

***NEW HANOVER TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017***

**SCHOOL DISTRICT
OF
NEW HANOVER TOWNSHIP**

***New Hanover Township Board of Education
Wrightstown, New Jersey***

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

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of

NEW HANOVER TOWNSHIP BOARD OF EDUCATION

WRIGHTSTOWN, NEW JERSEY

For the Fiscal Year Ended June 30, 2017

Prepared by

***New Hanover Township Board of Education
Business Office***

STATE BOARD OF EDUCATION

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**Kimberly Harrington Commissioner of Education
Secretary, State Board of Education**

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INTRODUCTORY SECTION

NEW HANOVER TOWNSHIP SCHOOL DISTRICT



(New Hanover Township Elementary School)

NEW HANOVER TOWNSHIP
BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
New Hanover Township * Wrightstown Borough

122 Fort Dix Street
Wrightstown NJ 08562
609-723-2139

www.newhanover.k12.nj.us

Dr. Richard Wiener, Superintendent
Scott Larkin, Principal

November 21, 2017

Honorable President and
Members of the Board of Education
New Hanover Township School District
County of Burlington
Wrightstown, New Jersey 08562

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the New Hanover Township School District (District) for the fiscal year ended June 30, 2017 is hereby submitted in accordance with Governmental Accounting Standards Board Statement 34 and 44. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Hanover Township School Board of Education (Board.). To the best of our knowledge and belief, 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 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 as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors.
- The Financial Section includes the basic 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 Single Audit Section which states that 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 States, 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 independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION

The New Hanover Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District as included in this report. The New Hanover Township School Board of Education constitutes the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for handicapped students. The District completed the 2016-2017 fiscal year with an average daily enrollment of 186.22 students. Enrollment is defined as students on roll and students placed out of District. Established in 1939, the District is one building. Encompassing over 35,582 square feet, one floor, one gym, and full service cafeteria make up the District’s school facilities.

The District is classified as a consolidated school district. This is different than being classified as a regional school district. The tax levy percentage is set by the County Tax Assessor based on an equalized value calculation. The Board of Education composition does not require a certain number of representatives from each town. Both towns vote on board members from each district.

The district receives students from the Borough of Wrightstown and the Township of New Hanover. The students attend the school until 8th grade. High School students attend Bordentown Regional High School or they can choose to attend the County Vocational School District. With the enactment of the “School Choice” law, students can also choose to attend a choice school in nearby towns. The school and towns are rich in New Jersey history, being centered next door to Fort Dix and near to McGuire Air Force Base. The school is friendly, warm, and full of school pride.

The Board of Education is comprised of seven members. The Board of Education meets on the third Thursday of the month for regular board meetings. In the months of February, March, May, June, August and September, there are two meetings per month. All other months have one meeting per month. The meeting format changed in 2013, from individual committees to a committee of the whole structure. When there are two meetings a month, the first meeting is for discussion of agenda items and little action is taken. The

action meeting is the second meeting of the month. During its meetings the board determines District goals and priorities and conducts the business of the Board of Education. All Board meetings are open to the public and begin at 7 p.m. in the school library, unless a time change is needed which is then properly advertised.

The New Hanover Township PTO is very active in the District and provides community support for a variety of programs and activities for the students. Many fundraisers are held throughout the year, with advertising on the District's website, which helps support many aspects of the school. It is a wonderful community organization who has the students first and foremost.

The current District website of www.newhanover.k12.nj.us is an extensive website that both staff and parents can utilize to find out anything they need to know about the District. Parents can e-mail teachers at any time. Additionally, all staff members have telephone extensions to communicate with parents if that is an easier way to reach them. The district has also purchased subscription to an "instant alert" program which enables further communication to parents/guardians about events at the school.

EDUCATIONAL PROGRAM/REPORTING ENTITY AND ITS SERVICES

As stated earlier, the District completed the 2016-2017 fiscal year with an average daily enrollment of 186.22 students. Enrollment is defined as students on roll and students placed out of District. The following details the changes in the student enrollment of the District over the past few years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2016-2017	186.22	-.29
2015-2016	186.76	.57
2014-2015	185.71	-1.47
2013-2014	188.49	.05
2012-2013	188.40	4.46
2011-2012	180	----
2010-2011	181	11
2009-2010	163	.25
2008-2009	161	10
2007-2008	147	-16

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. The school follows the District-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that make up that particular school. All curricula in our District are under review for update to meet recent changes to the New Jersey Core Curriculum Content Standards.

Elementary School: Currently the Administrative makeup of the building is that of a Superintendent who is present two times a week and a full time Principal. In July 2015, the district entered into a Business Service Agreement with another district for Superintendent Services two days a week. This is a five year contract which will give the district stability in the position of Superintendent. In July 2014 the district created a Supervisor of Curriculum/Instruction position in an effort to focus on student achievement. The Child Study Team services are contracted out through a shared services agreement with the North Hanover School District. There is one nurse. All of these new positions have helped the district raise their QSAC (Quality Single Accountability Continuum) scores. New programs, such as an afterschool extra help program, and homework club focus on assisting students in their educational studies.

The school is unique in the sense that while it is small, it offers many after school activities and sports programs for all students to participate in. Every winter there is the traditional Holiday Music Concert, and in the spring there is a musical play. Clubs such as Safety Patrol, Yearbook, Student Council, and Junior Beta allow all students to participate in a school activity. The following sports are available for all students-cheerleading, soccer, basketball (both boys and girls). The soccer team finished another consecutive year of being undefeated. During the school year there are many activities for the students to become involved in.

Starting in the 2016-2017 school year, in an answer to a very large wait list for preschool, the district changed from full day preschool to single session preschool. Surprisingly, the turnout was not as anticipated and in the 2017-2018 school year the district switched back to full day preschool. Increased Title 1 funds have also allowed for an afterschool and summer program for at risk students. These programs have allowed the district's test scores to increase. The county office has been very pleased with the hard work that has been invested in the educational program at New Hanover Township School District.



Family Make Bake and Take Pizza Night

The school can be best described as a warm, friendly and a full of school spirit environment.

New Hanover Township School offers a comprehensive educational program that was developed to meet the needs of all students, whether they are in the need of advanced placement courses, remedial instruction, or something in between.

Core Curriculum Contents Standards

Our instruction and support materials are in line with the New Jersey Core Curriculum Contents Standards. District curricula are under review in order to meet the changes of Common Core Standards and recently imposed changes by the NJ Department of Education. New curriculum was written over the summers of 2013, 2014, 2015, 2016 and 2017 along with purchasing of new textbooks to be aligned to the newly written curriculum.

Staff Development

The New Hanover Township School District provides its teaching staff with many opportunities for professional development.

New teachers have an additional day dedicated to new teacher training. A teacher's manual is given to all new teachers as well as an assigned mentor to provide support throughout the school year.

In the beginning of the year, one full day is dedicated to staff development. The teachers meet in the morning for sessions, have lunch, and then in the afternoon have breakout sessions regarding the training.

During the year there are different days dedicated to staff development. The topics can range from bullying, character education, technology diversification and assessment. The teachers spend the morning in workshops, have lunch and then in the afternoon have breakout sessions to work on their assessments. Faculty members are also afforded, upon board approval, professional development outside of the District. Since 2013-2014, the district has worked with Global Institute for Maximizing Potential to train faculty members in Math and Language Arts. This organization was so successful that they have been expanded to run a Title 1 summer and after School Program along with continuing with the professional development work with the faculty.

The new regulations for teacher evaluation, which New Hanover Township School District implemented successfully PARCC (Partnership for Assessment of Readiness for College and Careers) testing.

In 2014-2015 the district implemented Achieve 3000- a self-guided reading assessment program for grades 5-8. This program was so successful in integrating reading and tying into PARCC testing that it has been expanded to start at grade 3.

The district continues to stay in compliance with reporting of HIB instances. The Administration works diligently to make all students, board members, and staff aware of such compliance.

Technology:

The District's technology plan was approved and the District is moving forward with Technology. They currently do not have a full time Technology Supervisor, but are very fortunate to have a staff member whose responsibilities include overseeing technology in the District. The district does employ an outside technology consulting company who assists the district with purchasing, support, and maintenance of the information technology within the district. Recently the time allotted was increased for the outside consultant due to increased purchases in technology.

The district budgets funds each year to enhance and upgrade their technology in the district. Additionally, the PTO has been very supportive in purchasing technology for the district.

Business Office

The business office is comprised of the following individuals: School Business Administrator (Business Services Agreement) and two Administrative Assistants. This office is responsible for financially running the school District. Increased workload due to challenges faced from State and Federal mandates, while maintaining current staff levels, continues to be a challenge. The office is continually looking to streamline costs and find

new opportunities for the District. The office continues to be a hard working component of the entire District.



Welcome to our Home

ECONOMIC CONDITION AND OUTLOOK

Wrightstown and New Hanover are in transition mode development-wise. A new development is planned for the center of Wrightstown, and the community looks to stay stabilized with a leveling off of new housing and a concentration on ratable income being brought into the towns. As of this writing, the development is still being revised. Joint Base McGuire-Dix-Lakehurst is still active, which has helped lessen the economic hardships being felt in nearby towns. The activity of the military base has a direct financial connection to the district in the form of 8002 Impact Aid. The district receives monies from the Federal Government for Impact Aid due to the acreage of the Fort. Any major change in the status of the Fort will have a direct financial impact to the School District.

In New Hanover (also known as Cookstown), there is construction of new homes- not a large number, but still positive for the town. In 2013 the Board of Education approved a demographic study to see where the population is currently at and where it is estimated to be in the next few years. The outcome of the demographic study was a predicted increase of 45 students over the next 5 years. The district discussed the results of the study at a board meeting in spring 2014 and also continued to discuss enrollment in September 2015. Enrollment has leveled off and for now, there are no major plans for expansion of the school.

MAJOR INITIATIVES

Adding onto the summer 2011 multi-million dollar renovation project, in summer 2012 the district renovated all parking lots in the district. The front parking lot, formerly in a U shape with a grass field was renovated to include additional parking spaces, ADA compliance, and a better drainage system. The back parking lot was reconfigured to allow for safer student pick up and drop off. New drainage systems were installed to address some water issues due to the grading of the land. This project has been a success. In summer 2014 the district applied for and received funding for a ROD IV grant. These projects were completed during summer 2015. The main projects were a new front door security vestibule and air conditioning of the gymnasium. There are some minor projects planned for the future, but no commitments have been made from the facilities committee of the Board of Education.

The district is currently working on continued projects to steer them into the future of the 79 year old school district –

- Addressing Choice Schools which are now competing for New Hanover students (and the state aid that goes with each student)
- Balancing the school budget with restrictions in place from the state of NJ.
- Preparing all students for a successful high school education.
- Working on an efficient use of space in the district

The Board works closely with the Superintendent and Business Administrator to develop goals and objectives for the District.

INTERNAL CONTROLS

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

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

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

The District Business Office has finally settled into a new normal. The office and all paperwork involved in running the district have been filed on a timely basis and operating procedures and controls are in place. Both Business Service Agreements of the Superintendent and Business Administrator cannot function successfully without the hard work, commitment and dedication of the office staff personnel from the Business, General and Child Study Team Offices. The future looks bright in the business office with a completed Standard Operating Procedure Manual along with a planned Purchasing Manual for additional compliance with auditing standards.

BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance at fiscal year-end. 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. These funds are explained in "Notes to the Financial Statements", Note 1.

DEBT ADMINISTRATION

As of June 30, 2017 the District has no debt.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. 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 governmental units from a loss of funds on deposit with a failed banking institute in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

The Board carried 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.



We've got kindness- how about you?

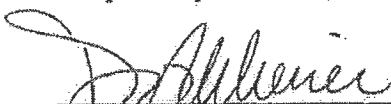
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In 2013 the district went out on RFP for a new auditing firm. The firm of Cannone and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1984, as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements, combining, 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.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

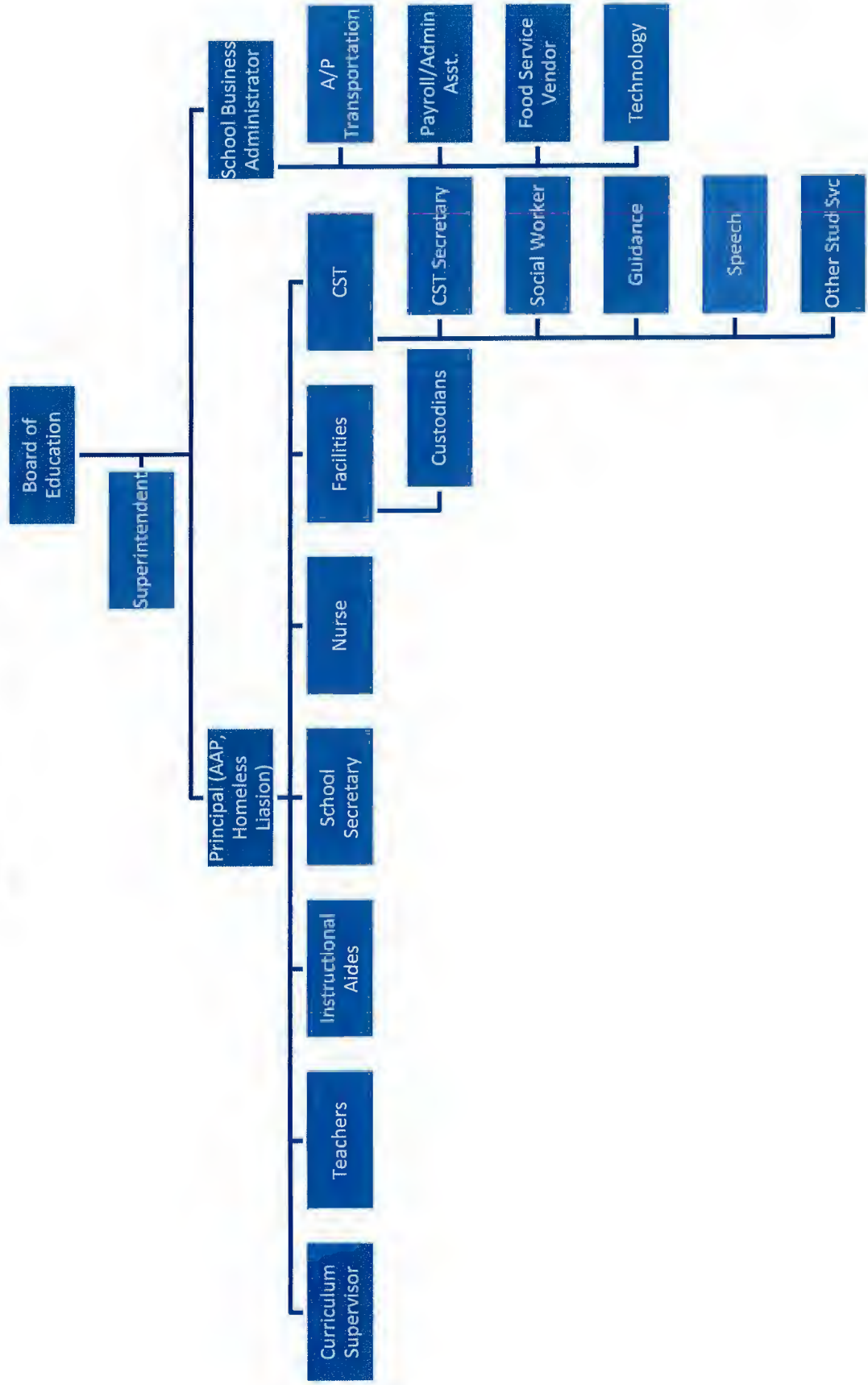


Dr. Richard Wiener,
Superintendent of Schools



Mrs. Maria Parry, CPA, PSA, SFO
School Business Administrator/
Secretary to the Board

New Hanover Township School District Organizational Chart



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Roohr, President	2017
Carli Haas, Vice President	2018
Christel Beck	2018
William Castner	2017
Christina Ford	2019
Rick Martin	2019
Drew Slater	2019

Other Officials

Dr. Richard Weiner, Superintendent

Maria Anne Parry, CPA, PSA, SFO, School Business Administrator/Board Secretary

Schoolwide Solutions, Reconciling Agent

Kenny, Gross, Kovats & Parton, Solicitor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2017**

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorneys

Kenny, Gross, Kovats & Parton
Michael J. Gross
130 Maple Avenue, Building 8
Red Bank, NJ 07701

Official Depositories

TD Bank

Beneficial Bank

BB & T

FINANCIAL SECTION

Certified Public Accountants

485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:

American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
New Hanover Township School District
County of Burlington
Wrightstown, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Hanover Township School District Board of Education, in the County of Burlington, 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 compromise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general 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. 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 financial statements.

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

Opinions

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

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 20 through 28 and 73 through 84 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Hanover Township School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of New Hanover 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 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 New Hanover Township School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants
Springfield, New Jersey

November 30, 2017

***REQUIRED SUPPLEMENTARY INFORMATION
PART I***

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999.

Financial Highlights

Key financial highlights for 2017 are as follows:

In total, net assets decreased \$986,914, which represents an approximate 10 percent decrease from 2016.

Breaking down the detail of the statement of net assets, for governmental activities one will see that total assets of such governmental activities decreased by \$714,302 as cash and cash equivalents and investments decreased by \$1,373,975 and restricted cash increased by \$599,773.

New Hanover Township had \$6,644,660 in expenses; only \$851,080 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$1,656,225, federal and state aid unrestricted in the amount of \$3,103,195, and miscellaneous income in the amount of \$47,246 were adequate to provide for these programs. Of these total revenues of \$5,657,746, there was \$6,644,660 in expenditures. The General Fund's fund balance decreased \$986,914 over 2016.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand New Hanover 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.

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of New Hanover Township School:

District-Wide Financial Statements (Statement of Net Assets and Statement of Activities)

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the New Hanover Township’s overall financial status.

Fund Financial Statements

- The remaining statements are fund financial statements that focus on individual parts of New Hanover Township, reporting New Hanover Township’s operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities New Hanover Township operates like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationships in which New Hanover Township School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of New Hanover Township School Board of Education’s budget for the year.

**Figure A-1
Major Features of District-Wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	•Statement of net assets •Statement of activities	•Balance sheet •Statement of revenues, expenditures, and changes in fund balances	•Statement of net assets •Statement of revenues, expenses, and changes in fund net assets •Statement of cash flows	•Statement of fiduciary net assets •Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of assets/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term, and long-term. Monmouth Regional's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions, during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of New Hanover Township School’s financial statements, including the portion of New Hanover Township’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Continued

Fund Financial Statements (Continued)

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, New Hanover Township School, presenting both an aggregate view of New Hanover Township's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental fund, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of New Hanover Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by New Hanover Township to provide programs and activities, the view of New Hanover Township School, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016-2017?" The Statement of Net Assets 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 businesses. These bases 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 District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of New Hanover Township School has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the Percent of Share property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, New Hanover Township School is divided into two district kinds of activities:

Governmental activities – All of New Hanover Township School'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 New Hanover Township School's Most Significant Funds Fund Financial Statements

Fund financial reports provide detailed information about New Hanover Township School's funds. The District uses many funds to account for a multitude of financial transactions. New Hanover Township School's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows in 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 New Hanover Township

Governmental Funds (Continued)

District's general government operations and the basic services it provides. Governmental fund information helps the reader 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of New Hanover Township School as a whole. Net assets may serve over time as a useful indicator of a government's financial position. New Hanover Township's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of New Hanover Township School's net assets for 2017 with comparative amounts for 2016.

Table A-1
Summary of Net Assets

	NHTS Total 2017	NHTS Total 2016	Increase (Decrease) From 2016	Total Percentage Change 2016-2017
Current and Other Assets	\$ 3,787,869	\$ 4,319,849	\$ (531,980)	-12.31%
Capital Assets	6,150,493	6,331,765	\$ (181,272)	-2.86%
Total Assets	\$ 9,938,362	\$ 10,651,614	\$ (713,252)	-6.70%
Long-Term Debt Outstanding	\$ 128,175	\$ 127,841	\$ 334	0.26%
Deferred Pension Liability	1,332,167	1,060,078		100.00%
Other Liabilities	8,631	7,390	\$ 1,241	16.79%
Total Liabilities	\$ 1,468,973	\$ 1,195,309	\$ 1,575	0.13%
Net Assets:				
Invested in capital assets, net of related debt	\$ 6,123,053	\$ 6,310,411	\$ (187,358)	-2.97%
Restricted	3,279,239	4,033,376	\$ (754,137)	-18.70%
Unrestricted	(932,902)	(887,483)	\$ (45,419)	5.12%
Total Net Assets	\$ 8,469,390	\$ 9,456,304	\$ (986,914)	-10.44%

Continued

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2017 with comparative amounts for 2016.

**Table A-2
Summary of Changes in Net Assets**

	NHSD Total 2017	NHSD Total 2016	Increase (Decrease) 2016	Percentage Change 2017-2016
REVENUES				
Program Revenues:				
Charges for Services	\$ 46,005	\$ 50,351	\$ (4,346)	-8.63%
Federal and State Categorical Grants	3,103,195	3,116,399	(13,204)	-0.42%
General Revenues:				
Property Taxes	1,656,225	1,656,225	-	0.00%
Grants and contributions not rest.	805,075	833,555	(28,480)	-3.42%
Other	47,246	40,481	6,765	16.71%
Total Revenues	\$ 5,657,746	\$ 5,697,011	\$ (39,265)	-0.69%
EXPENSES				
Instruction	\$ 3,078,758	\$ 2,986,667	\$ 92,091	3.08%
Student Support Services	3,565,902	3,610,733	(44,831)	-1.24%
Other	-	-	-	0.00%
Total	\$ 6,644,660	\$ 6,597,400	\$ 47,260	0.72%
Increase (Decrease) in Net Assets	\$ (986,914)	\$ (900,389)	\$ (86,525)	9.61%

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek over approval for New Hanover Township School District operations. Property taxes made up approximately 29 percent of revenues for governmental activities for New Hanover Township School District for fiscal year 2017. New Hanover Township's total revenues were \$5,657,746 for the year ended June 30, 2017. Federal, state, and local grants and state aid accounted for another approximately 61 percent of revenue.

An important note here is that starting with the 2015-2016 school year audit, per GASB #68, documentation of pension payment is now required on the financial statements. In the 2015-2016 statements, this number represented \$1,032,956. In 2016-2017, this number represents \$1,276,518. By adding these liabilities to the statement of net assets, they have a dramatic effect on the fund balance.

Business-Type Activities

Revenues for New Hanover Township's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service revenues exceeded expenditures by **\$1,962**.

Charges for services represent **\$46,005** of revenue. This represents amounts paid by patrons for daily food service.

Continued

Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$81,164.

Governmental Activities

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. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3
Cost of Services vs Net Cost of Services

	Total Cost of Services 2017	Net Cost of Services 2017
Instruction	\$ 3,078,758	\$ 2,511,934
Support Services:		
Pupil and Instructional Staff	1,684,327	1,660,069
Administration	576,556	474,168
Operation and Maintenance of Facilities	628,894	606,345
Pupil Transportation	550,918	543,026
compensated absences	-	-
transfer to Food Service	-	-
Total Expenses	\$ 6,519,453	\$ 5,795,542

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

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

General administration, school administration, and business include expenses associated with administrative and financial supervision of New Hanover Township School District.

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

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

Capital Outlay involves capital projects for the district. Transfer to food service represents funds transferred from the general fund to the food service (business type activity) account.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$5,528,344 and expenditures were \$6,258,642. The net change in fund balance for the year was a decrease of \$730,068. This is attributed to increased expenditures in the support services and undistributed costs line and almost no increases in state aid, tax levy and impact aid over 2016.

As demonstrated by the various statements and schedules included in the financial section of this report, New Hanover Township School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

Continued

The School District's Funds (Continued)

Table A-4
Summary of Revenues-Governmental Funds

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) 2016</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 1,701,238	30.77%	\$ 43,017	2.53%
State Sources	2,952,979	53.42%	141,251	4.78%
Federal Sources	874,127	15.81%	193,020	
Total	\$ 5,528,344	100.00%	\$ 377,288	6.82%

The increase in Local Sources is mostly attributed to an increase miscellaneous income.

The increase in State Sources is mostly attributed to increases in State Aid and grants.

The increase in Federal Sources is mostly due to an increase in grants and a slight increase in Federal Impact Aid.

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

Table A-5
Summary of Expenditures-Governmental Funds

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2016</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 2,027,672	32.40%	\$ 19,600	1.31%
Undistributed Expenditures	4,218,248	67.40%	(57,252)	-1.57%
Capital Outlay	12,492	0.20%	(249,265)	
Debt Service	-	0.00%	-	0.00%
Total	\$ 6,258,412	100.00%	\$ (286,917)	-4.58%

Changes in expenditures were the results of varying factors. The current expense increase was due to increased expenditures education costs. The decreases in undistributed expenditures were due to health benefits percentage increases being less than originally budgeted for. The capital outlay decrease was due to only having one minor project for the summer of 2016.

Continued

General Fund Budgeting Highlights

New Hanover Township 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.

Over the course of the year, New Hanover Township School revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Change over in Administration in the Business Office
- Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements. DCRP- a new pension classification bears an employer cost which began in fiscal year 2012-2013.
- Tuition for special education students over or under what has been estimated during budget preparation.
- Student transportation adjustments.
- An increase in capital outlay purchases for the instructional programs and the operations/maintenance department.

Capital Assets

At the end of the fiscal year 2017, the School District had \$6,139,074 invested in land, building, furniture and equipment, and vehicles. Table A-6 shows fiscal year 2017 balances compared to 2016.

Table A-6
Summary of Capital Assets
(Net of Depreciation)

	NHSD Total 2017	NHSD Total 2016	Increase (Decrease) From 2016	TTI % Change 2016-2017
Land	\$ 90,000	\$ 90,000	\$ -	0.00%
Construction in Progress	\$ -	\$ -	\$ -	0.00%
Site Improvements	145,000	145,000	-	0.00%
Buildings	9,621,148	9,621,148	-	0.00%
Machinery and Equipment	257,571	255,746	1,825	0.71%
Less: depreciation	(3,974,645)	(3,785,711)	(188,934)	4.99%
Total	\$6,139,074	\$6,326,183	\$ (187,109)	-2.96%

Continued

Debt Administration

At June 30, 2016, New Hanover Township School had **\$128,175** of outstanding debt. Of this amount, **\$106,660** is for compensated absences; **\$5,494** is for PERS payment deferral; and **\$16,021** is for capital leases.

For the Future

The New Hanover Township School District is in good financial condition presently. The School District is proud of its community support of the public schools. The Business Office and Administration, with the support of the Board, has a clear path on a plan for future success. The future of tax levy apportionment between the two towns, land swap for redevelopment in Wrightstown, and the impact of a new government in Trenton are aspects that remain as open items on the Board's checklist of to-do items. With proper planning, these tasks will be handled with the mindset of what is best for the students of the district.

In conclusion, the New Hanover 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. New Hanover Township 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 New Hanover Township School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Maria Parry, School Business Administrator (mparry@newhanover.k12.nj.us), at New Hanover Township School, 122 Fort Dix Street, Wrightstown NJ 08562 or visit the district website at www.newhanover.k12.nj.us

Concluded

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets 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.

New Hanover Township Board of Education
Statement of Net Position
6/30/2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,192,792	\$ 14,743	\$ 1,207,535
Investments			-
Receivables, governmental entities	58,010		58,010
Other receivables (net)	11,422		11,422
Inventory		3,672	3,672
Restricted assets:			-
Cash and cash equivalents	1,449,773		1,449,773
Capital reserve account - cash	696,495		696,495
Capital assets, net (Note 4):	6,139,074	11,419	6,150,493
Deferred outflows of resources related to pensions	360,963		360,963
Total Assets	<u>9,908,529</u>	<u>29,834</u>	<u>9,938,363</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable	8,631		8,631
Accrued Interest Expense			-
Payable to federal government			-
Deferred inflows of resources related to pensions	55,649		55,649
Pension liability for PERS - non current	1,276,518		1,276,518
Noncurrent liabilities (Note 5):			
Due within one year	5,943		5,943
Due beyond one year	122,232		122,232
Total liabilities	<u>1,468,973</u>	<u>-</u>	<u>1,468,973</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,123,053		6,123,053
Restricted for:			
Debt service			-
Capital projects	696,495		696,495
Other purposes	2,582,744		2,582,744
Unrestricted	(962,736)	29,834	(932,902)
Total net assets	<u>\$ 8,439,556</u>	<u>\$ 29,834</u>	<u>\$ 8,469,390</u>

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

New Hanover Township Board of Education
 Statement of Activities
 For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 2,461,432		\$ 527,364		\$ (1,934,068)		\$ (1,934,068)
Special education	530,880		39,460		(491,420)		(491,420)
Other special instruction	86,446				(86,446)		(86,446)
Vocational					-		-
Other instruction					-		-
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	1,036,253		24,258		(1,011,995)		(1,011,995)
Student & instruction related services	648,074				(648,074)		(648,074)
School administrative services	181,086		43,406		(137,680)		(137,680)
General and business administrative services	118,222		7,892		(110,330)		(110,330)
Central Services	277,248		51,090		(226,158)		(226,158)
Plant operations and maintenance	628,894		22,549		(606,345)		(606,345)
Pupil transportation	550,918		7,892		(543,026)		(543,026)
Business and other support services					-		-
Compensated absences					-		-
Unallocated Benefits					-		-
Special schools					-		-
Proportionate share of pension plan expense					-		-
Debt service					-		-
Interest on long-term debt					-		-
Unallocated depreciation					-		-
Total governmental activities	<u>6,519,453</u>	<u>-</u>	<u>723,911</u>	<u>-</u>	<u>(5,795,542)</u>	<u>-</u>	<u>(5,795,542)</u>
Business-type activities:							
Food Service	125,207	46,005	81,164			1,962	1,962
Total business-type activities	<u>125,207</u>	<u>46,005</u>	<u>81,164</u>	<u>-</u>	<u>-</u>	<u>1,962</u>	<u>1,962</u>
Total primary government	<u>\$ 6,644,660</u>	<u>\$ 46,005</u>	<u>\$ 805,075</u>	<u>\$ -</u>	<u>\$ (5,795,542)</u>	<u>\$ 1,962</u>	<u>\$ (5,793,580)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					1,656,225		\$ 1,656,225
Taxes levied for debt service							-
Federal and State aid not restricted					3,103,195		3,103,195
Investment Earnings					50		50
Miscellaneous Income					44,996		44,996
Adjustments:							
PERS payment					611		611
Fixed Assets Adjustment					(10,677)		(10,677)
Capital Lease Payments					5,333		5,333
Food Service Transfer					6,933		6,933
Total general revenues, special items, extraordinary items and transfers					<u>4,806,666</u>	<u>-</u>	<u>4,806,666</u>
Change in Net Assets					<u>(988,876)</u>	<u>1,962</u>	<u>(986,914)</u>
Net Assets—beginning					9,430,569	25,735	9,456,304
Net Assets—ending					<u>\$ 8,441,693</u>	<u>\$ 27,697</u>	<u>\$ 8,469,390</u>

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.

GOVERNMENTAL FUNDS

**New Hanover Township Board of Education
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	1,239,712	(46,920)			1,192,792
Investments					0
Receivables, net	11,422				11,422
Due from other funds	6,933				6,933
Receivables - State	18,144	39,866			58,010
Receivables - Federal					0
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	2,146,267				2,146,267
Other assets					0
	3,422,478	(7,054)	0	0	3,415,424
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	8,631				8,631
Accrued Interest					0
Interfund payable	4,795				4,795
Payable to federal government					0
Payable to state government					0
Payable to local government					0
Deferred revenue					0
Total liabilities	13,426	0	0	0	13,426
Fund Balances:					
Restricted Fund Balance:					
Reserve for Capital Reserve	696,495				696,495
Maintenance Reserve	149,772				149,772
Impact Aid Reserve	1,300,000				1,300,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	816,929				816,929
Reserve for Excess Surplus	316,043				316,043
Assigned Fund Balance:					
Unreserved - Designated for Subsequent Year's Expenditures					0
Committed Fund Balance					
Reserve for encumbrances	60,099				60,099
Unreserved, reported in:					
General fund	69,714				69,714
Special Revenue fund		(7,054)			(7,054)
Debt service fund					0
Capital projects fund					0
Permanent fund					0
Total Fund balances	3,409,052	(7,054)	0	0	3,401,998
Total liabilities and fund balances	3,422,478	(7,054)	0	0	

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

The net pension liability for PERS is not due and payable in the current period and is not reported in the governmental funds \$ (1,276,518)

Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:

Deferred outflows of resources related to pensions \$ 360,963

Deferred inflows of resources related to pensions \$ (55,649)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,113,719 and the accumulated depreciation is \$ 3,794,645. (See Note 4) 6,139,074

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 5) (128,175)

Net assets of governmental activities \$ 8,441,693

New Hanover Township Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 1,656,225				\$ 1,656,225
Transportation Fees					-
Rental Facilities					-
Interest on Investments	50				50
Tuition charges					-
Miscellaneous	44,963				44,963
Total - Local Sources	1,701,238	-	-	-	1,701,238
State sources	2,884,004	68,975			2,952,979
Federal sources	685,723	188,404			874,127
Total revenues	5,270,965	257,379	-	-	5,528,344
EXPENDITURES					
Current:					
Regular instruction	1,296,459	234,688			1,531,147
Special education instruction	410,059				410,059
Other special instruction	86,466				86,466
Vocational education					-
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					
Tuition	1,011,995	24,258			1,036,253
Student & instruction related services	648,074				648,074
School administrative services	48,183				48,183
General administrative services	94,058				94,058
Central services	120,818				120,818
Administrative information technology					-
Plant operations and maintenance	400,225				400,225
Pupil transportation	526,754				526,754
Undistributed expenditures - Food Services					-
Unallocated benefits	1,350,816				1,350,816
Special schools					-
ARRA - Equalization Stabilization Fund (ESF)					-
ARRA - Government Services Fund (GSF)					-
Transfer to charter school					-
Debt service:					
Principal					-
Interest and other charges					-
Capital outlay	12,492				12,492
Total expenditures	6,006,399	258,946	-	-	6,265,345
Excess (Deficiency) of revenues over expenditures	(735,434)	(1,567)	-	-	(737,001)
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)					-
Writeoff of Receivables - net					-
Transfers in - Food Service	6,933				6,933
Transfers out					-
Total other financing sources and uses	6,933	-	-	-	6,933
Net change in fund balances	(728,501)	(1,567)	-	-	(730,068)
Fund balance—July 1	4,137,553	(5,487)			4,132,066
Fund balance—June 30	\$ 3,409,052	\$ (7,054)	\$ -	\$ -	\$ 3,401,998

**New Hanover Township Board of Education
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) \$ (730,068)

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	\$ (188,934)	
Fixed assets adjustment	(10,677)	
Capital outlays	<u>12,492</u>	
		\$ (187,119)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Repayment of Bond Principal		
Retirement of Bonds Outstanding	<u> </u>	
		\$ -

Payment of long-term liabilities is an expenditure in the governmental funds and reduces long-term liabilities in the statement of net assets.

Capital Lease Payments	\$ 5,333	
Voluntary Separation of Service Program Payments	<u>611</u>	
		\$ 5,944

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the governmental funds:

Change in Pension Liability (net)	(243,562)	
Change in Deferred Outflows	194,781	
Change in Deferred Inflows	<u>(28,527)</u>	
		\$ (77,308)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds from issuance of long-term debt		
Refunds - bond insurance		
Acceptance of Voluntary Separation Program		
Capital lease proceeds	<u> </u>	
		\$ -

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior year accrued interest on long term debt which was paid in the current year

Increase in compensated absences payable	<u>(325)</u>	
		\$ (325)

Change in net assets of governmental activities

\$ (988,876)

PROPRIETARY FUNDS

New Hanover Township Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,743	\$ 14,743
Investments		-
Interfund receivable	4,795	4,795
Other receivables		-
Inventories:		
Commodities	1,527	1,527
Regular	2,145	2,145
Total current assets	23,210	23,210
Noncurrent assets:		
Furniture, machinery & equipment	53,624	53,624
Less accumulated depreciation	(42,205)	(42,205)
Total noncurrent assets	11,419	11,419
Total assets	34,629	34,629
LIABILITIES		
Current liabilities:		
Accounts payable		-
Interfund payable	6,932	6,932
Deposits payable		-
Compensated absences		-
Total current liabilities	6,932	6,932
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities	-	-
Total liabilities	6,932	6,932
NET ASSETS		
Invested in capital assets net of related debt		-
Restricted for:		
Capital projects		-
Unrestricted	27,697	27,697
Total net assets	\$ 27,697	\$ 27,697

Exhibit B-5

New Hanover Township Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 12,084	12,084
Daily sales - non-reimbursable programs	23,393	23,393
Special functions		-
Deductions from employees' salaries		-
Food Distribution Program	10,528	10,528
Total operating revenues	<u>46,005</u>	<u>46,005</u>
Operating expenses:		
Cost of sales	53,612	53,612
Salaries	38,514	38,514
Employee benefits		-
Purchased property service		-
Other purchased professional services		-
Cleaning, repair and maintenance services	2,181	2,181
Management Fees	10,400	10,400
Rentals		-
Insurance	2,730	2,730
Uniforms		-
General supplies	3,815	3,815
Miscellaneous expense	2,332	2,332
Depreciation	1,095	1,095
Food distribution program Expense	10,528	10,528
Total Operating Expenses	<u>125,207</u>	<u>125,207</u>
Operating income (loss)	<u>(79,202)</u>	<u>(79,202)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	1,132	1,132
Federal sources:		
National school lunch and breakfast program	56,669	56,669
School breakfast program	23,363	23,363
Special milk program		-
Interest and investment revenue		-
Subsidy Operating - General Fund		-
Total nonoperating revenues	<u>81,164</u>	<u>81,164</u>
Income (loss) before contributions & transfers	1,962	1,962
Capital contributions		-
Change in net assets	1,962	1,962
Total net assets—beginning	25,735	25,735
Total net assets—ending	<u>\$ 27,697</u>	<u>\$ 27,697</u>

New Hanover Township Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities -	
	Food	Total
	Service	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ (80,476)	\$ (80,476)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	<u>(80,476)</u>	<u>(80,476)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,132	1,132
Federal Sources	80,032	80,032
Operating subsidies and transfers from other funds		-
Net cash provided by (used for) non-capital financing activities	<u>81,164</u>	<u>81,164</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on sale of fixed assets (proceeds)		-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends		-
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	688	688
Balances—beginning of year	14,055	14,055
Balances—end of year	<u>14,743</u>	<u>14,743</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(79,202)	(79,202)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	1,095	1,095
Purchase of Fixed Assets	(6,932)	(6,932)
(Increase) decrease in accounts receivable, net	(806)	(806)
(Increase) decrease in inventories	(116)	(116)
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable	(1,447)	(1,447)
Increase (decrease) in due to general fund	6,932	6,932
Total adjustments	<u>(1,274)</u>	<u>(1,274)</u>
Net cash provided by (used for) operating activities	<u>\$ (80,476)</u>	<u>\$ (80,476)</u>

FIDUCIARY FUNDS

New Hanover Township Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2017

	Agency Fund	
	Student Activity	Payroll
ASSETS		
Cash and cash equivalents	\$ 1,020	\$ 106,319
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Due from General Fund		
Total investments	-	-
Total assets	1,020	\$ 106,319
LIABILITIES		
Accounts payable		
Payable to district		
Payable to student groups	1,020	
Accrued salaries and wages		92,023
Net Payroll		14
Payroll deductions and withholdings		14,282
Total liabilities	1,020	\$ 106,319
NET ASSETS	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Hanover Township School District Board of Education have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2017.

A. Reporting Entity:

New Hanover Township School District Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board is comprised of nine members appointed to three-year terms.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters.

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include educational services to grade levels Pre-K through 8. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

District-wide Statements: The statement of net assets 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 charged to external parties.

The statement of net assets 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 particular function. 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.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Governmental Fund Types

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.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

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 Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to 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 cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

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

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

C. 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 State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive 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 eligibility requirements have been satisfied.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued):

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.

It is the District's policy, that when an expenditure is incurred for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2017.

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Acutal amounts (budgetary) "revenues"	\$ 5,275,777	\$ 258,946
Adjust for State Aid Payment:		
Add: Prior Year Payment	223,277	5,487
Less: Current Year Payment	(228,089)	(7,054)
Adjust for Encumbrances:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
Total Revenues (GAAP Basis)	<u>\$ 5,270,965</u>	<u>\$ 257,379</u>
Uses/outflows of resources		
Acutal amounts (budgetary) "total outflows"	\$ 6,006,399	\$ 258,946
Adjustments:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
Total Expenditures (GAAP Basis)	<u>\$ 6,006,399</u>	<u>\$ 258,946</u>

E. Encumbrances:

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

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

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

G. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

H. Fixed 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 & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (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.

I. Accrued Salaries and Wages:

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

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.

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets 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 assets 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 assets are available.

N. 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.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.J8A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

P. Tuition Receivable/Payable:

Tuition charges are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year.

Accordingly, the tuition rate adjustments for the years 2014-2015 have been certified and finalized. Tuition charges for the years subsequent to the years 2014-2015 have been estimated and projected based on calculated tuition costs per pupil and number of students.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. 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; or

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%.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued):

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

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

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 2,879,613
NJ Cash Management Account	<u>\$ 567,739</u>
	<u>\$ 3,447,352</u>
	=====

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

As of June 30, 2017, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings, New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 3,447,352
2	None
3	<u>None</u>
	\$ 3,447,352
	=====

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2017 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.L.C. or any other U.S. agency which insures public depository funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)
(Continued)

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of the certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	90,000	-	-	90,000
Land Improvements	145,000			145,000
Total capital assets not being depreciated	<u>235,000</u>	-	-	<u>235,000</u>
<i>Capital assets being depreciated:</i>				
Building and building improvements	9,621,148			9,621,148
Machinery and equipment	255,746	1,825		257,571
Totals at historical cost	<u>9,876,894</u>	<u>1,825</u>	<u>-</u>	<u>9,878,719</u>
Less accumulated depreciation for :				
Building, Improvements, and Equipment	3,785,711	188,934		3,974,645
Total	<u>3,785,711</u>	<u>188,934</u>	<u>-</u>	<u>3,974,645</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>6,091,183</u>	<u>(187,109)</u>	<u>-</u>	<u>5,904,074</u>
Governmental activity capital assets, net	<u>\$ 6,326,183</u>	<u>\$ (187,109)</u>	<u>\$ -</u>	<u>\$ 6,139,074</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 44,953	\$ 8,671		\$ 53,624
Less accumulated depreciation	<u>40,532</u>	<u>1,095</u>		<u>\$ 41,627</u>
Enterprise fund capital assets, net	<u>\$ 4,421</u>	<u>\$ 7,576</u>	<u>\$ -</u>	<u>\$ 11,997</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 4. CAPITAL ASSETS (Continued)

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:

Instruction	\$	-
Student and Instruction - Related Services		-
School Administrative Related Services		-
General and Business Administrative Services		-
Central Services		29,305
Administrative Information Technology		-
Plant Operations and Maintenance		159,629
Pupil Transportation		-
Business and Other Support Services		-
Unallocated		-
Total		<u>\$ 188,934</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2016	Issued	Retired	Balance 6/30/2017	Amounts Due Within One Year
Capital Lease Payable	\$ 21,354	\$ -	\$ 5,333	\$ 16,021	\$ 5,332
PERS Payment Deferral	6,105		611	5,494	\$ 611
Compensated Absences Payable	106,325	325		106,660	
	<u>\$ 133,784</u>	<u>\$ 325</u>	<u>\$ 5,944</u>	<u>\$ 128,175</u>	<u>\$ 5,943</u>

A. Bonds Payable:

As of June 30, 2017, the District did not have any outstanding bonds.

B. Bonds Authorized But Not Issued:

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

C. Public Employees' Retirement System (PERS) Payment Deferral:

On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for the 2008-09 fiscal year. Commencing in the fiscal year June 30, 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

On April 30, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$9,160.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A. 43:15A-25b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43: 15A-6n) and currently is 8.25%.

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Payment</u>	<u>Total Projected Payment</u>
2018	611	454	1,065
2019-2022	2,442	1,309	3,751
2023-2026	<u>2,441</u>	<u>504</u>	<u>2,945</u>
Total	<u><u>5,494</u></u>	<u><u>2,267</u></u>	<u><u>7,761</u></u>

D. Capital Leases Payable:

The District is leasing several copiers under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2017.

	<u>Total</u>
Year ending June 30,	
2018	\$ 6,771
2019	6,771
2020	<u>3,386</u>
Total Minimum Lease Payments	16,928
Less: Amount Representing Interest	<u>(907)</u>
Net Minimum Lease Payments	<u><u>\$ 16,021</u></u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) 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 Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF)

The TPAF 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 TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing 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 DOE who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The 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 PERS 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS)(Continued)

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.

For the year ended June 30, 2017, the District recognized pension expense of \$153,593, consisting of employer contributions of \$38,290 and non-employer contributions of \$115,593. 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,739	
Changes of assumptions	264,426	
Net difference between projected and actual earnings on pension plan investments	48,675	
Changes in proportion and differences between District contributions and proportionate share of contributions	24,123	55,649
District contributions subsequent to the measurement date		
Total:	<u>\$ 360,963</u>	<u>\$ 55,649</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project 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 in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ 75,837
2018	\$ 75,837
2019	\$ 87,859
2020	\$ 73,815
2021	\$ 23,493
Total	<u>\$ 336,841</u>

Additional Information

Collective balances at December 31, 2015 and 2016 are as follows:

	<u>12/31/2015</u>	<u>12/31/2016</u>
Collective deferred outflows of resources	\$ 166,182	\$ 360,963
Collective deferred inflows of resources	27,122	55,649
Collective net pension liability	1,032,956	1,276,518
District's Proportion	<u>0.0046%</u>	<u>0.0043%</u>

The District made an adjustment in the District-Wide Financial Statements to record the collective net pension liability reported above of \$1,032,956. This liability was recorded as of July 1, 2016 and is a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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.

For the year ended June 30, 2017, the District recognized pension expense of \$853,415 and revenue of \$853,415 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 39,843	\$ 19,335
Changes of assumptions	2,256,842	
Net difference between projected and actual earnings on pension plan investments	206,203	
Changes in proportion and differences between District contributions and proportionate share of contributions	15,188	8,824
District contributions subsequent to the measurement date	-	-
Total:	<u>\$ 2,518,076</u>	<u>\$ 28,159</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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:

2017	\$366,527
2018	366,527
2019	429,379
2020	401,564
2021	339,211
Therafter	<u>591,792</u>
Total	<u>\$ 2,495,000</u>

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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 and N.J.S.A. 18:66, and 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 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$339,946 to the TPAF for normal and 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 \$126,586 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. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 7. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire 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. The state contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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.

For the fiscal year ended June 30, 2017, the State of New Jersey contributed on behalf of the District \$339,946 to the TPAF for post-retirement benefits.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 6,933	\$ 4,795
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund	4,795	6,933
Trust and Agency Fund		
	<u>\$11,728</u>	<u>\$11,728</u>

These amounts represent temporary advances between the various funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 9. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2009-2010 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

NOTE 10. LITIGATION

There is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District, as of the date of this report.

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board offers several plan administrators for its employees to utilize.

NOTE 13. 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.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District and its employees contribute to the New Jersey Unemployment Trust Fund for benefits paid to its former employees. The District remits quarterly the amounts due to the State.

Joint Insurance Pool – The School District is a member of the Burlington and Camden County Educator's Insurance Consortium, a sub-fund of the New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverages:

Property – Blanket Building & Grounds	Electronic Data Processing
Equipment Breakdown	Crime
Comprehensive General Liability	Automotive Liability
Worker's Comprehensive & Employer's Liability	School Leaders Errors & Omissions Liability

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 13. RISK MANAGEMENT (Continued)

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

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

New Jersey School Boards Association Insurance Group
450 Veterans Drive
Burlington, NJ 08016

NOTE 14. 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 end of the fiscal year of June 30 if a required minimum amount is not appropriated as budgeted fund balance in their subsequent year's budget. The Excess Fund Balance at June 30, 2017 is \$316,043. The Excess Fund Balance at June 30, 2016 was \$816,926.

NOTE 15. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 16. 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 the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 17. SUBSEQUENT EVENTS

The New Hanover Township Board of Education has evaluated subsequent events occurring after June 30, 2017 through the date of November 30, 2017, which is the date the financial statements were available to be issued.

NOTE 18. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the New Hanover Township Board of Education by inclusion of \$1 on October 19, 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 appropriated 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.6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2016	\$ 696,445
Increased by:	
Interest Earnings	50
Transfers	
	<hr/>
Ending Balance, June 30, 2017	<u>\$ 696,495</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 19. ECONOMIC DEPENDENCY

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

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the New Hanover Board of Education classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES (Continued)

General Fund – Of the \$3,637,141 General Fund fund balance at June 30, 2017, \$316,043 is restricted for excess surplus – current year; \$2,963,196 is restricted for other purposes. \$60,099 is assigned for other purposes; \$0 is assigned as designated for subsequent year's expenditures and \$297,803 is unassigned.

NOTE 21. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$7,054 in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$7,054 [is equal to (or) is less than] the last state aid payment.

NOTE 22. FEDERAL IMPACT AID RESERVE

As permitted by P.L.2015, c.46 which amended *N.J.S.A. 18A:7F-41* a federal impact reserve account was established by the New Hanover Township Board of Education by transfer of \$650,000 on June 9, 2017 by board resolution for the amount of federal impact aid funds - general fund - received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The Federal Impact Aid - General Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 22. FEDERAL IMPACT AID RESERVE (Continued)

The activity of the Federal Impact Aid Reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows

Beginning Balance, July 1, 2016	\$ 650,000
Increased by:	
Interest Earnings	
Transfers	<u>650,000</u>
Ending Balance, June 30, 2017	<u><u>\$ 1,300,000</u></u>

NOTE 23. ESTIMATES

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

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,656,225	\$ -	\$ 1,656,225	\$ 1,656,225	\$ -
Transportation Fees From Other LEAs	-	-	-	-	-
Rental Facilities	-	-	-	-	-
Tuition	-	-	-	-	-
Interest Income - Other	-	-	-	-	-
Interest Earned on Capital Reserve Funds	50	-	50	50	-
Miscellaneous	3,000	-	3,000	44,963	41,963
Total - Local Sources	1,659,275	-	1,659,275	1,701,238	41,963
State Sources:					
Categorical Special Education Aid	139,209	-	139,209	139,209	-
Categorical Transportation Aid	161,552	-	161,552	161,552	-
Categorical Security Aid	49,643	-	49,643	49,643	-
Equalization Aid	1,917,619	-	1,917,619	1,917,619	-
Extraordinary Aid -Current Year	-	-	-	11,384	11,384
Extraordinary Aid -Prior Year	-	-	-	-	-
Adjustment Aid	135,141	-	135,141	135,141	-
Non Public Transportation Aid	-	-	-	696	696
Other State Aid	7,040	-	7,040	7,040	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	339,946	339,946
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	126,586	126,586
Total State Sources	2,410,204	-	2,410,204	2,888,816	478,612
Federal Sources:					
Impact Aid	-	-	-	685,723	685,723
Education Jobs Fund	-	-	-	-	-
Total - Federal Sources	-	-	-	685,723	685,723
Total Revenues	4,069,479	-	4,069,479	5,275,777	1,206,298
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Local Contrib. - Trans to Special Rev - Regular	-	-	-	-	-
Preschool - Salaries of Teachers	-	280	280	280	-
Kindergarten - Salaries of Teachers	137,618	20,500	158,118	158,031	87
Grades 1-5 - Salaries of Teachers	785,869	(189,579)	596,290	596,274	16
Grades 6-8 - Salaries of Teachers	447,908	(93,080)	354,828	353,804	1,024
Grades 9-12 - Salaries of Teachers	-	-	-	-	-
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	-	2,000	-	2,000
Purchased Professional-Educational Services	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	116,466	-	116,466	96,780	19,686
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	25,156	(1,440)	23,716	12,282	11,434
Other Purchased Services (400-500 series)	9,272	(560)	8,712	5,633	3,079
General Supplies	37,997	30,300	68,297	67,621	676
Textbooks	33,061	(26,100)	6,961	5,754	1,207
Other Objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,395,347	(259,679)	1,335,668	1,296,439	39,209
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Moderate	-	-	-	-	-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities		-			-
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments		-			-
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments		-			-
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities		-			-
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities		-			-
Resource Room/Resource Center:					
Salaries of Teachers	165,617	243,779	409,396	409,363	33
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,004	-	1,004	56	948
Textbooks	1,500	(640)	860	-	860
Other Objects		-			-
Total Resource Room/Resource Center	168,121	243,139	411,260	409,419	1,841
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism		-			-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Part-Time	-	-	-	-	-
Preschool Disabilities - Full-Time:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Full-Time	-	-	-	-	-
Home Instruction:					
Purchased Professional-Educational Services	-	-	640	640	-
Total Home Instruction	-	-	640	640	-
Cognitive - Severe:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Severe	-	-	-	-	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	168,121	243,139	411,900	410,059	1,841
Basic Skills/Remedial - Instruction					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	-	-	-	-	-
Bilingual Education - Instruction					
Salaries of Teachers	55,050	1,000	56,050	56,042	8
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,950	(1,000)	950	-	950
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Bilingual Education - Instruction	57,000	-	57,000	56,042	958
School-Spon. Athletics - Inst.					
Salaries of Teachers	8,370	1,000	9,370	9,095	275
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	2,750	1,400	4,150	3,652	498
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total School-Spon. Athletics - Inst.	11,120	2,400	13,520	12,747	773
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	14,173	(2,000)	12,173	11,477	696
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	8,500	(1,019)	7,481	6,200	1,281
Other Objects	400	-	400	-	400
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total School-Spon. Cocurricular Actvts. - Inst.	23,073	(3,019)	20,054	17,677	2,377
Other Instructional Programs - Instruction					
Salaries	-	-	-	-	-
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total Other Instructional Programs - Instruction	-	-	-	-	-
Total Instruction	1,854,661	(17,159)	1,838,142	1,792,984	45,158

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	102,142	15,572	117,714	117,714	-
Tuition to Private Schools for the Disabled - Within State	116,644	(56,527)	60,117	58,282	1,835
Tuition to Private Schools for the Disabled & Oth LEAs-Spl - o/s NJ	-	-	-	-	-
Tuition -County Voc School Dist.-Regular	35,024	(17,000)	18,024	16,240	1,784
Tuition -County Voc School Dist -Special	3,980	-	3,980	-	3,980
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	-	-	-	-	-
Tuition - Other LEAs Within State-Regular	546,133	(32,768)	513,365	469,250	44,115
Tuition - Other LEAs Within State-Special	231,071	122,723	353,794	350,509	3,285
Total Undistributed Expenditures - Instruction:	1,034,994	32,000	1,066,994	1,011,995	54,999
Undistributed Expend. - Attendance & Social Work					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Attendance & Social Work	-	-	-	-	-
Undist. Expend. - Health Services					
Salaries	77,535	900	78,435	78,435	-
Purchased Professional and Technical Services	1,400	-	1,400	1,400	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	3,500	(1,900)	1,600	1,245	355
Other Objects	150	-	150	-	150
Total Undistributed Expenditures - Health Services	82,585	(1,000)	81,585	81,080	505
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	-	-	-	-	-
Purchased Professional - Educational Services	70,848	(20,011)	50,837	46,833	4,004
Supplies and Materials	100	-	100	-	100
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	70,948	(20,011)	50,937	46,833	4,104
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Salaries	-	-	-	-	-
Purchased Professional - Educational Services	91,670	(26,900)	64,770	64,729	41
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	91,670	(26,900)	64,770	64,729	41
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	21,764	-	21,764	21,764	-
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	17,232	(4,900)	12,332	-	12,332
Supplies and Materials	2,000	(300)	1,700	-	1,700
Other Objects	-	-	-	-	-
Total Undist. Expend. - Guidance	40,996	(5,200)	35,796	21,764	14,032
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	22,946	300	23,246	23,141	105
Salaries of Secretarial and Clerical Assistants	31,414	1,000	32,414	32,203	211
Purchased Professional Educational Services	-	-	-	-	-
Other Purchased Prof and Tech Services	72,285	6,314	78,599	76,549	2,050
Misc. Purch Serv (400 - 500 series o/than resid costs)	-	-	-	-	-
Supplies and Materials	8,000	800	8,800	8,396	404
Other Objects	350	300	650	650	-
Total Undist. Expend. - Child Study Teams	134,995	8,414	143,709	140,939	2,770
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	147,867	20,000	167,867	167,669	198
Salaries of Other Professional Staff	5,000	376	5,376	5,376	-
Salaries of Secr and Clerical Assist.	52,330	-	52,330	51,355	975
Other Salaries	-	-	-	-	-
Purchased Prof- Educational Services	10,000	(9,880)	120	120	-
Other Purch Prof. and Tech. Services	-	-	-	-	-
Other Purch Services (400-500)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Improvement of Inst. Serv.	215,197	10,496	225,693	224,520	1,173

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	55,350	-	55,350	54,705	645
Other Purchased Prof. and Tech. Services	300	3,024	3,324	3,324	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	5,000	(2,524)	2,476	2,311	165
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	60,650	500	61,150	60,340	810
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Service	-	-	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	10,000	(300)	9,700	7,869	1,831
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Instructional Staff Training Serv.	10,000	(300)	9,700	7,869	1,831
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	-	-	-	-	-
Legal Services	14,600	1,900	16,500	7,238	9,262
Audit Fees	18,250	-	18,250	18,250	-
Architectural/Engineering Services	-	-	-	-	-
Other Purchased Professional Services	48,000	-	48,000	48,000	-
Communications/Telephone	23,000	(1,966)	21,034	13,109	7,925
BOE Other Purchased Services	3,500	(1,700)	1,800	-	1,800
Other Purchased Services (400-500 series)	500	-	500	64	436
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
General Supplies	400	-	400	18	382
BOE In house Training/Meeting Supplies	-	-	-	-	-
BOE Membership Dues and Fees	5,000	1,792	6,792	6,792	-
Judgements Against The School Distric	-	-	-	-	-
Miscellaneous Expenditures	2,500	(1,792)	708	587	121
Total Undist. Expend. - Supp. Serv. - General Admin.	115,750	(1,766)	113,984	94,058	19,926
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	35,362	1,900	37,262	37,129	133
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	9,789	200	9,989	9,956	33
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	1,200	1,200	1,098	102
Rental	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Support Serv. - School Admin.	45,151	3,300	48,451	48,183	268
Undist. Expend. - Central Services					
Salaries	24,728	200	24,928	24,923	5
Purchased Professional Services	47,000	12,323	59,323	57,302	2,021
Purchased Technical Services	-	32,965	32,965	32,955	10
Miscellaneous Purchased Services	-	1,425	1,425	1,117	308
Supplies and Materials	1,595	2,810	4,405	4,048	357
Interest on Current Loans	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Miscellaneous Expenditures	375	100	475	473	2
Total Undist. Expend. - Central Services	73,698	49,823	123,521	120,818	2,703
Undist. Expend. - Admin. Info. Tech.					
Salaries	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Admin. Info. Tech.	-	-	-	-	-
Undist. Expend. - Required Maint.- School Facilities					
Salaries	25,641	1,000	26,641	26,269	372
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance Services	135,891	(57,710)	78,181	67,400	10,781
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	10,000	(3,944)	6,056	6,038	18
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Required Maint.- School Facilities	171,532	(60,654)	110,878	99,707	11,171

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	76,095	(2,000)	74,095	72,123	1,970
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	9,430	9,430	7,430	2,000
Clearing, Repair and Maintenance Services	67,315	18,600	85,915	80,615	5,300
Other Purchased Property Services	14,000	-	14,000	11,020	2,980
Insurance	31,119	(2,300)	28,819	28,789	30
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	15,000	172	15,172	10,384	4,588
Energy-Natural Gas	22,238	3,600	25,838	26,458	(620)
Energy-Electricity	68,000	(3,150)	64,850	60,317	4,533
Energy-Gasoline	235	(1)	234	30	204
Other Objects	-	-	-	-	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	294,002	24,351	318,353	297,368	20,985
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	-	-	-	-	-
General Supplies	-	3,150	3,150	3,150	-
Total Undist. Expend. - Care & Upkeep of Grounds	-	3,150	3,150	3,150	-
Undist. Expend. - Security					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Total Undist. Expend. - Security	-	-	-	-	-
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs	-	1	-	-	-
Salaries for pupil trans - (Between Home and School) - Reg	24,727	-	24,728	24,728	-
Salaries for pupil trans - (Between Home and School) - Sp Ed	-	-	-	-	-
Salaries for pupil trans - (Other than Bet. Home and School)	-	-	-	-	-
Lease Purchase Payments - School Buses	-	-	-	-	-
Contract Services - (Other than Bet. Home and School) - Vendors	7,000	1,400	8,400	8,337	63
Contract Services - (Between Home and School) - Vendors	62,150	56,795	118,945	89,480	29,465
Contract Services - (Between Home and School) - Joint	59,895	(59,895)	-	-	-
Contract Services - (Special Ed Stds) - Vendors	235,924	165,900	401,824	376,186	25,638
Contract Services - (Special Ed Stds) - Joint	-	-	-	-	-
Contract Services - (Reg Ed Stds) - ESCs & CTSA	-	-	-	-	-
Contract Services - (Special Ed Stds) - ESCs & CTSA	-	-	-	-	-
Contract Services - Aid in Lieu Of Pymts-NonPub Sch	21,216	5,642	26,858	26,780	78
Miscellaneous Purchased Services-Transportation	5,000	-	5,000	1,243	3,757
Supplies and Materials	50	-	50	-	50
Transportation Supplies	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Student Transportation Serv.	415,962	169,843	585,805	526,734	59,051
Undist. Expend. - Business and Other Support Serv.					
Salaries	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Interest on Current Loans	-	-	-	-	-
Total Undist. Expend. - Business and Other Support Serv.	-	-	-	-	-
Undist. Expend. - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	-	-	-	-	-
Total Undist. Expend. - Food Services	-	-	-	-	-
UNALLOCATED BENEFITS					
Group Insurance	-	-	-	-	-
Social Security Contributions	50,000	(50,000)	-	45,516	(45,516)
T.P.A.F. Contributions - ERIP	-	-	-	-	-
Other Retirement Contributions - PERS	38,983	500	39,483	39,236	247
Other Retirement Contributions - Deferred PERS	5,674	(5,200)	474	147	327
Other Retirement Contributions - Regular	5,000	2,350	7,350	3,746	3,604
Unemployment Compensation	5,000	11,200	16,200	9,867	6,333
Workmen's Compensation	32,896	-	32,896	28,432	4,464
Health Benefits	871,508	(94,800)	776,708	753,340	23,368
Tuition Reimbursement	6,000	(200)	5,800	4,000	1,800
Other Employee Benefits	-	-	-	-	-
TOTAL UNALLOCATED BENEFITS	1,015,061	(136,150)	878,911	884,284	(5,373)
On-Behalf TPAF Pension Contributions (non-budgeted)	-	-	-	339,946	(339,946)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	126,586	(126,586)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	466,532	(466,532)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,015,061	(136,150)	878,911	1,350,816	(471,905)
TOTAL UNDISTRIBUTED EXPENDITURES	3,873,191	49,896	3,923,387	4,200,923	(277,536)
TOTAL GENERAL CURRENT EXPENSE	5,727,852	32,737	5,761,529	5,993,907	(232,378)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Instruction	-	-	-	-	-
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	-	-	-	-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Rooms/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction					
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction	-	1,000	1,000	912	88
Undist. Expend.-Support Serv.-Students - Reg.		-			-
Undist. Expend.-Support Serv.-Related & Extra		-			-
Undist. Expend.-Non-Instructional Services		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Central Services		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Admin Info Tech	-	11,630	11,630	11,580	50
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	-	12,630	12,630	12,492	138
Facilities Acquisition and Construction Services					
Construction Services		-			-
Architectural/Engineering Services		-			-
Other Purchased Prof. Service		-			-
Assessment for Debt Service on SDA Funding	11,580	(11,580)	-	-	-
Lease Purchase Agreements		-			-
Total Facilities Acquisition and Construction Services	11,580	(11,580)	-	-	-
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases	-	-	-	-	-
Assets Acquired Under Capital Leases (non-budgeted)					
Interest Deposit to Capital Reserve	50	(50)	-	-	-
TOTAL CAPITAL OUTLAY	11,630	1,050	12,630	12,492	138
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction		-			-
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services		-			-
Total Summer School		-			-
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction		-			-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services		-			-
Total Other Special Schools		-			-
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.		-			-
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service		-			-
Total Accred. Even./Adult H.S./Post-Grad.		-			-
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Adult Education-Local-Instruction		-			-
Adult Education-Local -Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Adult Education-Local -Support Serv.		-			-
Total Adult Education-Local		-			-
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Vocational Evening-Local-Instruction		-			-
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Vocational Evening-Local-Support Serv.		-			-
Total Vocational Evening-Local		-			-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local-Inst.	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects (rounding)	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools/rounding		(2)	(2)	-	(2)
TOTAL EXPENDITURES	5,739,482	33,785	5,774,157	6,006,399	(232,240)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,670,003)	(33,785)	(1,704,678)	(730,622)	974,056
Other Financing Sources(Uses):					
Capital Leases (non-budgeted)	-	-	-	-	-
Transfer from Enterprise Fund - Cafeteria	-	-	-	-	-
Transfer from Food Services	-	-	-	6,933	(6,933)
	-	-	-	-	-
Total Other Financing Sources:	-	-	-	6,933	(6,933)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,670,003)	(33,785)	(1,704,678)	(723,689)	967,123
Fund Balance, July 1	1,696,685	(64,617)	1,632,068	4,360,830	(2,728,762)
Fund Balance, June 30	<u>\$ 26,682</u>	<u>\$ (98,402)</u>	<u>\$ (72,610)</u>	<u>\$ 3,637,141</u>	<u>\$ (1,761,639)</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Capital Reserve				\$ 696,495	
Maintenance Reserve				149,772	
Tuition Reserve					
Impact Aid General Fund Reserve				1,300,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				816,929	
Reserve for Excess Surplus				316,043	
Committed Fund Balance:					
Reserve for encumbrances				60,099	
Assigned Fund Balance:					
Unreserved - Designated for Subsequent Year's Expenditures					
Unrestricted Fund Balance				297,803	
				<u>3,637,141</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(228,089)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,409,052</u>	

**New Hanover Township Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		-			\$ -
State Sources	70,542	-	70,542	70,542	-
Federal Sources	220,557	66,629	287,186	188,404	(98,782)
Total Revenues	291,099	66,629	357,728	258,946	(98,782)
EXPENDITURES:					
Instruction					
Salaries of Teachers	218,739	(151,078)	67,661	67,661	-
Other Salaries for Instruction	2,881	-	2,881	2,881	-
Other Salaries		-			-
Purchased Professional - Educational Services	69,479	115,764	185,243	81,810	103,433
Purchased Professional and Technical Services		-			-
Supplies and Materials		-			-
Other Purchased Services (400-500 series)		78,906	78,906	78,906	-
General Supplies		7,761	7,761	488	7,273
Textbooks		-			-
Tuition		2,942	2,942	2,942	-
Other Objects		-			-
Total Instruction	291,099	54,295	345,394	234,688	110,706
Support Services					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional Services		-			-
Other Purchased Professional Services		6,445	6,445	1,678	4,767
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)		-		18,699	(18,699)
Supplies & Materials		5,889	5,889	3,881	2,008
Other Objects		-			-
Total Support Services	-	12,334	12,334	24,258	(11,924)

**New Hanover Township Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		-			-
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Transfer to Charter School					-
Total Expenditures	291,099	66,629	357,728	258,946	98,782
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	291,099	66,629	357,728	258,946	98,782
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART II***

**New Hanover Township Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2017**

Note A - 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	[C-1]	\$ 5,275,777	[C-2]	\$ 258,946
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Current year				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(228,089)		(7,054)
Prior year state aid payment recognized for GAAP purposes in current year		223,277		5,487
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 \$ 5,270,965	 [B-2]	 \$ 257,379
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	6,006,399	[C-2]	258,946
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
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.				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund		-		-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 \$ 6,006,399	 [B-2]	 \$ 258,946

***REQUIRED SUPPLEMENTARY INFORMATION
PART III***

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

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERS
Last Three Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0044%	0.0046%	0.0043%
District's proportionate share of the net pension liability	\$ 825,459	\$ 1,032,956	\$ 1,276,518
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	269.17%	256.58%	365.73%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

* This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERS
Last Three Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 36,346	39,561	38,290
Contributions in relation to the contractually required contribution	\$ (36,346)	(39,561)	(38,290)
Contribution deficiency (excess)	\$ 0	0	0
District's covered employee payroll	\$ 309,658	402,744	349,034
Contributions as a percentage of its covered-employee payroll	11.73%	9.82%	10.98%

* This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TPAF
Last Three Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0132%	0.0138%	0.0144%
State's proportionate share of the net pension liability attributable to the District	\$ 7,074,208	\$ 8,750,849	\$ 11,358,251
District's covered employee payroll	\$ 1,583,511	\$ 1,823,578	\$ 1,756,096
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	446.74%	479.88%	646.79%
Plan fiduciary net position as a percentge of the total pension liability	33.64%	28.71%	22.33%

* This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART III***

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Notes to Required Supplementary Information - Part III
For the Year Ended June 30, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were no changes.

Changes of Assumptions

The discount rate changed from 4.9% as of June 30, 2015 to 3.98% as of June 30, 2016. The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016.

B. TEACHERS PENSION AND ANNUITY FUND (TPAF)

Benefit Changes

There were no changes.

Changes of Assumptions

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

NOT APPLICABLE

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

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.

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Title I Part A (Carryover)	Title I Part A	Title II (Carryover)	Title II	Title III	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Total
REVENUES									
Local Sources									-
State Sources								70,542	70,542
Federal Sources	13,192	73,880	3,501	15,495	488	78,906	2,942		188,404
Total Revenues	13,192	73,880	3,501	15,495	488	78,906	2,942	70,542	- 258,946
EXPENDITURES:									
Instruction:									
Salaries of Teachers								67,661	67,661
Other Salaries for Instruction								2,881	2,881
Purchased Professional - Educational Services	13,192	68,618							81,810
Purchased Professional and Technical Services									-
Other Purchased Services (400-500 series)	-	-				78,906			78,906
General Supplies					488				488
Tuition							2,942		2,942
Other Objects									-
Total instruction	13,192	68,618		-	488	78,906	2,942	70,542	- 234,688
Support services:									
Salaries of Other Professional Staff									-
Salaries -Support Staff									-
Other Salaries									-
Personal Services - Employee Benefits									-
Tuition									-
Purchased Professional Services									-
Other Purchased Professional Services		1,678							1,678
Purchased Technical Services									-
Rentals									-
Travel									-
Other Purchased Services (400-500 series)			3,501	15,198					18,699
Supplies & Materials		3,584		297					3,881
Total support services		5,262	3,501	15,495	-	-	-	-	- 24,258
EXPENDITURES (CONT'D):									
Facilities acquisition and const. serv.:									
Buildings									-
Instructional Equipment									-
Noninstructional Equipment									-

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Title I Part A (Carryover)	Title I Part A	Title II (Carryover)	Title II	Title III	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Total
Total facilities acquisition and const. serv.			-	-		-	-	-	-
Transfer to Charter Schools									-
Total Expenditures	13,192	73,880	3,501	15,495	488	78,906	2,942	70,542	- 258,946
Other Financing Sources (Uses)									
Transfer In from General Fund									-
Contribution to Whole School Reform									-
			-	-		-	-	-	-
Total Outflows	13,192	73,880	3,501	15,495	488	78,906	2,942	70,542	- 258,946
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -

Exhibit E-2

**New Hanover Township Board of Education
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 70,542	\$ 70,542	\$ -
Total instruction	70,542	70,542	-
Total Expenditures	\$ 70,542	\$ 70,542	\$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2016-17 Preschool Education Aid Allocation	\$ 70,542
Add: Actual ECPA Carryover (June 30, 2016)	
Add: Budgeted Transfer from the General Fund 2016-17	
Less: Adjustment to Carryover	
Total Preschool Education Aid Funds Available for 2016-2017 Budget	70,542
Less: 2016-2017 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	70,542
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	-
Less: 2016-2017 Commissioner-approved Transfer to the General Fund	
Add: June 30, 2017 Unexpended Preschool Education Aid Funds	
2016-2017- Actual Carryover - Preschool Education Aid Funds	\$ -
2016-2017 Preschool Education Aid Funds Carryover Budgeted in 2017-2018	

***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.

NOT APPLICABLE

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

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.

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Agency		Total
	Student Activity	Payroll	
ASSETS:			
Cash and Cash Equivalents	\$ 1,020	\$ 106,319	\$ 107,339
Total Assets	\$ 1,020	\$ 106,319	\$ 107,339
LIABILITIES:			
Payroll Deductions and Withholdings	\$	\$ 14,282	\$ 14,282
Net Payroll		14	14
Payable to Student Groups	1,020		1,020
Summer Payment Plan		92,023	92,023
Due to General Fund			-
Total Liabilities	\$ 1,020	\$ 106,319	\$ 107,339
Total Net Assets	\$ -	\$ -	\$ -

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Schools</u>	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
New Hanover Elementary School	\$ <u>808</u>	\$ <u>6,436</u>	\$ <u>6,224</u>	\$ <u>1,020</u>
Total	\$ <u><u>808</u></u>	\$ <u><u>6,436</u></u>	\$ <u><u>6,224</u></u>	\$ <u><u>1,020</u></u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ <u>99,725</u>	\$ <u>2,592,518</u>	<u>2,585,924</u>	\$ <u>106,319</u>
Total Assets	\$ <u><u>99,725</u></u>	\$ <u><u>2,592,518</u></u>	<u><u>2,585,924</u></u>	\$ <u><u>106,319</u></u>
 LIABILITIES:				
Payroll deductions and withholdings	\$ 244	\$ 1,128,462	\$ 1,114,424	\$ 14,282
Summer payment plan	93,501	92,376	93,854	92,023
Net payroll	5,980	1,371,680	1,377,646	14
Due to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	\$ <u><u>99,725</u></u>	\$ <u><u>2,592,518</u></u>	\$ <u><u>2,585,924</u></u>	\$ <u><u>106,319</u></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, mortgages payable, term loans and obligations under capital leases.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COUNTY OF BURLINGTON
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2017

Series	Amount of Original Issue	Amount Outstanding July 1, 2016	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2017
Xerox D95CP and Xerox 3615DN Copiers	\$ 29,237	\$ 21,354	\$ _____	\$ 5,333	\$ 16,021
		\$ 21,354	\$ 0	\$ 5,333	\$ 16,021

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

**New Hanover Township Board of Education
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	96-102
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	103-109
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	110-113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	114-115
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	116-120

FINANCIAL TRENDS

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Net Assets by Component,
Last ten fiscal years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,872,599	\$ 2,921,484	\$ 3,211,022	\$ 4,117,542	\$ 5,967,273	\$ 6,472,119	\$ 6,311,711	\$ 6,200,240	\$ 6,304,829	\$ 6,123,053
Restricted (Deficit)	1,289,061	1,397,249	2,516,844	4,261,114	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239
Unrestricted (Deficit)	5,703,358	4,864,490	2,813,852	438,147	740,468	2,162,567	714,163	173,760	(903,647)	(962,787)
Total governmental activities net assets	\$ 9,865,016	\$ 9,203,223	\$ 8,541,718	\$ 8,816,803	\$ 8,333,316	\$ 12,056,631	\$ 11,819,822	\$ 10,346,374	\$ 9,434,558	\$ 8,439,505
Business-type activities										
Invested in capital assets, net of related debt	\$ 18,950	\$ 16,367	\$ 13,783	\$ 11,200	\$ 8,617	\$ 6,034	\$ 10,665	\$ 7,544	\$ 5,582	\$ -
Restricted										
Unrestricted	9,203	(15,828)	(13,720)	(11,996)	(8,094)	5,031	3,881	2,775	16,164	29,834
Total business-type activities net assets	\$ 28,153	\$ 539	\$ 63	\$ (796)	\$ 523	\$ 11,065	\$ 14,546	\$ 10,319	\$ 21,746	\$ 29,834
District-wide										
Invested in capital assets, net of related debt	\$ 2,891,549	\$ 2,937,851	\$ 3,224,805	\$ 4,128,742	\$ 5,975,890	\$ 6,478,153	\$ 6,322,376	\$ 6,207,784	\$ 6,310,411	\$ 6,123,053
Restricted (Deficit)	1,289,061	1,397,249	2,516,844	4,261,114	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239
Unrestricted (Deficit)	5,712,561	4,868,662	2,800,132	426,151	732,374	2,167,598	718,044	176,535	(887,483)	(932,953)
Total district net assets	\$ 9,893,171	\$ 9,203,762	\$ 8,541,781	\$ 8,816,007	\$ 8,333,839	\$ 12,067,696	\$ 11,834,368	\$ 10,356,693	\$ 9,456,304	\$ 8,469,339

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 Changes in Net Assets/Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,072,743	\$ 1,167,471	\$ 1,520,786	\$ 1,003,047	\$ 1,264,540	\$ 1,966,485	\$ 2,056,945	\$ 2,232,690	\$ 2,371,121	\$ 2,461,432
Special education	593,967	579,859	523,957	247,622	152,841	280,249	274,523	302,044	465,231	530,880
Other special education										
Vocational										
Other instruction	32,468	23,755	9,570	28,912	76,830	114,858	137,260	116,125	150,315	86,446
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Instruction	1,536,088	1,763,082	1,612,258	1,689,218	1,500,493	1,194,480	1,174,787	1,185,617	1,331,632	1,036,253
Student & instruction related services				2,112		402,013	537,148	635,242	588,257	648,074
General and Business Administrative services	547,591	668,497	531,789	69,908	72,726	125,793	173,639	138,115	115,647	118,222
School Administrative services				567,029	451,262	186,943	121,960	166,125	173,883	181,086
Central Services				183,372	168,201	205,894	210,117	236,214	246,067	277,248
Administrative information technology						225	8,508			
Plant operations and maintenance				278,503	240,952	520,827	544,560	535,468	569,338	628,894
Improvement of instructional staff		7,000	30,000	4,558	7,874					
Pupil transportation				214,969	213,534	239,332	261,831	323,897	459,139	550,918
Unallocated Benefits	242,573	234,262	227,893	768,395	997,590					
Compensated absences	321,925	336,185	322,304					(67)		
Compensated absences - unallocated	251,705	290,247	296,537	40,416	19,272	4,334	2,825			
Proportionate share of pension plan expense								40,495		
Fixed asset adjustment					490,714					
Transfer to Food Service						7,747	15,810			
Unallocated depreciation	326,296	198,125	205,619	119,436	144,950					
Total governmental activities expenses	4,925,356	5,268,483	5,280,713	5,217,497	5,801,779	5,249,180	5,519,913	5,911,965	6,470,430	6,519,453
Business-type activities:										
Food service	133,775	124,242	91,296	80,778	114,637	115,850	127,607	125,691	126,970	125,207
Enrichment Program										
Total business-type activities expense	133,775	124,242	91,296	80,778	114,637	115,850	127,607	125,691	126,970	125,207
Total district expenses	\$ 5,059,131	\$ 5,392,725	\$ 5,372,009	\$ 5,298,275	\$ 5,916,416	\$ 5,365,030	\$ 5,647,520	\$ 6,037,656	\$ 6,597,400	\$ 6,644,660
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)										
Special Education										
Plant Operations and Maintenance										
Pupil transportation										
Central and other support services										
Operating grants and contributions	751,429	489,421	468,811	418,721	270,742	2,966,320	601,944	592,690	627,130	723,911
Capital grants and contributions										
Total governmental activities program revenues	751,429	489,421	468,811	418,721	270,742	2,966,320	601,944	592,690	627,130	723,911
Business-type activities:										
Charges for services:										
Food service	\$ 37,333	\$ 43,937	\$ 30,782	\$ 27,112	\$ 44,943	\$ 41,501	\$ 45,546	\$ 49,177	\$ 50,351	\$ 46,005
Enrichment Program										
Operating grants and contributions	38,743	45,651	51,729	52,805	71,013	81,290	86,627	80,904	85,934	81,164
Capital grants and contributions									120,491	-
Total business type activities program revenues	76,076	89,588	82,511	79,917	115,956	122,791	132,173	130,081	256,776	127,169
Total district program revenues	\$ 827,505	\$ 579,009	\$ 551,322	\$ 498,638	\$ 386,698	\$ 3,089,111	\$ 734,117	\$ 722,771	\$ 883,906	\$ 851,080

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets/Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (4,173,927)	\$ (4,779,062)	\$ (4,611,902)	\$ (4,798,776)	\$ (5,531,037)	\$ (2,282,850)	\$ (4,917,969)	\$ (5,319,275)	\$ (5,643,300)	\$ (5,795,542)
Business-type activities	(57,699)	(34,654)	(8,785)	(861)	1,319	6,941	4,566	4,390	129,806	1,962
Total district-wide net expense	\$ (4,231,626)	\$ (4,813,716)	\$ (4,820,687)	\$ (4,799,637)	\$ (5,629,718)	\$ (2,275,919)	\$ (4,913,403)	\$ (5,314,885)	\$ (5,713,494)	\$ (5,793,580)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,420,116	\$ 1,542,274	\$ 1,542,274	\$ 1,587,925	\$ 1,676,150	\$ 1,607,673	\$ 1,623,750	\$ 1,623,750	\$ 1,656,225	\$ 1,656,225
Taxes levied for debt service										
Unrestricted grants and contributions	3,060,603	2,463,271	2,576,499	3,531,557	3,433,804	4,423,713	3,054,046	3,081,993	3,116,399	3,103,195
Payments in lieu of taxes										
Investment earnings	248,606	71,650	27,547	74,425	28,236			50	50	50
Miscellaneous income	4,000		3,478	14,637		40,503	13,921	19,405	1,945	44,996
Cancellation of receivables/payables	11,518	5,652	8,899							
Transfers	(85,000)	34,388	(8,300)			(79,502)				
Other Adjustments						17,389	(11,642)	(887,988)	38,486	2,200
Total governmental activities	4,659,843	4,117,265	4,150,397	5,208,544	5,038,190	6,009,776	4,680,075	3,837,210	4,813,105	4,806,666
Business-type activities:										
Investment earnings	441	40	10							
Miscellaneous income										
Transfers	85,000	7,000	8,300							
Total business-type activities	85,441	7,040	8,310	-	-	-	-	-	-	-
Total district-wide	\$ 4,745,284	\$ 4,124,305	\$ 4,158,707	\$ 5,208,544	\$ 5,038,190	\$ 6,009,776	\$ 4,680,075	\$ 3,837,210	\$ 4,813,105	\$ 4,806,666
Change in Net Assets										
Governmental activities	\$ 485,916	\$ (661,797)	\$ (661,505)	\$ 409,768	\$ (492,847)	\$ 3,726,916	\$ (237,894)	\$ (1,482,065)	\$ (1,030,195)	\$ (988,876)
Business-type activities	27,742	(27,614)	(475)	(861)	1,319	6,941	4,566	4,390	129,806	1,962
Total district	\$ 513,658	\$ (689,411)	\$ (661,980)	\$ 408,907	\$ (491,528)	\$ 3,733,857	\$ (233,328)	\$ (1,477,675)	\$ (900,389)	\$ (986,914)

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 6,654,703	\$ 6,120,770	\$ 3,015,243	\$ 315,211	\$ 81,874	\$ 2,830,102	\$ 4,793,948	\$ 4,219,165	\$ 4,033,376	\$ 3,279,239
Committed				2,605,307	660,239	-	-	-	-	-
Assigned			24,557	264,894	517,390	102,911	23,305	13,092	34,675	60,099
Unreserved	485,798	705,239	250,000	534,618	806,992	2,175,227	805,519	711,709	69,502	69,714
Total general fund	<u>\$ 7,140,501</u>	<u>\$ 6,826,009</u>	<u>\$ 3,289,800</u>	<u>\$ 3,720,030</u>	<u>\$ 2,066,495</u>	<u>\$ 5,108,240</u>	<u>\$ 5,622,772</u>	<u>\$ 4,943,966</u>	<u>\$ 4,137,553</u>	<u>\$ 3,409,052</u>
All Other Governmental Funds										
Reserved, reported in:										
Capital projects fund	\$ 19,216	\$ 230	\$ 2,082,127	\$ 1,075,702	\$ -					
Debt service fund										
Committed, reported in:										
Capital projects fund					404,439	591,842				
Unreserved, reported in:										
Special revenue fund	100,142	921	224	(5,240)	(3,748)	(6,492)	(4,454)	(5,879)	(5,487)	(7,054)
Capital projects fund								217,067		
Debt service fund										
Permanent fund										
Total all other governmental funds	<u>\$ 119,358</u>	<u>\$ 1,151</u>	<u>\$ 2,082,351</u>	<u>\$ 1,070,462</u>	<u>\$ 400,691</u>	<u>\$ 585,350</u>	<u>\$ (4,454)</u>	<u>\$ 211,188</u>	<u>\$ (5,487)</u>	<u>\$ (7,054)</u>

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year Ending June 30, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Local Tax levy	\$ 1,656,225	\$ 1,656,225	\$ 1,623,750	\$ 1,623,750	\$ 1,607,673	\$ 1,576,150	\$ 1,587,925	\$ 1,542,274	\$ 1,542,274	\$ 1,420,116
Tuition Charges										
Transportation Fees										
Interest Earnings	50	50	50							
Other Local Revenue	44,963	1,946	20,154	49,672	40,503	28,236	83,785	31,024	71,650	252,606
State sources	2,952,979	2,987,477	2,771,400	2,717,645	5,171,759	2,641,733	2,572,893	1,930,279	2,746,737	2,885,477
Federal sources	874,127	876,543	902,534	902,594	2,218,274	1,062,813	1,377,385	1,115,031	205,956	926,555
Total revenue	5,528,344	5,522,241	5,317,888	5,293,661	9,038,209	5,308,932	5,621,988	4,618,608	4,566,617	5,484,754
Expenditures										
Instruction:										
Regular	1,531,147	1,492,166	1,451,857	1,361,038	1,317,372	1,264,540	1,003,047	1,482,460	1,075,194	997,475
Special	410,059	365,591	180,156	162,401	170,368	152,841	247,622	523,957	579,859	593,967
Other-Special	86,466	150,315	116,125	137,260	114,858					
Other						76,830	28,912	9,570	23,755	32,468
School-Sponsored/Other Instructional										
Total Instruction	2,027,672	2,008,072	1,748,138	1,660,699	1,602,598	1,494,211	1,279,581	2,015,987	1,678,808	1,623,910
Undistributed:										
Tuition	1,036,253	1,331,632	1,185,617	1,174,787	1,194,480	1,491,509	1,689,218	1,612,258	1,763,082	1,536,088
Student and Instruction Related Services	648,074	588,257	635,242	537,148	402,013		2,112	531,789	668,497	547,591
Instruction										
Support Services-Students										
Support Services-Instructional Staff										
General Administration	94,058									
School Administration	48,183	45,812	48,808	42,073	108,652	72,726	69,908	30,000	7,000	
Other Administration		92,010	116,785	154,019	106,564	451,262	567,029	226,937	222,289	231,951
Central Services	120,818	94,947	105,760	102,329	100,205	168,201	183,372			
Admin. Information Technology		388		8,508		225				
Operations and Maintenance	400,225	343,283	318,817	313,304	299,709	240,952	278,503	316,526	330,583	317,116
Improvement of Instructional Staff							7,874	4,558		
Student Transportation	526,754	435,890	302,567	242,211	220,103	213,534	214,969	296,537	290,247	251,705
Business and Other Support Services:										
Employee Benefits										
Other										
Food Services				15,810	7,747					
Unallocated Benefits	1,350,816	946,875	922,401	829,986	774,870	997,590	768,395	205,619	198,125	326,296
On-behalf TPAF Pension Contributions		253,249	193,682	147,800	137,138					
Reimbursed TPAF Social Security										
Contributions		123,187	121,087	109,801	104,395					
Total Undistributed	4,225,181	4,255,530	3,950,766	3,677,776	3,456,101	3,643,648	3,778,064	3,219,666	3,479,823	3,210,747
Capital Outlay:										
Total Capital Outlay	12,492	281,727	111,385	30,458	673,604	2,494,379	1,025,956	383,325	140,107	634,662
	12,492	281,727	111,385	30,458	673,604	2,494,379	1,025,956	383,325	140,107	634,662
Special Schools										
Total General Fund Expenditures	6,265,345	6,545,329	5,810,289	5,368,933	5,732,303	7,632,238	6,083,601	5,618,978	5,298,738	5,469,319

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Special Revenue:										
Federal								-		
State								-		
Other								-		
Total Special Revenue Expenditures	-	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal										
Interest and Other Charges										
Total Debt Service Expenditures	-	-	-	-	-	-	-	-	-	-
Total Governmental Fund Expenditures	\$ 6,265,345	\$ 6,545,329	\$ 5,810,289	\$ 5,368,933	\$ 5,732,303	\$ 7,632,238	\$ 6,083,601	\$ 5,618,978	\$ 5,298,738	\$ 5,469,319
Excess (Deficiency) of revenues over (under) expenditures	(737,001)	(1,023,088)	(492,401)	(75,272)	3,305,906	(2,323,306)	(461,613)	(1,000,370)	(732,121)	15,435
Other Financing sources (uses)										
Proceeds from borrowing										
Capital leases (non-budgeted)			29,237							
Proceeds from refunding										
Payments to escrow agent										
Adjustment										
Accounts Receivable/Payable Canceled					(165,772)		14,637	8,899	5,682	11,518
Transfers in	6,933	75,801	233,685	596,236	2,239,471	(1,814,132)		2,462,942	41,388	
Transfers out		(75,801)	(233,685)	(596,236)	(2,153,201)	1,814,132		(2,471,242)	(7,000)	(85,000)
Total other financing sources (uses)	6,933	-	29,237	-	(79,502)	-	14,637	599	40,070	(73,482)
Net change in fund balances	\$ (730,068)	\$ (1,023,088)	\$ (463,164)	\$ (75,272)	\$ 3,226,404	\$ (2,323,306)	\$ (446,976)	\$ (999,771)	\$ (692,051)	\$ (58,047)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year Ended June 30,</u>	<u>Interest Income</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2008	248,606			248,606
2009	71,650			71,650
2010	27,547		3,478	31,025
2011	3,161		80,624	83,785
2012	1,415	26,821		28,236
2013	2,480	5,684	32,339	40,503
2014			13,921	13,921
2015	50		19,405	19,455
2016	50		1,946	1,996
2017	50		44,963	45,013

Source: District Records

REVENUE CAPACITY

Exhibit J-6

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

New Hanover Township

Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2008	59,475,889	89,491,256	66.46%
2009	60,723,355	93,449,300	64.98%
2010	61,160,723	96,865,256	63.14%
2011	61,712,954	96,688,966	63.83%
2012	61,769,123	94,104,225	65.64%
2013	62,503,411	73,105,673	85.50%
2014	62,026,574	70,439,357	88.06%
2015	60,508,768	80,362,839	75.29%
2016	60,841,800	82,638,973	73.62%
2017	60,841,800	89,400,547	68.06%

Source: Municipal Tax Assessor

Exhibit J-6a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

Wrightstown

Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2008	59,475,889	34,942,679	170.21%
2009	60,723,355	47,930,909	126.69%
2010	61,160,723	43,268,508	141.35%
2011	61,712,954	52,166,605	118.30%
2012	27,302,250	42,286,107	64.57%
2013	27,124,700	39,175,229	69.24%
2014	26,290,850	39,768,992	66.11%
2015	26,219,850	35,666,236	73.51%
2016	25,947,576	34,712,697	74.75%
2017	25,947,576	38,611,895	67.20%

Source: Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

New Hanover Township

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township New Hanover	Burlington County	
2008	1.815	N/A	1.815	N/A	0.585	2.400
2009	1.716	N/A	1.716	N/A	0.584	2.300
2010	1.769	N/A	1.769	N/A	0.600	2.369
2011	1.646	N/A	1.646	N/A	0.594	2.240
2012	1.790	N/A	1.790	N/A	0.579	2.369
2013	1.691	N/A	1.691	N/A	0.445	2.136
2014	1.653	N/A	1.653	N/A	0.434	2.087
2015	1.882	N/A	1.882	N/A	0.550	2.432
2016	1.903	N/A	1.903	N/A	0.550	2.453
2017	1.903	N/A	1.903	N/A	0.550	2.453

Source: Municipal Tax Assessor

Note: N/A Not Available

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

Wrightstown

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Wrightstown	Burlington County	
2008	1.581	N/A	1.581	N/A	0.507	2.088
2009	1.762	N/A	1.762	0.829	0.691	3.282
2010	1.796	N/A	1.796	0.885	0.619	3.300
2011	1.985	N/A	1.985	1.010	0.725	3.720
2012	1.774	N/A	1.774	1.068	0.588	3.430
2013	2.088	N/A	2.088	1.150	0.549	3.787
2014	2.206	N/A	2.206	1.149	0.578	3.933
2015	1.901	N/A	1.901	1.209	0.564	3.674
2016	1.847	N/A	1.847	1.356	0.545	3.748
2017	1.903	N/A	1.903	1.356	0.550	3.809

Source: Municipal Tax Assessor

Note: N/A Not Available

Exhibit J-8

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2016**

New Hanover Township

<u>Block</u>	<u>Lot</u>	<u>Assessed Valuation 2016</u>	<u>As a % of District's Net Assessed Valuation</u>
1	4	\$ 2,365,000	3.91%
2.01	8.03	1,528,800	2.53%
1	7	1,200,000	1.98%
1	1	609,400	1.01%
2.02	6	601,800	0.99%
2.01	8.06	518,200	0.86%
2.02	7.03	415,400	0.69%
7	5.12	501,400	0.83%
2.01	8.02	391,500	0.65%
2.01	8.04	340,100	0.56%
Total		\$ <u>8,471,600</u>	<u>14.00%</u>

Source: Municipal Tax Assessor

Exhibit J-8a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2016**

Wrightstown

<u>Block</u>	<u>Lot</u>	<u>Assessed Valuation 2016</u>	<u>As a % of District's Net Assessed Valuation</u>
501	14	\$ 2,444,000	9.32%
501	2	1,950,000	7.44%
601	50	1,696,000	6.47%
601	47	1,517,500	5.79%
501	12	670,000	2.56%
505	1	611,300	2.33%
404	7	549,300	2.09%
401	24	477,400	1.82%
302	19	470,000	1.79%
302	34	434,700	1.66%
Total		<u>\$ 10,820,200</u>	<u>41.27%</u>

Source: Municipal Tax Assessor

Exhibit J-9

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2008	1,420,116	1,420,116	100.00%
2009	1,542,274	1,542,274	100.00%
2010	1,542,274	1,542,274	100.00%
2011	1,587,925	1,587,925	100.00%
2012	1,576,150	1,515,677	96.16%
2013	1,607,673	1,607,673	100.00%
2014	1,623,750	1,623,750	100.00%
2015	1,623,750	1,623,750	100.00%
2016	1,656,225	1,656,225	100.00%
2017	1,656,225	1,656,225	100.00%

Source: Municipal Tax Collector

DEBT CAPACITY

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities				PERS Payment Deferral	Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable					
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	14,750	97,539	7,938	120,227	0.03%	15	
2014	-	7,670	100,364	7,327	115,361	0.03%	15	
2015	-	26,687	100,297	6,716	133,700	0.03%	19	
2016	-	21,354	106,325	6,105	133,784	0.03%	17	
2017	-	16,021	106,660	5,494	128,175	0.03%	16	

Source: School District Financial Reports

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0

Source: Data regarding school district population was given by school district officials.

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

Exhibit J-12

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Net Direct Debt of School District as of June 30, 2017		\$	-
Net Overlapping Debt of School District:			
County of Burlington - Township's share (0.3%)	\$	856,379	
			<u>856,379</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2017		\$	<u>856,379</u>

Source: Assessed value data to estimate applicable percentages provided by the Burlington County Board of Taxation.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2016			
Year	Total	New Hanover	Wrightstown
2017	128,012,442	89,400,547	38,611,895
2016	117,351,670	82,638,973	34,712,697
2015	116,029,075	80,362,839	35,666,236
Total	361,393,187	252,402,359	108,990,828
Average Equalized Valuation of Taxable Property	120,464,396	84,134,120	36,330,276
Debt Limit (3% of Average Equalization Value)	3,613,932 *		
Legal Debt Margin	<u>3,613,932</u>		

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 3,168,866	\$ 3,637,359	\$ 3,909,317	\$ 4,211,907	\$ 4,305,998	\$ 3,918,394	\$ 2,447,597	\$ 3,364,244	\$ 3,435,793	\$ 3,613,932
Total Net Debt Applicable to Limit										
Legal Debt Margin	<u>3,168,866</u>	<u>3,637,359</u>	<u>3,909,317</u>	<u>4,211,907</u>	<u>4,305,998</u>	<u>3,918,394</u>	<u>2,447,597</u>	<u>3,364,244</u>	<u>3,435,793</u>	<u>3,613,932</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Note: * Limit set by NJSA 18A:24-19 for a 9 through 12 district; other percent limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Burlington County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2007	4.40%	45,463	9,490
2008	5.90%	46,564	9,434
2009	9.00%	46,496	9,429
2010	13.40%	47,391	7,389
2011	10.50%	48,318	7,396
2012	10.85%	51,149	7,940
2013	7.40%	51,638	7,918
2014	9.80%	51,638	8,056
2015	9.30%	53,747	8,078
2016	7.60%	55,227	8,129

Source: Per Capita Income of County of Burlington from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

Exhibit J-15

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Principal Employers,
Current Year

2016			
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A
	-		0.00%

Note: N/A = Not Available

OPERATING INFORMATION

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2017**

<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	16	18	18	18	19	19	21	23	24	21
Special education	2	1	1	1	1	1	1	1	1	1
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	3	2	2	2	1	1	1	13	13	13
General administration	3	1	1	1	1	1	1	1	1	1
School administrative services	1				2	2	2	2	2	2
Other administrative services		3								
Central services										
Administrative Information Technology										
Plant operations and maintenance	3	2	2	2	2	2	2	2	2	2
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>28</u>	<u>27</u>	<u>24</u>	<u>24</u>	<u>26</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>43</u>	<u>41</u>

Source: District Personnel Records

N/A - Not Available

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 Operating Statistics,
 Last ten fiscal years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	147	4,834,657	\$ 32,889	#DIV/0!	23	8.00	-	-	155.0	143.0	-5.49%	92.26%
2009	161	5,158,630	\$ 32,041	-2.58%	24	8.00	-	-	155.0	147.0	0.00%	94.84%
2010	163	5,235,653	\$ 32,121	0.25%	24	9.60	-	-	164.0	153.0	5.81%	93.29%
2011	181	4,633,684	\$ 25,600	-20.30%	24	7.54	-	-	164.0	153.0	0.00%	93.29%
2012	175	4,863,369	\$ 27,791	8.56%	20	8.75	-	-	175.0	164.0	6.71%	93.71%
2013	163	5,058,699	\$ 31,035	11.67%	20	9.42	-	-	188.4	178.1	7.66%	94.53%
2014	193	5,338,475	\$ 27,660	-10.87%	22	8.57	-	-	188.5	175.6	0.50%	93.14%
2015	184	5,698,904	\$ 30,972	11.97%	25	7.30	-	-	185.7	174.9	-1.47%	94.17%
2016	192	5,852,859	\$ 30,484	-1.58%	28	6.86	-	-	186.8	176.7	0.57%	94.63%
2017	191	5,414,129	\$ 28,346	-7.01%	25.2	7.58	-	-	186.2	175.1	-0.29%	94.01%

Source: District records

Note: Enrollment based on annual October district count.

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years**

District Building

	<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>
Elementary Schools:										
New Hanover Elementary (1939) - Additions in 1979 and 2001										
Square Feet	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	147	161	163	181	168	163	193	184	192	191

Number of Schools at June 30, 2017

Elementary School 1

Source: District Facilities Office
October 15, Enrollment data

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

Exhibit J-19

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
General Fund
Schedule Of Required Maintenance For School Facilities
Last ten fiscal years

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES**

	*School Facilities	<u>New Hanover Elementary School</u>
2008		47,627
2009		64,199
2010		57,353
2011		80,823
2012		80,823
2013		76,082
2014		92,733
2015		97,269
2016		92,999
2017		<u>99,707</u>
Total School Facilities		<u>\$ 789,615</u>

Note: *School Facilities as Defined Under EFCFA,
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Exhibit J-20

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
 June 30, 2017
 UNAUDITED

Type of Policy	Coverage	Deductible
School Package Policy-New Jersey School Board Association Insurance Group		
Blanket Real & Personal Property	\$ 11,680,000	\$ 1,000
Electronic Data Processing Coverage	300,000	1,000
Equipment Breakdown	100,000,000	1,000
Crime - Public Employee Dishonesty	250,000	1,000
General Liability	16,000,000	
Workers Compensation	2,000,000	
Professional Liability	16,000,000	5,000
Automobile Liability	16,000,000	
Student Accident Insurance	1,000,000	
Surety Bonds		
Business Administrator/Board Secretary	175,000	

Source: District records.

SINGLE AUDIT SECTION

Certified Public Accountants

485 Morris Avenue

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New Jersey Society of Certified Public Accountants

K-1

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

The Honorable President and
Members of the Board of Education
New Hanover Township
County of Burlington
Wrightstown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of New Hanover Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise New Hanover Township School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

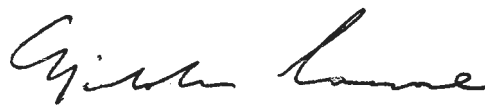
Compliance and Other Matters

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

Purpose of this Report

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

This report is intended for the information of the management of the New Hanover Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2017

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08

The Honorable President and
Members of the Board of Education
New Hanover Township Board of Education
County of Burlington
Wrightstown, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the New Hanover Township School District, in the County of Burlington, compliance with the types of compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and 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 federal and state programs for the fiscal year ended June 30, 2017. The New Hanover Township School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Hanover Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with

auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about New Hanover Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, in the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of New Hanover Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered New Hanover Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed

by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 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 New Hanover Township School District's internal control over compliance.

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

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

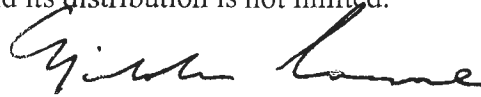
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by Uniform Guidance and State Financial Assistance

We have audited the financial statements of New Hanover Township School District as of and for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

This report is intended solely for the information of the management of the New Hanover Township School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2017

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Carryover Amount/ Walkover	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2017		
					Deferred Revenue	Accounts Receivable	Due to Grantor							Deferred Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Defense Passed-through State Department of Education: General Fund: Impact Aid P.L. 103-382	84.041	N/A	07/01/16-06/30/17	\$ 685,723	\$	\$	\$	\$	\$ 685,723	\$ (685,723)	\$	\$	\$	\$	\$	\$
Total U.S. Dept. of Education - General Fund					0	0	0	0	685,723	(685,723)	0	0	0	0	0	0
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:																
Food Distribution Program	10.550	N/A	07/01/16-06/30/17	10,528					10,528	(10,528)						
National School Lunch Program	10.555	N/A	07/01/16-06/30/17	56,668					53,310	(56,668)					(3,358)	
National School Lunch Program	10.555	N/A	07/01/15-06/30/16	61,117		(2,848)			2,848							
National School Breakfast Program	10.553	N/A	07/01/16-06/30/17	23,364					21,995	(23,364)					(1,369)	
National School Breakfast Program	10.553	N/A	07/01/15-06/30/16	23,569		(1,083)			1,083							
Total U.S. Department of Agriculture					0	(3,931)	0	0	89,764	(90,560)	0	0	0	0	(4,727)	0
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:																
NCLB Title I - Part A	84.010	NCLB402017	09/01/16-08/31/17	86,334					49,997	(73,880)					(23,883)	
NCLB Title I - Part A	84.010	NCLB402016	09/01/15-08/31/16	100,711		(1,696)			14,888	(13,192)					(15,495)	
NCLB Title II - Part A	84.367	NCLB402017	09/01/16-08/31/17	47,200						(15,495)					(15,495)	
NCLB Title II - Part A	84.367	NCLB402016	09/01/15-08/31/16	77,028		(3,624)			7,125	(3,501)					(488)	
NCLB Title III - Part A	84.367	NCLB402017	09/01/16-08/31/17	7,273						(488)					(488)	
I.D.E.A. Part B - Preschool	84.173	PS354011	09/01/16-08/31/17	2,942					2,942	(2,942)						
I.D.E.A. Basic 192/193	84.027	FT-5000-17	09/01/16-08/31/17	78,906					78,906	(78,906)						
Total U.S. Dept. of Ed. - Special Revenue Fund					0	(5,320)	0	0	153,858	(188,404)	0	0	0	0	(39,866)	0
Total Federal Financial Assistance					\$ 0	\$ (9,251)	\$ 0	\$ 0	\$ 929,345	\$ (964,687)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (44,593)	\$ 0

See accompanying notes to schedules of financial assistance.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2016		Prior Year Accounts Payable/Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2017			Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor						GAAP Budgetary Deferred Revenue	GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	\$ 161,552	\$	\$	\$	\$ 145,397	\$ (161,552)	\$	\$	\$	\$	\$	\$ (16,155)	\$ 161,552
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	162,889	(16,289)			16,289								137,209
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	139,209				138,219	(139,209)						(990)	139,209
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	137,160	(13,716)			13,716								137,160
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	1,917,619				1,725,857	(1,917,619)						(191,762)	1,917,619
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	1,908,481	(173,937)			173,937								1,908,481
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	135,141				121,627	(135,141)						(13,514)	(135,141)
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	140,043	(14,004)			14,004								140,043
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	49,643				44,679	49,643						(4,964)	(49,643)
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	48,594	(4,859)			4,859								48,594
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	11,384				0	(11,384)				(11,384)		(11,384)	11,384
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	4,497	(4,497)			4,497								4,497
Non-Public Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	696				0	(696)				(696)		(696)	696
Non-Public Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	696	(696)			696								696
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	2,360				2,124	(2,360)						(236)	2,360
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	2,360	(236)			236								2,360
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	2,360				2,124	(2,360)						(236)	2,360
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	2,360	(236)			236								2,360
Prof. Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	2,320				2,088	(2,320)						(232)	2,320
On Behalf of TPAF Pension Contributions	17-495-034-5095-006	7/1/16-6/30/17	339,946				339,946	(339,946)							339,946
TPAF Social Security Aid	17-495-034-5095-003	7/1/16-6/30/17	126,586				120,523	(126,586)				(6,063)		(6,063)	126,586
TPAF Social Security Aid	16-495-034-5094-003	7/1/15-6/30/16	123,187	(6,569)			6,569								123,187
Total General Fund				\$ (235,039)	\$ 0	\$ 0	\$ 2,877,623	\$ (2,789,530)	\$ 0	\$ 0	\$ 0	\$ (18,143)	\$ 0	\$ (246,232)	\$ 4,886,626
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	70,542				70,542	(70,542)						(7,054)	70,542
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	54,866	(5,487)			5,487								64,899
Total Special Revenue Fund				\$ (5,487)	\$ 0	\$ 0	\$ 76,029	\$ (70,542)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,054)	\$ 135,441
Enterprise Fund:															
National School Lunch Program (State)	17-100-010-3350-023	7/1/16-6/30/17	1,131				1,063	(1,131)				(68)		(68)	1,131
National School Lunch Program (State)	16-100-010-3350-023	7/1/15-6/30/16	1,248	(69)			59	0				0		0	1,248
Total Enterprise Fund				\$ (69)	\$ 0	\$ 0	\$ 1,122	\$ (1,131)	\$ 0	\$ 0	\$ 0	\$ (68)	\$ 0	\$ (68)	\$ 2,379
Total State Financial Assistance				\$ (240,585)	\$ 0	\$ 0	\$ 2,954,774	\$ (2,861,203)	\$ 0	\$ 0	\$ 0	\$ (18,211)	\$ 0	\$ (253,354)	\$ 5,024,446
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04 On Behalf of TPAF Pension Contributions															
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04															

See accompanying notes to schedules of financial assistance.

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NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2017

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, New Hanover Township School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is (\$4,813) and for the Special Revenue Fund is (\$1,567). Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 685,723	\$ 2,884,004	\$ 3,569,727
Special Revenue Fund	188,404	68,975	\$ 257,379
Capital Projects			\$ -
Debt Service			\$ -
Food Service	<u>90,560</u>	<u>1,132</u>	<u>\$ 91,692</u>
Total Financial Assistance	<u>\$ 964,687</u>	<u>\$ 2,954,111</u>	<u>\$ 3,918,798</u>

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NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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 the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

(Reference - Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? yes ✓ no
- 2. Significant Deficiencies identified? yes ✓ none reported

Noncompliance material to basic financial statements noted?

 yes ✓ no

Federal Awards

Internal control over major programs:

- 1. Material weakness(es) identified? yes ✓ no
- 2. Significant Deficiencies identified? yes ✓ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance?

 yes ✓ no

Identification of major programs:

CFDA Number

84.041

Name of Federal Program or Cluster

PL 103-382 Federal Impact Aid

Dollar threshold used to distinguish between type A and type B programs: (518)

\$750,000

Auditee qualified as low-risk auditee?

 ✓ yes no

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

State Awards

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

Auditee qualified as low risk auditee? yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes no

Identification of major programs:

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

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II - Schedule of Financial Statement Findings

No matters were noted that are required to be reported.

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Sheet 4

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with Uniform Guidance or NJ OMB 15-08.

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

The District had no prior year audit findings.