072879%

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

Inflation:	3.08%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds I Absolute	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount rate. The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate. The following presents the Municipality's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	(2.98%)	(3.98%)	(4.98%)
District's proportionate share of the net pension liability	\$ 3,893,728	\$3,177,559	\$ 2,586,300

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member’s final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2017	\$98,879	100 %	-0-
6/30/2016	\$105,373	100	-0-
6/30/2015	\$99,257	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2017	\$489,269	100 %	-0-
6/30/2016	\$349,282	100	-0-
6/30/2015	\$252,733	100	-0-

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 8: PENSION PLANS (Continued)

During the fiscal year ended June 30, 2017, the State of New Jersey did contribute \$896,193 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$342,531 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no district OPEB liability exists.

NOTE 10: DEFERRED COMPENSATION

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

Lincoln National

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 11: COMPENSATED ABSENCES

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the proprietary fund types.

NOTE 12: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 13: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

There are no material threatened litigations, claims or assessments, including unasserted claims and assessments known to the Board of Education.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)- Of the \$224,152 General Fund fund balance at June 30, 2017, \$58,120 is reserved for encumbrances; \$398,614 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$290,714 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$25,338 is reserved as emergency reserve in accordance with P.L. 2007 c.62; \$677 is reserved for Capital Reserve; and (\$258,597) is unreserved and undesignated.

GREENWICH TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$107,900.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 32,733	
Enterprise Fund Fund		\$ 32,733
	<u>\$ 32,733</u>	<u>\$ 32,733</u>

The infund balances represent cash advances to the child care fund.

NOTE 17: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Greenwich Township School District Board of Education by inclusion of \$1. on October 11, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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	\$ 677
Ending Balance, June 30, 2017	<u>\$ 677</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 18: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2016	\$ 25,338
Ending balance June 30, 2017	<u>\$ 25,338</u>

NOTE 19: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,692,044		\$ 9,692,044	\$ 9,692,044	
Tuition from Individuals	50,000		50,000	4,400	\$ (45,600)
Tuition from Other LEA's Within the State	66,000		66,000	87,128	21,128
Miscellaneous	40,000		40,000	13,078	(26,922)
Total - Local Sources	<u>9,848,044</u>		<u>9,848,044</u>	<u>9,796,650</u>	<u>(51,394)</u>
State Sources:					
Equalization Aid	4,770,510		4,770,510	4,770,510	
School Choice Aid	162,660		162,660	162,660	
Transportation Aid	198,562		198,562	198,562	
Special Education Aid	699,575		699,575	699,575	
Security Aid	90,234		90,234	90,234	
Under Adequacy Aid	66,207		66,207	66,207	
PARCC Readiness Aid	11,465		11,465	11,465	
Per Pupil Growth Aid	11,465		11,465	11,465	
Prof. Learning Comm Aid	10,205		10,205	10,205	
Non-Public Transportation Aid	-		-	7,221	7,221
Extraordinary Aid	130,000		130,000	100,791	(29,209)
TPAF Pension (On-Behalf - Non-Budgeted)				488,371	488,371
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				406,924	406,924
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				898	898
TPAF Social Security (Reimbursed - Non-Budgeted)				342,531	342,531
Total State Sources	<u>6,150,883</u>		<u>6,150,883</u>	<u>7,367,619</u>	<u>1,216,736</u>
TOTAL REVENUES	<u>15,998,927</u>		<u>15,998,927</u>	<u>17,164,269</u>	<u>1,165,342</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	87,227	(529)	86,698	86,698	
Grades 1-5 - Salaries of Teachers	1,390,117	101,285	1,491,402	1,491,402	
Grades 6-8 - Salaries of Teachers	999,726	16,266	1,015,992	1,015,992	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(5,000)			
Purchased Professional-Educational Services		175	175	175	
Regular Programs - Undistributed Instruction					
Purchased Technical Services	6,000	(4,189)	1,811	1,811	
Other Purchased Services (400-500 series)	127,273	20,245	147,518	146,668	850
General Supplies	173,303	(27,365)	145,938	77,623	68,315
Other Objects	5,000	(2,805)	2,195	2,195	
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,793,646	98,083	2,891,729	2,822,564	69,165
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	104,157	(40,000)	64,157	60,506	3,651
Other Salaries for Instruction	50,070	(25,000)	25,070	19,525	5,545
Total Multiple Disabilities	154,227	(65,000)	89,227	80,031	9,196
Resource Room/Resource Center:					
Salaries of Teachers	994,267	(38,318)	955,949	950,730	5,219
Other Salaries for Instruction	164,909	(29,682)	135,227	131,157	4,070
General Supplies	4,500		4,500	1,402	3,098
Total Resource Room/Resource Center	1,163,676	(68,000)	1,095,676	1,083,289	12,387
Preschool Disabilities - Part Time:					
Salaries of Teachers	59,105		59,105	55,618	3,487
General Supplies	200		200	151	49
Total Preschool Disabilities - Part Time	59,305		59,305	55,769	3,536

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Home Instruction:					
Salaries of Teachers	3,500	(3,500)			
Purchased Professional-Educational Services	2,500	(2,400)	100	100	
Total Home Instruction	6,000	(5,900)	100	100	
TOTAL SPECIAL EDUCATION - INSTRUCTION					
	1,383,208	(138,900)	1,244,308	1,219,189	25,119
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	318,824	(38,750)	280,074	261,075	18,999
Supplies and Materials	2,000		2,000	237	1,763
Total Basic Skills/Remedial - Instruction:	320,824	(38,750)	282,074	261,312	20,762
Before/After School Programs:					
Salaries of Teachers	30,000	26,794	56,794	56,794	
Purchased Professional and Technical Services	17,500	(17,500)			
Supplies and Materials	2,000	(1,899)	101	101	
Total Before/After School Programs	49,500	7,395	56,895	56,895	
TOTAL INSTRUCTION					
	4,547,178	(72,172)	4,475,006	4,359,960	115,046
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	5,394,039		5,394,039	5,394,039	
Tuition to Other LEAs Within the State-Special	128,000	134,753	262,753	262,169	584
Tuition to County Voc. School Dist.-Regular	73,800		73,800	73,800	
Tuition to CSSD & Regional Day Schools	150,671	(25,935)	124,736	124,736	
Tuition to Priv. Sch. For Disabled within State	488,282	1,626	489,908	489,362	546
Tuition-State Facilities	35,465		35,465	35,465	
Total Instruction	6,270,257	110,444	6,380,701	6,379,571	1,130

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Health Services:					
Salaries	130,813	101	130,914	130,914	
Purchased Professional and Technical Services	4,800		4,800	4,800	
Other Purchased Services (400-500 series)	500	(101)	399	35	364
Supplies and Materials	3,000	15	3,015	2,124	891
Other Objects	300		300	75	225
Total Health Services	139,413	15	139,428	137,948	1,480
Other Supp. Services Students-Related Services:					
Salaries	132,788		132,788	127,695	5,093
Purchased Professional-Educational Services	30,000		30,000	18,274	11,726
Supplies and Materials	1,000		1,000	89	911
Total Other Supp. Services Students-Related Services	163,788		163,788	146,058	17,730
Other Supp. Services Students-Extra. Services:					
Purchased Professional-Educational Services	112,000	(20,000)	92,000	87,950	4,050
Total Other Supp. Services Students-Extra. Services	112,000	(20,000)	92,000	87,950	4,050
Guidance:					
Salaries of Other Professional Staff	113,553	8,294	121,847	121,847	
Purchased Professional-Educational Services	2,500	(2,500)			
Supplies and Materials	2,500	(1,789)	711	681	30
Total Guidance	118,553	4,005	122,558	122,528	30
Child Study Teams:					
Salaries of Other Professional Staff	176,059	(48,175)	127,884	127,884	
Salaries of Secretarial and Clerical Assistants	6,868	1,479	8,347	8,347	
Purchased Professional-Educational Services	5,000	51,782	56,782	56,782	
Misc Pur Serv (400-500 series O/Than Resid Costs)	500	(479)	21		21
Supplies and Materials	3,000	(1,808)	1,192	1,046	146
Total Child Study Teams	191,427	2,799	194,226	194,059	167
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	10,000		10,000	10,000	
Salaries of Other Professional Staff	94,854	23,784	118,638	118,610	28
Supplies and Materials	750	(34)	716	347	369
Other Objects	2,500		2,500	1,821	679
Total Improvement of Instructional Services	108,104	23,750	131,854	130,778	1,076

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Educational Media Services/School Library:					
Salaries	96,105	(1,382)	94,723	94,723	
Other Purchased Services (400-500 series)	2,500	(2,404)	96	96	
Supplies and Materials	58,250	(7,993)	50,257	50,257	
Total Educational Media Services/School Library	156,855	(11,779)	145,076	145,076	
Instructional Staff Training Services:					
Purchased Professional-Educational Services	3,000	(2,311)	689	689	
Other Purchased Services (400-500 series)	3,000	209	3,209	799	2,410
Total Instructional Staff Training Services	6,000	(2,102)	3,898	1,488	2,410
Supp. Services - General Administration:					
Salaries	136,772	1,196	137,968	127,206	10,762
Legal Services	10,000	14,500	24,500	21,841	2,659
Audit Fees	15,000	(1,100)	13,900	13,900	
Architectural/Engineering Services		798	798	798	
Other Purchased Professional Services	23,215	1,071	24,286	24,286	
Communications/Telephone	33,000	(16,345)	16,655	9,693	6,962
BOE Purchased Services	3,500		3,500	2,626	874
Other Purchased Services (400-500 series)	12,909		12,909	12,076	833
General Supplies	1,500		1,500	1,348	152
BOE In-house Training/Meeting Supplies	100		100		100
Miscellaneous Expenditures	3,475	292	3,767	3,767	
BOE Membership Dues & Fees	7,000	(219)	6,781	6,491	290
Total Supp. Services - General Administration	246,471	193	246,664	224,032	22,632
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	179,774	914	180,688	180,598	90
Salaries of Other Professional Staff	31,000		31,000	31,000	
Salaries of Secretarial and Clerical Assistants	124,744	(914)	123,830	123,435	395
Purchased Professional and Technical Services	2,500		2,500		2,500
Other Purchased Services (400-500 series)	2,500		2,500	553	1,947
Supplies and Materials	10,000		10,000	5,033	4,967
Other Objects	2,400		2,400	1,208	1,192
Total Support Services - School Administration	352,918		352,918	341,827	11,091

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Central Services:					
Salaries	61,037	5,605	66,642	66,642	
Purchased Professional Services	62,500		62,500	62,500	
Misc. Purchased Services (400-500 series)	6,500		6,500	6,500	
Supplies and Materials	1,000	(888)	112	112	
Total Central Services	131,037	4,717	135,754	135,754	
Admin Information Technology:					
Purchased Technical Services	22,000	(19,112)	2,888	2,888	
Total Admin Information Technology	22,000	(19,112)	2,888	2,888	
Required Maintenance for School Facilities:					
Salaries	17,331	85	17,416	17,409	7
Cleaning, Repair and Maintenance Services	60,000	2,193	62,193	58,973	3,220
General Supplies	10,000	(1,112)	8,888	8,881	7
Total Required Maintenance for School Facilities	87,331	1,166	88,497	85,263	3,234
Other Operations and Maintenance of Plant:					
Salaries	227,307	19,180	246,487	240,624	5,863
Purchased Professional and Technical Services	5,000	8,323	13,323	13,323	
Cleaning, Repair and Maintenance Services	16,000	7,197	23,197	23,197	
Other Purchased Property Services	50,000	(6,760)	43,240	43,240	
Insurance	39,218		39,218	39,218	
Miscellaneous Purchased Services	250	(250)			
General Supplies	28,000	(14,732)	13,268	13,268	
Energy (Natural Gas)	40,000	(719)	39,281	39,281	
Energy (Electricity)	162,546	63,611	226,157	224,837	1,320
Total Other Operations and Maintenance of Plant	568,321	75,850	644,171	636,988	7,183
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	5,000	(4,200)	800	800	
General Supplies	750	(750)			
Total Care and Upkeep of Grounds	5,750	(4,950)	800	800	

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Sal. for Pupil Trans (Bet Home & Sch) -Reg.	29,419	(6,172)	23,247	23,247	
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	22,984	5,304	28,288	25,636	2,652
Contracted Services (Between Home and School)-Vendors	350,000	(21,390)	328,610	323,980	4,630
Contracted Services (Other than Between Home and School)-Vendors	5,000	(1,444)	3,556		3,556
Contracted Services (Between Home and School)-Joint Agrmts.	20,000	(20,000)			
Contracted Services (Special Education Students)-Vendors	390,000	(5,791)	384,209	384,209	
Contracted Services (Reg. Students)-ESC's & CTSA's	44,500	(4,786)	39,714	39,714	
Total Student Transportation Services	861,903	(54,279)	807,624	796,786	10,838
ALLOCATED BENEFITS					
Health Benefits	762,851	76,886	839,737	798,902	40,835
Tuition Reimbursement	15,000	(2,641)	12,359	10,498	1,861
Health Benefits-Special Programs	703,328		703,328	703,274	54
TOTAL ALLOCATED BENEFITS	1,481,179	74,245	1,555,424	1,512,674	42,750
UNALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	95,000	(12,387)	82,613	81,358	1,255
Other Retirement Contributions - PERS	105,000	(6,121)	98,879	98,879	
Unemployment Compensation	22,500	2,387	24,887	24,800	87
Workman's Compensation	58,691	(2,798)	55,893	55,893	
Health Benefits	270,033	(76,886)	193,147	193,147	
Tuition Reimbursement		11,204	11,204	11,204	
Other Employee Benefits	40,440		40,440	33,832	6,608
Total Regular Programs-Instruction	591,664	(84,601)	507,063	499,113	7,950
TOTAL ALLOCATED AND UNALLOCATED BENEFITS	2,072,843	(10,356)	2,062,487	2,011,787	50,700
UNALLOCATED BENEFITS					
On-behalf TPAF pension Contrib. (non-budgeted)				488,371	(488,371)
On-behalf TPAF PRM Contrib. (non-budgeted)				406,924	(406,924)
On-behalf TPAF pension LTD Ins. (non-budgeted)				898	(898)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				342,531	(342,531)
TOTAL ON-BEHALF CONTRIBUTIONS				1,238,724	(1,238,724)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	2,072,843	(10,356)	2,062,487	3,250,511	(1,188,024)
TOTAL UNDISTRIBUTED EXPENDITURES	11,614,971	100,361	11,715,332	12,820,305	(1,104,973)

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL GENERAL CURRENT EXPENSE	16,162,149	28,189	16,190,338	17,180,265	(989,927)
CAPITAL OUTLAY					
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Assessment for Debt Service on SDA Funding	32,229		32,229	32,229	
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	32,229		32,229	32,229	
TOTAL CAPITAL OUTLAY	32,229		32,229	32,229	
TOTAL EXPENDITURES	16,194,378	28,189	16,222,567	17,212,494	(989,927)
Excess (Deficiency of Revenues Over(Under) Expenditures	(195,451)	(28,189)	(223,640)	(48,225)	175,415
Fund Balance, July 1	857,670		857,670	857,670	
Fund Balance, June 30	\$ 662,219	(28,189)	\$ 634,030	\$ 809,445	\$ 175,415
Recapitulation:					
Restricted for:					
Excess Surplus				107,900	
Excess Reserve - Designated for Subsequent Year's Expenditures				290,714	
Capital Reserve				677	
Emergency Reserve				25,338	
Assigned to:					
Reserve for Encumbrances				58,120	
Unassigned:					
Unrestricted Fund Balance				326,696	
Fund Balance per Governmental Funds(Budgetary Basis)				809,445	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(585,293)	
Fund Balance per Governmental Funds(GAAP Basis B-2)				\$ 224,152	

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources	\$ 5,861	-	\$ 5,861	\$ 2,662	\$ (3,199)
Federal Sources	192,166	-	192,166	192,166	-
Total Revenues	198,027		198,027	194,828	(3,199)
EXPENDITURES:					
Instruction					
Professional and Tech. Services	20,100	-	20,100	20,100	
Tuition	133,923	-	133,923	133,923	
General Supplies	16,004	-	16,004	12,805	3,199
Total Instruction	170,027		170,027	166,828	3,199
Support Services					
Salary of Supervisor of Instruction	28,000		28,000	28,000	
Total Support Services	28,000		28,000	28,000	
Total Expenditures	198,027		198,027	194,828	3,199
Total Outflows	\$ 198,027	-	\$ 198,027	\$ 194,828	\$ 3,199
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)	None				
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis	<u>None</u>				
Fund Balance per Governmental Funds(GAAP Basis)	None				

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2017

**Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 17,164,269	\$ 194,828
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	588,382	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(585,293)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 17,167,358</u>	<u>\$ 194,828</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 17,212,494	\$ 194,828
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 17,212,494</u>	<u>\$ 194,828</u>

**Greenwich Township School District
 Required Supplementary Information - Part III
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years ***

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 34,318,581</u>	<u>\$ 29,546,288</u>	<u>\$ 25,414,052</u>	<u>\$ 22,701,674</u>						
Total	<u>\$ 34,318,581</u>	<u>\$ 29,546,288</u>	<u>\$ 25,414,052</u>	<u>\$ 22,701,674</u>						
District's covered employee payroll	\$ 4,811,413	\$ 5,016,780	\$ 4,499,358	\$ 4,436,910						
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A						
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%						

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

Exhibit L-1

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.010728786%	0.0122564967%	0.0120401185%	0.0117326339%						
District's proportionate share of the net pension liability (asset)	<u>\$ 3,177,559</u>	<u>\$ 2,751,338</u>	<u>\$ 2,254,239</u>	<u>\$ 2,242,339</u>						
District's covered employee payroll	\$ 713,810	\$ 921,231	\$ 736,653	\$ 753,908						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	445.15%	298.66%	306.01%	297.43%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	40.14%	47.92%	52.08%	48.72%						

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**Greenwich Township School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years ***

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution **	N/A	N/A	N/A	N/A						
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A						
Contribution deficiency (excess)	N/A	N/A	N/A	N/A						
District's covered employee payroll	\$ 4,811,413	\$ 5,016,780	\$ 4,499,358	\$ 4,436,910						
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A						

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 98,879	\$ 105,373	\$ 99,257	88,403						
Contributions in relation to the contractually required contribution	<u>(98,879)</u>	<u>(105,373)</u>	<u>(99,257)</u>	<u>(88,403)</u>						
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>						
District's covered employee payroll	\$ 713,810	\$ 921,231	\$ 736,653	\$ 753,908						
Contributions as a percentage of covered-employee payroll	13.85%	11.44%	13.47%	11.73%						

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

GREENWICH TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension Schedules

For the Fiscal Year Ended June 30, 2017

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. 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.

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

Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

<p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p>
--

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2017

	Title I Part A	Title I I Part A	IDEA Basic	IDEA Pre-Sch.	Target Grant	Autism Allaince	Totals
REVENUES							
Local Sources					\$ 98	\$ 2,564	\$ 2,662
Federal Sources	\$ 40,045	\$ 8,055	\$ 133,923	\$ 10,143			192,166
TOTAL REVENUES	40,045	8,055	133,923	10,143	98	2,564	194,828
EXPENDITURES:							
Instruction:							
Professional and Tech. Services	12,045	8,055					20,100
Tuition			133,923				133,923
General Supplies				10,143	98	2,564	12,805
Total Instruction	12,045	8,055	133,923	10,143	98	2,564	166,828
Support Services:							
Salary of Supervisor of Instruction	28,000						28,000
Total Support Services	28,000						28,000
TOTAL EXPENDITURES	40,045	8,055	133,923	10,143	98	2,564	194,828
Total Outflows	40,045	8,055	133,923	10,143	98	2,564	194,828
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

**CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2017

	<u>Approval</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2017</u>		
					<u>Prior Years</u>	<u>Current Year</u>			
Stewartsville School Window/Roof Replacement/Greenwich School Site Drainage Improvements	Voters	1/25/11	\$ 1,864,800	\$ 1,630,837	\$ 1,573,657	\$ 57,180	-		
Solar Energy Project	Board of Education	2015	60,000	102,642	85,061	15,000	\$ 2,581		
					<u>\$ 1,924,800</u>	<u>\$ 1,733,479</u>	<u>\$ 1,658,718</u>	<u>\$ 72,180</u>	<u>\$ 2,581</u>

Fund Balances, June 30, 2017 \$ 2,581

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2017

Revenues and Other Financing

Sources/(Uses):

Transfer of Unexpended Project Balance to Debt Service Reserve	\$ (57,180)
Transfer of Bond Proceeds - Series 2016 Refunding Bonds to Debt Service Fund	<u>(2,510,000)</u>
Total Revenues	<u>(2,567,180)</u>

Expenditures and Other Financing

Uses

Professional Fees	15,000
Construction Services	<u>-</u>
Total Expenditures	<u>15,000</u>

Excess(deficiency) of revenues over(under) expenditures	(2,582,180)
---	-------------

Fund Balance - Beginning	<u>2,584,761</u>
--------------------------	------------------

Fund Balance - Ending	<u><u>\$ 2,581</u></u>
-----------------------	------------------------

**CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
STEWARTSVILLE SCHOOL WINDOW/ROOF REPLACEMENT; GREENWICH SCHOOL SITE/DRAINAGE
IMPROVEMENTS**

From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 630,837		\$ 630,837	\$ 630,837
Transfer to Debt Service Reserve		\$ (57,180)	(57,180)	
Serial Bond Proceeds	1,000,000	-	1,000,000	1,000,000
Total Revenues	<u>1,630,837</u>	<u>(57,180)</u>	<u>1,573,657</u>	<u>1,630,837</u>
Expenditures and Other Financing Sources				
Professional Fees	\$ 247,355		\$ 247,355	250,000
Construction Services	1,326,302		1,326,302	1,380,837
Total Expenditures	<u>1,573,657</u>	<u>-</u>	<u>1,573,657</u>	<u>1,630,837</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 57,180</u>	<u>\$ (57,180)</u>	<u>\$ -</u>	

Project Fund Balance, 6/30/17 \$ -

Additional project information:

Project Number	1840-070-10-1001; 1840-070-10-1002; 1840-070-10-1003
Grant Date	8/30/2010
Bond Issued Date	3/12/2013
Bond Authorization Date	1/25/2011
Bonds Authorized	\$1,864,800
Bonds Issued	\$1,000,000
Original Authorized Cost	\$1,864,800
Additional Authorized Cost	-\$233,963
Revised Authorized Cost	\$1,630,837
Percentage Increase over Original Authorized Cost	7.08%
Percentage Completion	100%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2014

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit F-2b

**CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
SOLAR ENERGY PROJECT**

From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources				
Private Contribution	\$ 102,642		\$ 102,642	\$ 102,642
Total Revenues	<u>102,642</u>	-	<u>102,642</u>	<u>102,642</u>
Expenditures and Other Financing Sources				
Professional Fees	\$ 45,061	\$ 15,000	\$ 60,061	62,642
Purchased Professional and Technical Services	40,000		40,000	40,000
Total Expenditures	<u>85,061</u>	<u>15,000</u>	<u>100,061</u>	<u>102,642</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 17,581</u>		<u>\$ 2,581</u>	

Project Fund Balance, 6/30/17 \$ 2,581

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	\$60,000
Additional Authorized Cost	\$42,642
Revised Authorized Cost	\$102,642
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2014
Revised Target Completion Date	6/30/2015

<p style="text-align: center;">PROPRIETARY FUND DETAIL STATEMENTS</p>
--

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

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

<p style="text-align: center;">FIDUCIARY FUND DETAIL STATEMENTS</p>
--

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	<u>AGENCY FUNDS</u>		<u>TOTALS</u>
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>	
ASSETS:			
Cash and Cash Equivalents	\$ 31,099	\$ 255,106	\$ 286,205
TOTAL ASSETS	<u>31,099</u>	<u>255,106</u>	<u>286,205</u>
LIABILITIES:			
Liabilities:			
Payroll Deductions and Withholdings		\$ 11,498	\$ 11,498
Salaries & Wages - Summer Plan		243,608	243,608
Payable to Student Groups	\$ 31,099		31,099
Total Liabilities	<u>31,099</u>	<u>255,106</u>	<u>286,205</u>
Net Position			
Held in Trust for			
Claims and Other Purposes			-
TOTAL LIABILITIES AND NET POSITION	<u>\$ 31,099</u>	<u>\$ 255,106</u>	<u>\$ 286,205</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2016</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2017</u>
Student Activity Accounts	\$ 28,763	-	\$ 116,971	\$ 114,635	\$ 31,099
Totals	\$ 28,763	-	\$ 116,971	\$ 114,635	\$ 31,099

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 242,457	\$ 6,803,137	\$ 6,790,488	\$ 255,106
Total Assets	<u>\$ 242,457</u>	<u>\$ 6,803,137</u>	<u>\$ 6,790,488</u>	<u>\$ 255,106</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 7,008	\$ 3,072,760	\$ 3,068,270	\$ 11,498
Accrued Salaries and Wages	<u>235,449</u>	<u>3,730,377</u>	<u>3,722,218</u>	<u>243,608</u>
Total Liabilities	<u>\$ 242,457</u>	<u>\$ 6,803,137</u>	<u>\$ 6,790,488</u>	<u>\$ 255,106</u>

LONG-TERM DEBT SCHEDULES

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

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2017**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE July 1, 2016</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE June 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>					
2013 Series School Bonds Window Replacement/Site Drainage	3/12/13	\$ 1,000,000	1/15/18	\$ 142,815	2.45%	\$ 722,929		\$ (141,086)	\$ 581,843
			1/15/19	144,564	2.45%				
			1/15/20	146,335	2.45%				
			1/15/21	148,129	2.45%				
2014 Series School Bonds- Refunding 2005 School Bonds	12/23/14	2,765,000	1/15/18	925,000	1.500%	1,835,000		(910,000)	925,000
2006 Series School Bonds- Refunding 2001 School Bonds School Addition Project	7/6/06	4,520,000	7/1/16	345,000	3.500%	2,770,000		(2,770,000)	-
			7/1/16	2,425,000	to 4.250%				
2016 Series School Bonds- Refunding 2006 School Bonds	4/5/16	2,510,000	7/1/17	385,000	2.000%	2,510,000		(45,000)	2,465,000
			7/1/18	395,000	2.000%				
			7/1/19	405,000	2.000%				
			7/1/20	415,000	2.000%				
			7/1/21	430,000	2.000%				
			7/1/22	435,000	2.000%				
Total						<u>\$ 7,837,929</u>	<u>\$ -</u>	<u>\$ (3,866,086)</u>	<u>\$ 3,971,843</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 976,156		\$ 976,156	\$ 976,156	-
State Sources:					
Debt Service Aid Type II	517,727		517,727	517,727	
TOTAL REVENUES	1,493,883	-	1,493,883	1,493,883	-
EXPENDITURES:					
Regular Debt Service:					
Interest	86,936	\$ 85,000	171,936	171,936	-
Redemption of Principal	1,441,086	2,425,000	3,866,086	3,866,086	-
Total Regular Debt Service	1,528,022	2,510,000	4,038,022	4,038,022	-
TOTAL EXPENDITURES	1,528,022	2,510,000	4,038,022	4,038,022	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,139)	(2,510,000)	(2,544,139)	(2,544,139)	-
<u>Other Financing Sources:</u>					
Operating Transfers In:					
2016 Bond Proceeds from Capital Projects Fund		2,510,000	2,510,000	2,510,000	-
Unexpended Project Balance from Capital Projects Fund				57,180	\$ 57,180
Total Financing Sources	-	2,510,000	2,510,000	2,567,180	57,180
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(34,139)	-	(34,139)	23,041	57,180
Fund Balance, July 1	34,139		34,139	34,139	-
Fund Balance, June 30	-	-	-	57,180	57,180
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

GREENWICH Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	92-97
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	98-101
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	102-105
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	106-107
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	108-112

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

**Greenwich Township School District
Net Position by Component,
Last Ten Fiscal Years**

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,080,352	\$ 3,891,031	\$ 4,402,005	\$ 5,637,005	\$ 7,235,106	\$ 7,252,593	\$ 8,165,585	\$ 8,808,908	\$ 7,140,067	\$ 10,474,985
Restricted	2,045,733	1,659,424	747,180	574,309	655,115	531,600	488,937	598,097	512,180	424,629
Unrestricted	(366,449)	(680,748)	(788,793)	(116,142)	(1,229,511)	(490,869)	(2,773,992)	(2,674,682)	(68,986)	(2,764,910)
Total governmental activities Net Position	<u>\$ 4,759,636</u>	<u>\$ 4,869,707</u>	<u>\$ 4,360,392</u>	<u>\$ 6,095,172</u>	<u>\$ 6,660,710</u>	<u>\$ 7,293,324</u>	<u>\$ 5,880,530</u>	<u>\$ 6,732,323</u>	<u>\$ 7,583,261</u>	<u>\$ 8,134,704</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 91,790	\$ 85,098	\$ 76,489	\$ 64,325	\$ 57,812	\$ 40,339	\$ 29,166	\$ 17,993	\$ 6,820	\$ -
Restricted									-	-
Unrestricted	51,672	51,751	47,484	135,792	110,147	92,250	161,445	287,971	343,939	260,467
Total business-type activities Net Position	<u>\$ 143,462</u>	<u>\$ 136,849</u>	<u>\$ 123,973</u>	<u>\$ 200,117</u>	<u>\$ 167,959</u>	<u>\$ 132,589</u>	<u>\$ 190,611</u>	<u>\$ 305,964</u>	<u>\$ 350,759</u>	<u>\$ 260,467</u>
District-wide										
Invested in capital assets, net of related debt	\$ 3,172,142	\$ 3,976,129	\$ 4,478,494	\$ 5,701,330	\$ 7,292,918	\$ 7,292,932	\$ 8,194,751	\$ 8,826,901	\$ 7,146,887	\$ 10,474,985
Restricted	2,045,733	1,659,424	747,180	574,309	655,115	531,600	488,937	598,097	512,180	424,629
Unrestricted	(314,777)	(628,997)	(641,309)	19,650	(1,119,364)	(398,619)	(2,612,547)	(2,386,711)	274,953	(2,504,443)
Total district Net Position	<u>\$ 4,903,098</u>	<u>\$ 5,006,556</u>	<u>\$ 4,584,365</u>	<u>\$ 6,295,289</u>	<u>\$ 6,828,669</u>	<u>\$ 7,425,913</u>	<u>\$ 6,071,141</u>	<u>\$ 7,038,287</u>	<u>\$ 7,934,020</u>	<u>\$ 8,395,171</u>

Source: CAFR Schedule A-1

GreenwichTownship School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,023,907	\$ 4,963,085	\$ 5,156,261	\$ 4,845,458	\$ 4,794,881	\$ 4,770,961	\$ 4,547,184	\$ 5,054,540	\$ 6,647,145	\$ 6,316,785
Special education	1,621,193	1,683,557	1,538,025	1,499,990	1,509,108	1,855,193	1,930,427	2,237,095	1,653,607	2,519,922
Other special instruction	331,154	286,852	243,918	198,661	302,293	463,309	514,232	615,294	358,256	318,207
Support Services:										
Tuition	2,573,939	2,777,661	2,628,589	3,076,798	3,073,629	4,423,854	5,576,032	6,192,453	6,094,356	6,379,571
Student & instruction related services	1,304,833	1,358,650	1,685,994	1,335,706	1,327,221	1,156,456	1,337,037	1,485,340	1,358,716	1,591,344
School administrative service	317,029	330,982	332,110	396,381	441,338	456,518	462,909	514,634	554,649	686,669
General and business admin.services	872,204	830,816	859,182	680,084	584,406	507,416	517,752	407,055	515,740	591,232
Plant operations and maintenance	1,186,874	1,163,493	1,154,066	943,374	952,956	720,048	747,741	829,021	823,458	939,580
Pupil transportation	795,535	990,879	963,560	658,841	653,682	681,102	738,955	733,554	795,714	796,786
Capital Outlay							84,736	88,490		
Interest on long-term debt	701,025	657,352	609,658	546,008	542,629	473,999	423,158	254,828	253,632	253,825
Total governmental activities expenses	<u>14,727,693</u>	<u>15,043,327</u>	<u>15,171,363</u>	<u>14,181,301</u>	<u>14,182,143</u>	<u>15,508,856</u>	<u>16,880,163</u>	<u>18,412,304</u>	<u>19,055,273</u>	<u>20,393,921</u>
Business-type activities:										
Food service	193,643	199,510	224,799	205,138	208,907	194,613	188,881	185,001	188,665	206,587
Shared Services									56,000	56,000
Child Care				45,493	189,258	182,768	155,437	166,676	228,865	347,381
Total business-type activities expense	<u>193,643</u>	<u>199,510</u>	<u>224,799</u>	<u>250,631</u>	<u>398,165</u>	<u>377,381</u>	<u>344,318</u>	<u>351,677</u>	<u>473,530</u>	<u>609,968</u>
Total district expenses	<u>\$ 14,921,336</u>	<u>\$ 15,242,837</u>	<u>\$ 15,396,162</u>	<u>\$ 14,431,932</u>	<u>\$ 14,580,308</u>	<u>\$ 15,886,237</u>	<u>\$ 17,224,481</u>	<u>\$ 18,763,981</u>	<u>\$ 19,528,803</u>	<u>\$ 21,003,889</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	\$ 44,000	\$ 47,900	\$ 15,250	\$ 2,500					74,714	\$ 91,528
Operating grants and contributions	6,620,727	7,190,179	7,297,465	7,176,767	7,556,109	\$ 2,247,628	\$ 2,168,851	\$ 3,341,636	\$ 9,439,208	10,169,896
Capital grants and contributions	-	-	-	-	-	-	690,837	42,642	-	-
Total governmental activities program revenues	<u>6,664,727</u>	<u>7,238,079</u>	<u>7,312,715</u>	<u>7,179,267</u>	<u>7,556,109</u>	<u>2,247,628</u>	<u>2,859,688</u>	<u>3,384,278</u>	<u>9,513,922</u>	<u>10,261,424</u>
Business-type activities:										
Charges for services										
Business and other support services	152,534	159,884	160,177	287,631	308,221	297,733	355,902	417,293	466,928	476,258
Operating grants and contributions	31,085	34,486	42,109	39,119	45,423	50,066	45,886	48,891	41,614	43,211
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>183,619</u>	<u>194,370</u>	<u>202,286</u>	<u>326,750</u>	<u>353,644</u>	<u>347,799</u>	<u>401,788</u>	<u>466,184</u>	<u>508,542</u>	<u>519,469</u>
Total district program revenues	<u>\$ 6,848,346</u>	<u>\$ 7,432,449</u>	<u>\$ 7,515,001</u>	<u>\$ 7,506,017</u>	<u>\$ 7,909,753</u>	<u>\$ 2,595,427</u>	<u>\$ 3,261,476</u>	<u>\$ 3,850,462</u>	<u>\$ 10,022,464</u>	<u>\$ 10,780,893</u>
Net (Expense)/Revenue										
Governmental activities	\$ (8,062,966)	\$ (7,805,248)	\$ (7,858,648)	\$ (7,002,034)	\$ (6,626,034)	\$ (13,261,228)	\$ (14,020,475)	\$ (15,028,026)	\$ (9,541,351)	\$ (10,132,497)
Business-type activities	(10,024)	(5,140)	(22,513)	76,119	(44,521)	(29,582)	57,470	114,507	35,012	(90,499)
Total district-wide net expense	<u>\$ (8,072,990)</u>	<u>\$ (7,810,388)</u>	<u>\$ (7,881,161)</u>	<u>\$ (6,925,915)</u>	<u>\$ (6,670,555)</u>	<u>\$ (13,290,810)</u>	<u>\$ (13,963,005)</u>	<u>\$ (14,913,519)</u>	<u>\$ (9,506,339)</u>	<u>\$ (10,222,996)</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,678,820	\$ 6,699,025	\$ 6,699,025	\$ 6,699,025	\$ 6,981,458	\$ 7,121,087	\$ 7,933,509	\$ 9,192,179	\$ 9,376,022	\$ 9,692,044
Taxes levied for debt service	918,756	899,772	934,188	1,096,028	1,117,623	1,126,717	1,133,532	991,034	958,465	976,156
Investment earnings	131,790	36,393	8,934	4,253	11,971	507	507	382	6,276	13,077
Miscellaneous income	62,551	89,384	67,606	74,566	159,511	95,921	57,331	75,484	43,578	2,663
Federal and State Aid for Capital Assets Project	-	-	-	762,942	-	5,549,610	5,725,141	5,620,740		
Transfers	-	(4,434)	-	-	-	-	-	-	-	-
Total governmental activities	7,791,917	7,720,140	7,709,753	8,636,814	8,270,563	13,893,842	14,850,020	15,879,819	10,384,341	10,683,940
Business-type activities:										
Investment earnings						512	552	846	9,783	207
Transfers	108	4,527	3,637	25	6,712	(6,300)	-	-	-	-
Total business-type activities	108	4,527	3,637	25	6,712	(5,788)	552	846	9,783	207
Total district-wide	\$ 7,792,025	\$ 7,724,667	\$ 7,713,390	\$ 8,636,839	\$ 8,277,275	\$ 13,888,054	\$ 14,850,572	\$ 15,880,665	\$ 10,394,124	\$ 10,684,147
Change in Net Position										
Governmental activities	\$ (271,049)	\$ (85,108)	\$ (148,895)	\$ 1,634,780	\$ 1,644,529	\$ 632,614	\$ 829,545	\$ 851,793	\$ 842,990	\$ 551,443
Business-type activities	(9,916)	(613)	(18,876)	76,144	(37,809)	(35,370)	58,022	115,353	44,795	(90,292)
Total district	\$ (280,965)	\$ (85,721)	\$ (167,771)	\$ 1,710,924	\$ 1,606,720	\$ 597,244	\$ 887,567	\$ 967,146	\$ 887,785	\$ 461,151

Source: CAFR Schedule A-2

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

Exhibit J-3

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Fiscal Year Ending June 30,</u>		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
					<u>2012</u>	<u>2013</u>				
General Fund										
Reserved	\$ 2,045,733	\$ 1,659,424	\$ 793,101	\$ 637,055	\$ 1,151,694	\$ 875,466	\$ 376,220	\$ 477,363	\$ 540,369	\$ 482,749
Unreserved	60,993	(181,222)	(303,203)	(99,841)			(234,358)	(222,216)	(271,081)	(258,597)
Total general fund	<u>\$ 2,106,726</u>	<u>\$ 1,478,202</u>	<u>\$ 489,898</u>	<u>\$ 537,214</u>	<u>\$ 1,151,694</u>	<u>\$ 875,466</u>	<u>\$ 141,862</u>	<u>\$ 255,147</u>	<u>\$ 269,288</u>	<u>\$ 224,152</u>
All Other Governmental Funds										
Reserved				\$ 1,464,795	\$ 12,734	\$ 26,122	\$ 112,717	\$ 120,734	\$ 2,510,000	-
Unreserved, reported in:										
Special revenue fund									34,139	\$ 57,180
Capital projects fund				(850,382)	(1,474,509)	(567,689)		17,581	74,761	2,581
Debt service fund				38,106					-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,519</u>	<u>\$(1,461,775)</u>	<u>\$ (541,567)</u>	<u>\$ 112,717</u>	<u>\$ 138,315</u>	<u>\$ 2,618,900</u>	<u>\$ 59,761</u>

Source: CAFR Schedule B-1

**Greenwich Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues										
Tax levy	\$ 7,597,576	\$ 7,598,797	\$ 7,633,213	\$ 7,795,053	\$ 8,099,081	\$ 8,247,804	\$ 9,067,041	\$ 10,183,213	\$ 10,334,487	\$ 10,668,200
Tuition	44,000	47,900	15,250	2,500	4,920	19,289	15,585	43,484	74,714	91,528
Miscellaneous	194,341	125,777	76,540	78,819	166,562	77,138	102,253	75,024	49,854	15,740
State sources	6,295,961	6,844,661	6,009,095	7,548,077	7,113,457	7,553,303	8,286,176	7,636,888	7,776,416	7,888,435
Federal sources	324,766	345,518	1,288,370	391,632	442,652	243,936	238,653	210,706	208,007	192,166
Total revenue	14,456,644	14,962,653	15,022,468	15,816,081	15,826,672	16,141,470	17,709,708	18,149,315	18,443,478	18,856,069
Expenditures										
Instruction										
Regular Instruction	3,384,413	3,313,130	3,479,123	3,147,100	3,044,046	2,911,420	2,776,111	2,695,108	4,878,392	3,798,792
Special education instruction	1,229,527	1,257,497	1,163,571	1,104,802	1,106,324	1,284,941	1,315,262	1,315,597	1,274,547	1,922,463
Other special instruction	251,150	214,258	184,533	146,322	221,610	294,946	332,254	341,710	358,256	318,207
Support Services:										
Tuition	2,573,939	2,777,661	2,628,589	3,076,798	3,073,629	4,423,854	5,576,032	6,192,453	6,094,356	6,379,571
Student & instruction related services	989,597	1,014,815	1,275,515	983,800	972,983	894,425	1,032,447	1,004,569	979,656	993,885
School administrative services	240,438	247,220	251,253	291,950	323,544	321,521	323,614	328,411	335,863	341,827
Other administrative services	610,072	620,560	650,002	480,481	428,427	417,321	454,039	331,489	370,730	362,674
Plant operations and maintenance	900,136	869,046	873,092	694,832	698,610	645,944	672,496	673,900	686,080	723,051
Pupil transportation	795,535	990,879	963,560	658,841	653,682	681,102	726,223	725,383	795,714	796,786
Unallocated employee benefits	2,580,383	2,595,768	2,714,870	2,564,104	2,799,639	2,666,250	2,676,282	2,774,880	1,106,574	1,737,837
Summer School									-	-
Charter School									-	-
Capital Outlay	17,000	9,400	85,030	198,262	1,383,592	130,865	94,818	88,490	38,197	47,229
Debt service:										
Principal	1,050,000	1,050,000	1,155,000	1,250,000	1,360,000	1,385,000	1,410,000	1,272,692	1,364,379	3,866,086
Interest and other charges	678,324	626,509	585,634	519,954	497,458	439,901	399,450	265,750	176,008	171,936
Total expenditures	15,300,514	15,586,743	16,009,772	15,117,246	16,563,544	16,497,490	17,789,028	18,010,432	18,458,752	21,460,344
Excess (Deficiency) of revenues over (under) expenditures	(624,090)	(987,304)	698,835	(736,872)	(356,020)	(79,320)	138,883	(15,274)	(15,274)	(2,604,275)
Other Financing Sources (uses)										
Bond Proceeds						1,000,000		-	2,510,000	-
Transfers in										
Transfers out		(4,434)								
Total other financing sources (uses)	-	(4,434)	-	-	-	1,000,000	-	-	2,510,000	-
Net change in fund balances	\$ (624,090)	\$ (991,738)	\$ 698,835	\$ (736,872)	\$ (356,020)	\$ 920,680	\$ 138,883	\$ (15,274)	\$ 2,494,726	\$ (2,604,275)
Debt service as a percentage of noncapital expenditures	11.3%	10.8%	10.9%	11.9%	12.2%	11.2%	10.2%	8.6%	8.4%	18.9%

Source: CAFR Schedule B-2

GREENWICH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Donations</u>	<u>Tuition</u>	<u>Recreation</u> <u>Club Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 131,790		\$ 1,000	\$ 1,959	\$ 20,765	\$ 38,827	194,341
2009	36,393		13,646	47,900	28,390	47,348	173,677
2010	8,934	\$ 3,019	6,031	15,250		56,014	89,248
2011	2,989	38,895	1,980	2,500		33,390	79,754
2012	11,971	2,469		4,920		141,057	160,417
2013	6,322	10,665		19,289		49,596	85,872
2014	507			15,585		40,422	56,514
2015	382			43,484		29,544	73,410
2016	6,276	14,842		74,714		26,646	122,478
2017	13,077			91,528		1	104,606

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2008	\$4,047,000	\$470,971,990	\$11,579,300	\$2,201,200	\$87,616,600	\$14,947,300	\$604,347,324	\$11,359,760	\$1,624,174	\$592,987,564	\$1.283	\$810,621,323
2009	2,631,200	473,284,390	11,673,600	2,186,100	86,629,100	14,947,300	604,711,699	11,616,960	1,743,049	593,094,739	1.280	828,914,477
2010	1,878,700	474,696,200	11,730,800	2,217,500	88,422,900	14,947,300	607,362,891	11,705,250	1,764,241	595,657,641	1.283	835,757,738
2011	1,539,200	475,227,800	11,741,100	2,134,800	90,179,400	14,947,300	610,204,634	12,688,750	1,746,284	597,515,884	1.305	803,071,826
2012	2,265,100	476,841,900	11,692,900	1,825,400	91,303,500	14,947,300	613,741,836	13,260,050	1,605,686	600,481,786	1.348	763,817,299
2013	1,552,300	475,689,290	12,016,700	2,116,900	91,446,700	14,947,300	612,553,317	13,171,760	1,612,367	599,381,557	1.378	718,538,826
2014	1,552,300	475,715,790	11,490,900	2,106,900	90,038,300	14,947,300	610,871,950	13,545,860	1,474,600	597,326,090	1.403	698,679,281
2015	1,584,900	476,451,890	11,255,500	2,107,500	88,842,100	13,379,500	608,767,965	13,844,360	1,302,215	594,923,605	1.824	662,008,327
2016	1,763,700	477,120,490	10,995,300	2,105,300	88,853,100	13,379,500	608,870,100	13,844,360	808,350	595,025,740	1.737	692,237,632
2017	1,584,900	477,897,690	11,109,300	2,080,000	89,248,300	12,949,100	609,567,221	13,955,160	742,771	595,612,061	1.794	683,881,544

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Greenwich Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Greenwich Township Board of Education						Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Greenwich Township	Library	Warren County	
2008	\$1.128	\$0.155	\$1.283	\$0.398	\$0.073	\$0.766	\$2.520
2009	\$1.128	\$0.152	\$1.280	\$0.414	\$0.073	\$0.778	\$2.545
2010	\$1.126	\$0.157	\$1.283	\$0.425	\$0.073	\$0.762	\$2.543
2011	\$1.122	\$0.183	\$1.305	\$0.455	\$0.065	\$0.759	\$2.584
2012	\$1.162	\$0.186	\$1.348	\$0.478	\$0.062	\$0.749	\$2.637
2013	\$1.190	\$0.188	\$1.378	\$0.480	\$0.040	\$0.775	\$2.673
2014	\$1.228	\$0.175	\$1.403	\$0.480	\$0.040	\$0.792	\$2.715
2015	\$1.646	\$0.178	\$1.824	\$0.482	\$0.040	\$0.859	\$3.205
2016	\$1.576	\$0.161	\$1.737	\$0.484	\$0.040	\$0.856	\$3.117
2017	\$1.630	\$0.164	\$1.794	\$0.504	\$0.040	\$0.838	\$3.176

Source: District Records and Municipal Tax Collector

Note:

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

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

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

**Greenwich Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Greenwich Station	\$ 19,485,500	1	3.24%			
Lowe's Home Centers, Inc.	14,295,500	2	2.38%			
Inland Western Pburg Greenwich, LLC	14,000,000	3	2.33%			
Medarex, Inc.	11,467,800	4	1.91%			
Target Corp.	10,000,000	5	1.67%			
Starwood, Ceruzzi Phillipsburg, LLC	7,202,600	6	1.20%			
Greenwich Commons, II, LLC	3,250,000	7	0.54%			
OM SAI, Inc.	2,388,900	8	0.40%			
Polaris Warren, LLC	2,130,400	9	0.35%			
Rellum Realty	1,987,800	10	0.33%	\$ 963,700	7	0.59%
Koh-I-Noor, Inc.				6,933,750	1	4.25%
Tamburro Realty				2,205,100	2	1.35%
Greenwich Chase				1,330,500	4	0.82%
New Jersey Bell				1,249,016	5	0.77%
Phillipsburg Easton Honda				1,040,600	6	0.64%
Preston Trucking				738,000	8	0.45%
Quaker City Motor Parts				700,900	9	0.43%
Superior Quartz				685,800	10	0.42%
Total	<u>\$ 86,208,500</u>		<u>14.36%</u>	<u>\$ 15,847,366</u>		<u>9.72%</u>

Source: District CAFR & Municipal Tax Assessor

**Greenwich Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$7,597,576	\$7,597,576	100.00%	-
2009	\$7,598,797	\$7,598,797	100.00%	-
2010	\$7,633,213	\$7,633,213	100.00%	-
2011	\$7,795,053	\$7,795,053	100.00%	-
2012	\$8,099,081	\$8,099,081	100.00%	-
2013	\$8,247,804	\$8,247,804	100.00%	-
2014	\$9,067,041	\$9,067,041	100.00%	-
2015	\$10,183,213	\$10,183,213	100.00%	-
2016	\$10,334,487	\$10,334,487	100.00%	-
2017	\$10,668,200	\$10,668,200	100.00%	-

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	\$14,445,000	-0-	-0-	-0-	-0-	\$14,445,000	6.43%	\$2,820
2009	\$13,395,000	-0-	-0-	-0-	-0-	\$13,395,000	6.14%	\$2,620
2010	\$12,240,000	-0-	-0-	-0-	-0-	\$12,240,000	5.57%	\$2,405
2011	\$11,005,000	-0-	-0-	\$ 1,864,800	-0-	\$12,869,800	5.02%	\$2,257
2012	\$9,645,000	-0-	-0-	\$ 1,864,800	-0-	\$11,509,800	4.40%	\$2,032
2013	\$9,260,000	-0-	-0-	\$ 864,800	-0-	\$10,124,800	3.88%	\$1,803
2014	\$7,850,000	-0-	-0-	\$ 864,800	-0-	\$8,714,800	3.22%	\$1,568
2015	\$6,692,308	-0-	-0-	-0-	-0-	\$6,692,308	2.37%	\$1,205
2016	\$7,837,929	-0-	-0-	-0-	-0-	\$7,837,929	2.77%	\$1,411
2017	\$3,971,843	-0-	-0-	-0-	-0-	\$3,971,843	1.41%	\$718

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

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$14,445,000	-0-	\$14,445,000	2.44%	\$2,820
2009	\$13,395,000	-0-	\$13,395,000	2.26%	\$2,620
2010	\$12,240,000	-0-	\$12,240,000	2.05%	\$2,405
2011	\$11,005,000	-0-	\$11,005,000	1.84%	\$2,257
2012	\$9,645,000	-0-	\$9,645,000	1.61%	\$2,032
2013	\$9,260,000	-0-	\$9,260,000	1.54%	\$1,803
2014	\$7,850,000	-0-	\$7,850,000	1.31%	\$1,568
2015	\$6,692,308	-0-	\$6,692,308	1.12%	\$1,205
2016	\$7,837,929	-0-	\$7,837,929	1.32%	\$1,411
2017	\$3,971,843	-0-	\$3,971,843	0.67%	\$718

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**Greenwich Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2017**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Township of Greenwich	\$ 1,813,325	100.000%	\$ 1,813,325
Other debt Warren County	3,435,000	6.328%	<u>217,375</u>
Subtotal, overlapping debt			2,030,700
Greenwich Township School District Direct Debt			<u>3,971,843</u>
Total direct and overlapping debt			<u><u>\$ 6,002,543</u></u>

Sources: Township Finance Officer, Warren County Finance Office
and Utility Authorities

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized valuation basis	
2014	689,696,050
2015	681,285,703
2016	675,834,231
[A]	<u>\$ 2,046,815,984</u>

Average equalized valuation of taxable property **[A/3]** \$ 682,271,995

Debt limit (3 % of average equalization value) **[B]** 20,468,160

Net school debt **[C]** 3,971,843

Legal debt margin **[B-C]** **\$ 16,496,317**

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$23,690,775	\$24,427,134	\$24,515,570	\$23,827,014	\$22,718,021	\$21,705,236	\$20,768,196	\$20,486,109	\$20,340,027	\$ 20,468,160
Total net debt applicable to limit	<u>14,445,000</u>	<u>13,395,000</u>	<u>12,240,000</u>	<u>12,971,658</u>	<u>11,611,658</u>	<u>10,226,658</u>	<u>8,816,658</u>	<u>6,794,166</u>	<u>7,837,929</u>	<u>3,971,843</u>
Legal debt margin	<u>\$9,245,775</u>	<u>\$11,032,134</u>	<u>\$12,275,570</u>	<u>\$10,855,356</u>	<u>\$11,106,363</u>	<u>\$11,478,578</u>	<u>\$11,951,538</u>	<u>\$13,691,943</u>	<u>\$12,502,098</u>	<u>\$16,496,317</u>
Total net debt applicable to the limit as a percentage of debt limit	60.97%	54.84%	49.93%	54.44%	51.11%	47.12%	42.45%	33.16%	38.53%	19.40%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2008	5,123	\$ 224,679,411	\$43,857 R	3.3%
2009	5,112	\$ 218,246,616	\$42,693 R	6.0%
2010	5,090	\$ 219,821,830	\$43,187 R	6.1%
2011	5,703	\$ 256,161,651	\$44,917 R	5.7%
2012	5,664	\$ 261,518,208	\$46,172 R	8.9%
2013	5,616	\$ 261,115,920	\$46,495 R	9.3%
2014	5,558	\$ 270,368,910	\$48,645 R	5.5%
2015	5,555	\$ 282,760,610	\$50,902 R	4.5%
2016	5,556	\$ 282,811,512	\$50,902 *	4.3%
2017	5,528	\$ 281,386,256	\$50,902 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

R =Revised

P =Projected

* Current data unavailable

**Greenwich Township School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

N/A

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	<hr/>		<hr/>	<hr/>		<hr/>
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:
No reliable information is available at the local or county level.

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

Exhibit J-16

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	61	65	59	45	47	46	46	49	49	49
Special education	35	29	33	29	33	29	29	25	27	27
Other special education										
Support Services:										
Student & instruction related services	20	18	15	13	14	15	14	15	15	15
School administrative services	4	4	4	5	5	5	6	7	7	7
Business administrative services	5	5	5	2	2	2	2	2	2	2
Central Services and admin IT	3	3	2	2	2	2	1	1	1	1
Plant operations and maintenance	11	10	11	7	7	7	6.5	6.5	6.5	6.5
Food Service										
Total	139	134	129	103	110	106	105	105.5	107.5	107.5

Source: District Personnel Records

**Greenwich Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary & Middle					
2008	999	\$13,555,190	13,569	8.60%	96	n/a		1,003.9	962.5	1.23%	95.9%
2009	983	13,900,834	14,141	4.22%	94	n/a		986.0	934.0	-1.78%	94.7%
2010	968	14,184,108	14,653	3.62%	90	n/a		974.8	922.4	-1.14%	94.6%
2011	903	13,149,030	14,561	-0.62%	77	n/a		905.8	868.9	-7.08%	95.9%
2012	870	13,322,494	15,313	5.16%	80	n/a		870.7	838.3	-3.88%	96.3%
2013	854	14,541,724	17,028	11.20%	77	n/a		854.2	821.6	-1.90%	96.2%
2014	816	15,884,760	19,467	14.32%	75	n/a		811.9	786.2	-4.95%	96.8%
2015	817	16,383,500	20,053	3.01%	74	n/a		811.5	779.3	-0.05%	96.0%
2016	760	16,918,365	22,261	11.01%	74	n/a		760.9	731.8	-6.24%	96.2%
2017	738	17,422,322	23,607	6.05%	72	n/a		728.3	698.9	-4.28%	96.0%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)
- d Enrollment for FY2009 forward includes student counts for tuition students.

**Greenwich Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>District Building</u>										
<u>Elementary</u>										
GREENWICH (2001)										
Square Feet	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146	91,146
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	687	669	661	584	557	546	505	520	488	475
<u>Middle School</u>										
STEWARTSVILLE (1969)										
Square Feet	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815	54,815
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	312	314	307	319	313	308	311	297	272	263

Number of Schools at June 30, 2017

Source: District records, ASSA

Elementary = 1

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2017

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Stewartsville School	070	\$ 39,520	\$ 40,706	\$ 48,729	\$ 48,729	\$ 48,729	\$ 20,076	\$ 55,804	\$ 52,738	\$ 77,401	\$ 77,401	\$ 509,833
Greenwich School	999	<u>64,480</u>	<u>65,394</u>	<u>79,506</u>	<u>2,994</u>	<u>44,297</u>	<u>29,401</u>	<u>40,227</u>	<u>12,412</u>	<u>39,027</u>	<u>7,862</u>	<u>385,600</u>
Total School Facilities		104,000	106,100	128,235	51,723	93,026	49,477	96,031	65,150	116,428	85,263	385,600
Other Facilities		<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Grand Total		<u>\$ 104,000</u>	<u>\$ 106,100</u>	<u>\$ 128,235</u>	<u>\$ 51,723</u>	<u>\$ 93,026</u>	<u>\$ 49,477</u>	<u>\$ 96,031</u>	<u>\$ 65,150</u>	<u>\$ 116,428</u>	<u>\$ 85,263</u>	<u>\$ 385,600</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMPREHENSIVE PACKAGE POLICY - School Alliance Insurance Fund		
Property-Blanket Building and Contents	\$ 250,000,000	\$ 2,500
Employee Dishonesty (Per Loss)	400,000	1,000
Money and Securities (in and out)	2,500,000	1,000
Comprehensive General Liability:		
Occurrence Limit	5,000,000	1,000
Comprehensive Automobile Liability	5,000,000	1,000
Workers' Compensation	5,000,000	1,000
Forgery	50,000	1,000
Computer Fraud	50,000	1,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance Company		
School Board Secretary/School Business Administrator	195,000	
Treasurer of School Monies	193,000	

SOURCE: District Records

Single Audit Section



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Anthony Ardito, CPA, RMA, CMFO, PSA
 Douglas R. Williams, CPA, RMA, PSA

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

Honorable President and
 Members of the Board of Education
 Greenwich Township School District
 County of Warren
 Stewartsville, New Jersey 08886

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Greenwich Township School District Board of Education in the County of Warren, 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 Greenwich Township School District Board of Education's basic financial statements, and have issued our report thereon dated August 31, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and for New Jersey Department of Education use, 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ardito & Co., LLP

ARDITO & CO., LLP
August 31, 2017

Cynthia Cecile

Licensed Public School Accountant No.2369



ARDITO & Co., LLP

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Anthony Ardito, CPA, RMA, CMFO, PSA
 Douglas R. Williams, CPA, RMA, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Greenwich Township School District
 County of Warren
 Stewartsville, New Jersey 08886

Report on Compliance for Each Major State Program

We have audited the Greenwich Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2017. The Greenwich Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

-Continued-

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

ARDITO & Co., LLP

ARDITO & CO., LLP
August 31, 2017

Carmen Cecile

Licensed Public School Accountant No.2369

GREENWICH TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2017

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2016	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2017			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund:															
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 4,770,510			\$ 4,770,510	\$ (4,770,510)							*	\$ 463,744 \$ 4,770,510
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	162,660			162,660	(162,660)							*	15,812 162,660
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	198,562			198,562	(198,562)							*	68,006 198,562
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	699,575			699,575	(699,575)							*	8,772 699,575
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	90,234			90,234	(90,234)							*	19,302 90,234
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	66,207			66,207	(66,207)							*	6,436 66,207
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	11,465			11,465	(11,465)							*	1,114 11,465
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	11,465			11,465	(11,465)							*	1,114 11,465
Prof Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	10,205			10,205	(10,205)							*	993 10,205
Non-Public Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16		\$ (5,386)		5,386								*	
Non-Public Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	7,221				(7,221)			\$ (7,221)				*	7,221
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16		(97,935)		97,935								*	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	100,791				(100,791)			(100,791)				*	100,791
On Behalf TPAF Pension	17-495-034-5094-002	7/1/16-6/30/17	488,371			488,371	(488,371)							*	488,371
On Behalf TPAF Pension PRM	17-495-034-5094-001	7/1/16-6/30/17	406,924			406,924	(406,924)							*	406,924
On Behalf TPAF Pension LTD Ins	17-495-034-5094-004	7/1/16-6/30/17	898			898	(898)							*	898
Reimbursed TPAF Soc.Secur.Contrib.	17-495-034-5094-003	7/1/16-6/30/17	342,531	(990)		326,665	(342,531)			(16,856)				*	342,531
Total General Fund				<u>(104,311)</u>		<u>7,347,062</u>	<u>(7,367,619)</u>			<u>(124,868)</u>				*	<u>585,293 7,367,619</u>
Debt Service Fund:															
Debt Service Aid Type 2	17-100-034-5120-124	7/1/16-6/30/17	517,727			517,727	(517,727)							*	517,727
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	16-100-010-3350-023	7/1/16-6/30/16		(35)		35								*	
Nat.School Lunch Prog.(State Share)	17-100-010-3350-023	7/1/16-6/30/17	1,626			1,551	(1,626)			(75)				*	1,626
Total Enterprise Fund				<u>(35)</u>		<u>1,586</u>	<u>(1,626)</u>			<u>(75)</u>				*	<u>1,626</u>
Total State Financial Assistance				<u>\$ (104,346)</u>		<u>\$ 7,866,375</u>	<u>\$ (7,886,972)</u>			<u>\$ (124,943)</u>				*	<u>\$ 585,293 \$ 7,886,972</u>
							896,193								
															\$ (6,990,779)

Less: On-behalf TPAF Pension Amounts 896,193

Total State Expenditures Subject to Major Program Determination \$ (6,990,779)

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Greenwich Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Greenwich Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,089 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,370,708	\$ 7,370,708
Special Revenue Fund	\$ 192,166	-	192,166
Debt Service Fund		517,727	517,727
Food Service Fund	<u>41,585</u>	<u>1,626</u>	<u>43,211</u>
Total Financial Assistance	<u>\$ 233,751</u>	<u>\$ 7,890,061</u>	<u>\$ 8,123,812</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes __x__ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes __x__ None

Reported

Noncompliance material to financial statements noted? ___ Yes __x__ No

Federal Awards

N/A

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section II-Financial Statement Findings

N/A

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with *Government Auditing Standards*.

Section III - State Financial Assistance Findings and Questioned Costs

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.