

**SCHOOL DISTRICT  
OF  
EAST GREENWICH TOWNSHIP**

**East Greenwich Township Board of Education  
Mickleton, New Jersey**

*Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018*

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*Comprehensive Annual  
Financial Report*

*of the*

*East Greenwich Township Board of Education*

*Mickleton, New Jersey*

*For the Fiscal Year Ended June 30, 2018*

*Prepared by*

*Gregory Wilson  
Board Secretary/Business Administrator*

## **Introductory Section**



# EAST GREENWICH TOWNSHIP SCHOOLS

SAMUEL MICKLE BUILDING, 559 KINGS HIGHWAY, MICKLETON, NJ 08056

PHONE: 856-423-0412

FAX: 856-224-0144

**Dr. James J. Lynch**, Superintendent  
**Gregory Wilson**, Business Administrator

**Lyn McGravey**, President of the Board of Education  
**Dr. Kimberley Chiodi**, Director of Curriculum & Instruction

February 25, 2019

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

Dear Board Members:

The comprehensive annual financial report of the East Greenwich Township School District (District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## 1. Reporting Entity and Its Services

The East Greenwich Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The East Greenwich Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-school through sixth grade. These include regular, as well as special education for gifted and handicapped students. The District completed the 2017-2018 fiscal year with an enrollment of 1,274 students. The following details the changes in the student enrollment of the District over the last five years.

#### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment (As of October 15th)</u>	<u>Percent Change</u>
2013-14	1,234.0	1.8%
2014-15	1,243.0	0.8%
2015-16	1,268.0	2.0%
2016-17	1,262.0	(0.5%)
2017-18	1,274.0	0.9%

## 2. Economic Condition and Outlook

The District has entered into an agreement with East Greenwich Township to share tax revenue of abatements moving forward should students enter into the District from that residence. Additional, but small increases in state aid have occurred and have been legislatively promised for the future. The District still remains grossly underfunded in promised state aid.

## 3. Major Initiatives

The District has a technology plan that is updated on a three-year cycle and revised annually to reflect initiatives accomplished and to adjust to changing standards. The technology connectivity continues to expand to accommodate the demands of access for the equipment and users. The District continues to monitor technology needs for the PARCC assessments and makes enhancements to both hardware and broadband to assure PARCC readiness. Additionally, the District funded a 1:1 device initiative for grades 2 through 6 and is currently developing a roll out of a similar initiative for grades B through 1.

The East Greenwich Township School District has committed itself to financial excellence for many years and plans to continue its sound fiscal management to meet the challenges of the future. To assist in being fiscally responsible, the District completed an aggressive solar initiative in the Fall of 2018 which should save the District in excess of \$100,000.00 per year through a Power Purchase Agreement with HESP with no construction related expenses to the District.

## 4. Internal Accounting Controls

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

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

## **5. Budgetary Controls**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

## **6. 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.

## **7. Financial Information At Fiscal Year End**

As demonstrated by the various statements and schedules in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## **8. Cash Management**

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

## **9. Risk Management**

The Board carries various forms of insurance, including, but not limited to, commercial general liability, commercial catastrophic liability, business automobile liability and comprehensive/collision, commercial property on all property and contents, commercial inland marine, school board legal liability, and fidelity bonds. The Board joined the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund in fiscal year 1999. We have continued in this JIF for all lines of insurance.

## **10. Other Information**

### **A. Independent Audit**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ball, Buckley and Seher, LLP, are the appointed District auditors. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the 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 State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## 11. Acknowledgements

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

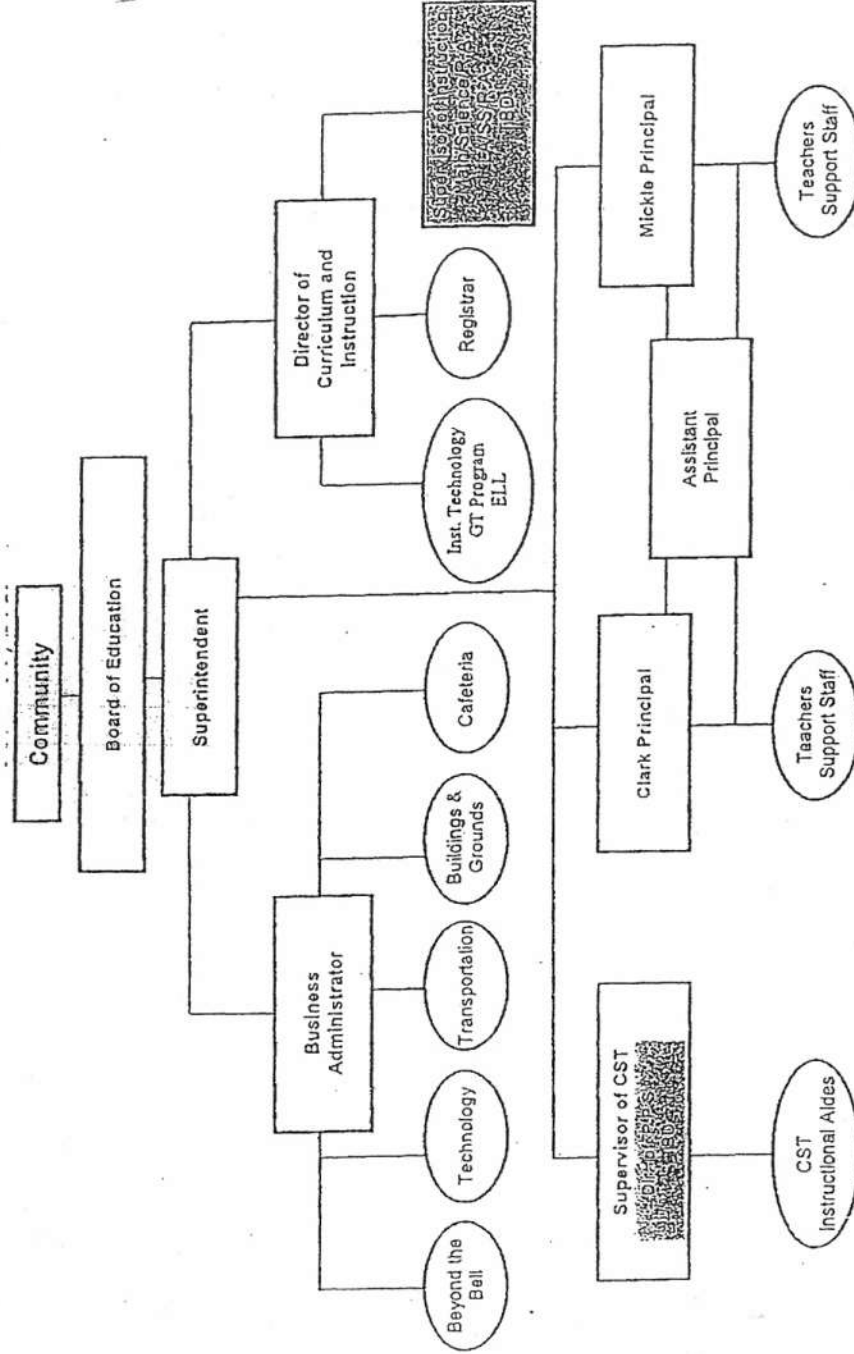
Respectfully submitted,

Dr. James J. Lynch  
Superintendent

Gregory Wilson  
Business Administrator/Board Secretary

EAST GREENWICH TOWNSHIP BOARD OF EDUCATION  
MICKLETON, NEW JERSEY

ORGANIZATIONAL CHART  
JUNE 30, 2018



Shaded = Possible Future Position

BOE approved 12/17/14



EAST GREENWICH TOWNSHIP BOARD OF EDUCATION  
MICKLETON, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2018

	<u>Term Expires</u>
<b>Members of the Board of Education</b>	
Lyn McGravey, President	2018
Kelly Hicks, Vice President	2018
Jennifer Nevius	2020
Mark Schonewise	2020
Timothy Back	2020
Kimberly Marino	2019
Lisa Licciardello	2019
Wayne T. Jones	2019
Janine Casella	2018
<b>Other Officials</b>	
James J. Lynch, Ed. D., Superintendent	
Gregory Wilson, Business Administrator/Board Secretary	
Paul Kalac, Esquire, Solicitor	

EAST GREENWICH TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

*Audit Firm*

Ball, Buckley and Seher, LLP  
Certified Public Accountants  
1301 North Broad Street  
Woodbury, New Jersey 08096

*Solicitor*

Weiner Law Group  
Paul Kalac, Esquire  
629 Parsippany Road  
Parsippany, New Jersey 07054

*Special Counsel*

McManimon & Scotland, L.L.C.  
Ronald J. Ianoale, Esquire  
One Riverfront Plaza, Fourth Floor  
Newark, New Jersey 07102-5408

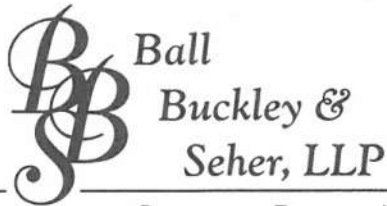
*Official Depository*

Fulton Bank of N.J.  
Mickleton Branch  
421 Kings Highway  
Mickleton, New Jersey 08056

*Architect*

Garrison Architects  
130 Presidential Boulevard  
Bala Cynwyd, Pennsylvania 19004

## **Financial Section**



CERTIFIED PUBLIC ACCOUNTANTS



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of East Greenwich School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphases of Matter**

### *Adoption of New Accounting Principles*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The adoption of this new accounting principle required the District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the post-employment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in Note 9 in the notes to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

The introductory section 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 February 25, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants  
Woodbury, New Jersey



Wayne W. Buckley  
Licensed Public School Accountant No. 240

February 25, 2019

*Required Supplementary Information - Part I*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR JUNE 30, 2018**

This section of the East Greenwich Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal years that ended June 30, 2018 and 2017. The intent of this section is to look at the District's financial performance and review the notes to the financial statements to enhance the understanding of the District's financial performance. It is recommended that this section be read in conjunction with the transmittal letter at the front of this report and the District's financial statements.

**Financial Highlights**

Key financial highlights for the 2017-18 fiscal year include the following:

- During the fiscal year ended June 30, 2018, the District adopted new accounting guidance Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The notes to the financial statements provide a more thorough discussion for the implementation of this Statement and the effects to the financial statements.
- Total assets and deferred outflows of resources of the District were over its total liabilities and deferred inflows of resources by \$6,160,351.14 for governmental activities and \$162,455.59 for business-type activities (net position).
- Net position for governmental activities decreased by \$77,200.16 and the net position for business type activities increased by \$38,120.35 from July 1, 2017 to June 30, 2018.
- The general fund, fund balance as of June 30, 2018 was \$3,427,056.79, an increase of \$309,134.27 when compared with the beginning balance as of July 1, 2017 of \$3,117,922.52.

**Overview of the Financial Statements**

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.



- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**Table 1**  
**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide 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 is included here	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 position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in fund net position	Statement of fiduciary net assets  Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability	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; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the 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

## District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - are one way to measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District may charge fees to customers to help it cover the costs of certain services it provides. The District's food service program and before/after school program are included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE.**

Net Position. The District's net position for the fiscal years ended June 30, 2017 and 2018 are reflected in Table 2.

**Table 2  
Net Position**

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 3,594,009.06	\$ 237,535.00	\$ 3,831,544.06	\$ 3,284,874.29	\$ 218,411.72	\$ 3,503,286.01
Capital assets, net	24,422,990.11	0.00	24,422,990.11	25,587,112.19	0.00	25,587,112.19
<b>Total assets</b>	<b>28,016,999.17</b>	<b>237,535.00</b>	<b>28,254,534.17</b>	<b>28,871,986.48</b>	<b>218,411.72</b>	<b>29,090,398.20</b>
Deferred outflow of resources - related to pensions	2,262,391.00	0.00	2,262,391.00	2,397,414.00	0.00	2,397,414.00
<b>Liabilities:</b>						
Current and other liabilities	380,109.14	75,079.41	455,188.55	397,043.97	94,076.48	491,120.45
Long-term liabilities:						
Due within one year	1,040,783.27	0.00	1,040,783.27	935,000.00	0.00	935,000.00
Due in more than one year	21,654,029.62	0.00	21,654,029.62	23,388,365.21	0.00	23,388,365.21
<b>Total liabilities</b>	<b>23,074,922.03</b>	<b>75,079.41</b>	<b>23,150,001.44</b>	<b>24,720,409.18</b>	<b>94,076.48</b>	<b>24,814,485.66</b>
Deferred inflow of resources - related to pensions	1,044,117.00	0.00	1,044,117.00	311,440.00	0.00	311,440.00
<b>Net position:</b>						
Net investment in capital assets	6,977,990.11	0.00	6,977,990.11	7,207,112.19	0.00	7,207,112.19
Restricted for:						
Debt service	1.22	0.00	1.22	0.72	0.00	0.72
Capital projects	364,369.00	0.00	364,369.00	264,205.44	0.00	264,205.44
Other purposes	3,202,401.74	0.00	3,202,401.74	2,987,928.97	0.00	2,987,928.97
Unrestricted	(4,384,410.93)	162,455.59	(4,221,955.34)	(4,221,696.02)	124,335.24	(4,097,360.78)
<b>Total net position</b>	<b>\$ 6,160,351.14</b>	<b>\$ 162,455.59</b>	<b>\$ 6,322,806.73</b>	<b>\$ 6,237,551.30</b>	<b>\$ 124,335.24</b>	<b>\$ 6,361,886.54</b>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$2,321,698.49 (operating grants and contributions \$1,630,334.08 and charges for services \$691,364.41).
- General revenues, special items, extraordinary items, and transfers amounted to \$18,049,936.84.
- Net expenditures were \$20,410,715.14.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$6,322,806.73 as of June 30, 2018.
- Revenues (\$20,371,635.33) plus beginning position (\$6,361,886.54) less net expenditures (\$20,410,715.14) equals net position of \$6,322,806.73.

Table 3 provides an illustration of the impact of the District's net position for the implementation of GASB Statement No. 68.

**Table 3**  
**Statement of Net Position - Effect on Pension Related Items**  
**At June 30, 2018 and 2017**

	2018		2017	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Deferred outflows related to pensions	\$ 2,262,391.00	\$ 0.00	\$ 2,397,414.00	\$ 0.00
Less: net pension liability	(5,141,011.00)	0.00	(5,894,517.00)	0.00
Less: deferred inflows related to pensions	(1,044,117.00)	0.00	(311,440.00)	0.00
<b>Total</b>	<b>\$ (3,922,737.00)</b>	<b>\$ 0.00</b>	<b>\$ (3,808,543.00)</b>	<b>\$ 0.00</b>
			<b>Total</b>	<b>Total</b>
			<b>\$ (3,922,737.00)</b>	<b>\$ (3,808,543.00)</b>

Change in Net Position. Net position for governmental activities decreased from June 30, 2017 to June 30, 2018 as reflected in Table 4.

**Table 4**  
**Changes in Net Position**

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program revenues:						
Charges for services	\$ 0.00	\$ 691,364.41	\$ 691,364.41	\$ 0.00	\$ 599,829.69	\$ 599,829.69
Operating grants and contributions	1,556,004.59	74,329.49	1,630,334.08	2,124,410.59	92,016.37	2,216,426.96
General revenues:						
Property taxes	14,365,626.00	0.00	14,365,626.00	14,177,269.00	0.00	14,177,269.00
Grants and entitlements	3,664,387.00	0.00	3,664,387.00	3,506,371.14	0.00	3,506,371.14
Other	19,553.93	369.91	19,923.84	446,608.77	299.23	446,908.00
<b>Total revenues</b>	<b>19,605,571.52</b>	<b>766,063.81</b>	<b>20,371,635.33</b>	<b>20,254,659.50</b>	<b>692,145.29</b>	<b>20,946,804.79</b>
Program expenses:						
Instruction	7,819,760.24	0.00	7,819,760.24	7,464,764.14	0.00	7,464,764.14
Tuition	434,867.20	0.00	434,867.20	432,308.71	0.00	432,308.71
Student and instruction related services	1,643,568.38	0.00	1,643,568.38	1,647,331.33	0.00	1,647,331.33
General administration	368,952.88	0.00	368,952.88	381,235.92	0.00	381,235.92
School administrative services	692,121.53	0.00	692,121.53	681,836.00	0.00	681,836.00
Central services	263,745.14	0.00	263,745.14	231,317.17	0.00	231,317.17
Administration information technology	28,667.20	0.00	28,667.20	62,675.04	0.00	62,675.04
Plant operations and maintenance	1,484,908.70	0.00	1,484,908.70	1,365,731.62	0.00	1,365,731.62
Pupil transportation	1,087,770.85	0.00	1,087,770.85	1,073,467.84	0.00	1,073,467.84
Employee benefits	4,030,886.81	0.00	4,030,886.81	5,114,349.55	0.00	5,114,349.55
Interest on long-term liabilities	607,191.67	0.00	607,191.67	648,350.00	0.00	648,350.00
Capital outlay	38,973.00	0.00	38,973.00	318,516.32	0.00	318,516.32
Unallocated depreciation	1,181,358.08	0.00	1,181,358.08	1,181,969.22	0.00	1,181,969.22
Enterprise operation	0.00	727,943.46	727,943.46	0.00	676,510.91	676,510.91
<b>Total expenses</b>	<b>19,682,771.68</b>	<b>727,943.46</b>	<b>20,410,715.14</b>	<b>20,603,852.86</b>	<b>676,510.91</b>	<b>21,280,363.77</b>
Increase (decrease) in net position	(77,200.16)	38,120.35	(39,079.81)	(349,193.36)	15,634.38	(333,558.98)
Beginning net position	6,237,551.30	124,335.24	6,361,886.54	6,586,744.66	108,700.86	6,695,445.52
Ending net position	\$ 6,160,351.14	\$ 162,455.59	\$ 6,322,806.73	\$ 6,237,551.30	\$ 124,335.24	\$ 6,361,886.54

Total revenues for the District were \$20,371,635.33. Governmental funding was the source of 25.99% of the District's revenues. This is made up of funds from the State of New Jersey and federal sources.

Property taxes of \$14,365,626.00 provided 70.00% of revenues.

Other miscellaneous revenues of \$19,923.84 (net of asset items) represent 0.11% of the District revenues. Miscellaneous revenue was primarily provided from tuition and interest.

In 2017-18, the District's governmental activities expenditures decreased by \$921,081.18 or 4.47%. \$894,021.32 or 97.06% of this decrease was attributable to the implementation of GASB Statement No. 68.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$8,254,627.44 (41.94%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$2,731,339.23 (13.88%) of total expenditures. Plant operations and maintenance totaled \$1,484,908.70 (7.55%) of total expenditures. Total expenditures were more than revenues for governmental activities, decreasing net position \$77,200.16 from the beginning balance at July 1, 2017.

### **Activity Descriptions**

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

**Tuition expenses** include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

**Student and instruction related services** include the activities designed to assess and improve the well being of students and to supplement the teaching process.

**School administrative and general and business administrative services** include expenses associated with establishing and administering policy for the District including financial supervision.

**Plant operation and maintenance of plant activities** involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

**Unallocated benefits** includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

**Interest on long-term debt** involve the transactions associated with the payment of interest and other related charges to the debt of the District.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$3,590,448.92. At June 30, 2017 the fund balance was \$3,281,314.15.

All governmental funds had total revenues of \$20,663,758.55 and total expenditures of \$20,354,572.75.

### **GENERAL FUND BUDGETING HIGHLIGHTS**

The 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.

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 6 including pupil transportation activities and capital outlay projects.



Table 5 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Table 5**  
**Comparison of Revenues**

	2018	2017	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local sources:				
Local tax levy	\$ 14,365,626.00	\$ 14,177,269.00	\$ 188,357.00	1.3%
Tuition	1,009.80	8,261.17	(7,251.37)	-87.8%
Miscellaneous	18,595.16	26,231.11	(7,635.95)	-29.1%
Government sources:				
State sources	5,980,035.59	5,455,705.60	524,329.99	9.6%
Federal sources	298,492.00	316,584.00	(18,092.00)	-5.7%
<b>Total</b>	<b>\$ 20,663,758.55</b>	<b>\$ 19,984,050.88</b>	<b>\$ 679,707.67</b>	<b>3.4%</b>

One of the primary sources of funding for the District is received from local property taxes and accounted for 69.52% of total revenues. State aid accounted for 28.94% of total revenues.

Total governmental fund revenues increased by \$679,707.67, or 3.40% from the previous year. The 2017-18 increase was the result of the increase in the 2017-18 tax levy and state aid revenues.

There was an increase in property taxes for the general fund of \$188,357.00, which is a 1.30% increase from the prior year. State law limits the increase in general fund taxes to 2%, plus a minimal amount of adjustments. The District utilized the automatic adjustment for enrollment over the 2% local cap. For the 2012-13 school year, a new law was enacted allowing school districts to bypass the requirement for voter approval of the budget by moving the annual election for school board members to the general election in November. The Board of Education made the decision in February of 2012 to move the election to November.

Table 6 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

**Table 6**  
**Comparison of Expenditures**

	2018	2017	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction:				
Regular	\$ 5,812,793.43	\$ 5,571,912.58	\$ 240,880.85	4.32%
Special education	1,611,550.88	1,600,846.70	10,704.18	0.67%
Other special education	395,415.93	292,004.86	103,411.07	35.41%
Support services:				
Tuition	434,867.20	432,308.71	2,558.49	0.59%
Student and instruction related services	1,643,568.38	1,647,331.33	(3,762.95)	-0.23%
General administration	368,952.88	381,235.92	(12,283.04)	-3.22%
School administrative services	692,121.53	681,836.00	10,285.53	1.51%
Central services	263,745.14	231,317.17	32,427.97	14.02%
Administration information technology	28,667.20	62,675.04	(34,007.84)	-54.26%
Plant operations and maintenance	1,484,908.70	1,365,731.62	119,177.08	8.73%
Pupil transportation	1,087,770.85	1,073,467.84	14,303.01	1.33%
Unallocated benefits	2,609,266.54	2,571,725.82	37,540.72	1.46%
TPAF and FICA reimbursements	2,315,647.59	1,947,894.60	367,752.99	18.88%
Capital outlay	56,209.00	348,783.32	(292,574.32)	-83.88%
Debt service	1,549,087.50	1,581,162.50	(32,075.00)	-2.03%
<b>Total</b>	<b>\$ 20,354,572.75</b>	<b>\$ 19,790,234.01</b>	<b>\$ 564,338.74</b>	<b>2.85%</b>

Total governmental fund expenditures increased \$564,338.74 or 2.85% from the previous year. This increase was primarily due to the increases in instructional and employee benefit expenses.

The District values its fund balances as a vehicle for addressing unbudgeted and emergency needs that occur during the school year.

During the course of fiscal year 2018, the District modified the general fund budget as needed to ensure no line item was projected to be overexpended.

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$1,549,087.50, of which \$1,549,088.00 in funding was provided by the local tax levy.

**FOOD SERVICE ENTERPRISE FUND**

The food service enterprise fund had net position of \$31,476.23 as of June 30, 2018. This reflects a decrease of \$749.86 from June 30, 2017.

**BEYOND THE BELL FUND**

The beyond the bell enterprise fund had net position of \$130,979.36 as of June 30, 2018. This reflects an increase of \$38,870.21 from June 30, 2017.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets are individual items purchased at a cost exceeding \$2,000.00, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2018, the District had capital assets allocated to governmental activities with a book value of \$24,422,990.11. This consists of a broad range of capital assets, including land, site, site improvements, buildings, building improvements, and equipment. Total depreciation expense for the year was \$1,181,358.08.

Table 7 summarizes capital assets.

**Table 7**  
**Capital Assets (Net of Depreciation)**  
**At June 30, 2018 and 2017**

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, site, and site improvements	\$ 672,000.65	\$ 0.00	\$ 672,000.65	\$ 708,640.05	\$ 0.00	\$ 708,640.05
Buildings and building improvements	23,628,586.52	0.00	23,628,586.52	24,753,793.80	0.00	24,753,793.80
Equipment	122,402.94	0.00	122,402.94	124,678.34	0.00	124,678.34
Total	\$ 24,422,990.11	\$ 0.00	\$ 24,422,990.11	\$ 25,587,112.19	\$ 0.00	\$ 25,587,112.19

**Long-Term Obligations**

At year-end, the District had \$17,445,000.00 in general obligation bonds outstanding, a decrease of \$935,000.00 from last year - as shown below.

The District also had a \$108,801.89 liability for compensated absences allocated to governmental activities. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 8 summarizes long-term obligations.

**Table 8**  
**Long-Term Obligations**  
**At June 30, 2018 and 2017**

	2018		2017	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Construction of addition and renovations to the Jeffrey Clark and Mickle Schools	\$ 13,870,000.00	\$ 0.00	\$ 14,320,000.00	\$ 0.00
Refunding bonds	3,575,000.00	0.00	4,060,000.00	0.00
Net pension position	5,141,011.00	0.00	5,894,517.00	0.00
Compensated absences	108,801.89	0.00	48,848.21	0.00
<b>Total</b>	<b>\$ 22,694,812.89</b>	<b>\$ 0.00</b>	<b>\$ 24,323,365.21</b>	<b>\$ 0.00</b>
			<b>Total</b>	<b>\$ 24,323,365.21</b>

## **Current Financial Issues and Concerns**

- The East Greenwich Township School District is financially stable. The District is proud of its community support of the public schools.
- The District routinely monitors the rules and regulations of the No Child Left Behind and Individuals With Educational Disabilities federal legislation to assess and ensure financial compliance.
- It is important for the District to continue to be able to complete capital improvement projects. One of the Board of Education's goals is to budget to sufficiently maintain the physical plants of the district and upgrade when necessary. This goal is challenged by educational programs spending demands as a result of the growing enrollment.
- After several years of large growth in student population, student growth has leveled off and shows only small increases. Recent additions and renovations have proved sufficient for student population and growth.
- After years of receiving flat funding from the State of New Jersey, the District started receiving increases in state aid which has helped to offset rises in costs. Despite the increased aid received, the District still remains grossly underfunded by the State.

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

## **Requests for Information**

This financial report is designed to provide a general overview of the East Greenwich Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, East Greenwich Township School District, 559 Kings Highway, Mickleton, NJ 08056.

*Basic Financial Statements*

*District-Wide Financial Statements*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 2,432,561.61	\$ 222,943.75	\$ 2,655,505.36
Receivables, net	256,154.15	5,217.37	261,371.52
Inventory	0.00	9,373.88	9,373.88
Restricted assets:			
Cash and cash equivalents	905,293.30	0.00	905,293.30
Capital assets:			
Non-depreciable	257,000.00	0.00	257,000.00
Assets net of depreciation	24,165,990.11	0.00	24,165,990.11
Total assets	28,016,999.17	237,535.00	28,254,534.17
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to pensions	2,262,391.00	0.00	2,262,391.00
<b>LIABILITIES:</b>			
Accounts payable	198,524.00	64,163.88	262,687.88
Accrued interest	178,025.00	0.00	178,025.00
Unearned revenue	3,560.14	10,915.53	14,475.67
Noncurrent liabilities:			
Due within one year	1,040,783.27	0.00	1,040,783.27
Due beyond one year	21,654,029.62	0.00	21,654,029.62
Total liabilities	23,074,922.03	75,079.41	23,150,001.44
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pensions	1,044,117.00	0.00	1,044,117.00
<b>NET POSITION:</b>			
Net investment in capital assets	6,977,990.11	0.00	6,977,990.11
Restricted for:			
Capital projects	364,369.00	0.00	364,369.00
Debt service	1.22	0.00	1.22
Other purposes	3,202,401.74	0.00	3,202,401.74
Unrestricted	(4,384,410.93)	162,455.59	(4,221,955.34)
Total net position	\$ 6,160,351.14	\$ 162,455.59	\$ 6,322,806.73

The accompanying notes to financial statements are an integral part of this statement.



EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expenses) Revenue And Changes In Net Position		
	Expenses	Charges For Services	Operating Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 5,812,793.43	\$ 0.00	\$ 69,338.00	\$ (5,743,455.43)	\$ 0.00	\$ (5,743,455.43)
Special education	1,611,550.88	0.00	0.00	(1,611,550.88)	0.00	(1,611,550.88)
Other special instruction	395,415.93	0.00	0.00	(395,415.93)	0.00	(395,415.93)
Support services:						
Tuition	434,867.20	0.00	212,848.00	(222,019.20)	0.00	(222,019.20)
Student and instruction related services	1,643,568.38	0.00	0.00	(1,643,568.38)	0.00	(1,643,568.38)
General administration	368,952.88	0.00	0.00	(368,952.88)	0.00	(368,952.88)
School administrative services	692,121.53	0.00	0.00	(692,121.53)	0.00	(692,121.53)
Central services	263,745.14	0.00	0.00	(263,745.14)	0.00	(263,745.14)
Administration information technology	28,667.20	0.00	0.00	(28,667.20)	0.00	(28,667.20)
Plant operations and maintenance	1,484,908.70	0.00	0.00	(1,484,908.70)	0.00	(1,484,908.70)
Pupil transportation	1,087,770.85	0.00	0.00	(1,087,770.85)	0.00	(1,087,770.85)
Employee benefits	4,030,886.81	0.00	1,273,818.59	(2,757,068.22)	0.00	(2,757,068.22)
Interest on long-term debt	607,191.67	0.00	0.00	(607,191.67)	0.00	(607,191.67)
Capital outlay	38,973.00	0.00	0.00	(38,973.00)	0.00	(38,973.00)
Unallocated depreciation	1,181,358.08	0.00	0.00	(1,181,358.08)	0.00	(1,181,358.08)
Total governmental activities	19,682,771.68	0.00	1,556,004.59	(18,126,767.09)	0.00	(18,126,767.09)
Business-type activities:						
Food service	372,826.76	297,638.50	74,329.49	0.00	(858.77)	(858.77)
Beyond the bell	355,116.70	393,725.91	0.00	0.00	38,609.21	38,609.21
Total business-type activities	727,943.46	691,364.41	74,329.49	0.00	37,750.44	37,750.44
Total primary government	\$ 20,410,715.14	\$ 691,364.41	\$ 1,630,334.08	(18,126,767.09)	37,750.44	(18,089,016.65)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				12,816,538.00	0.00	12,816,538.00
Taxes levied for debt service				1,549,088.00	0.00	1,549,088.00
Federal and state aid not restricted				3,664,387.00	0.00	3,664,387.00
Tuition				1,009.80	0.00	1,009.80
Investment earnings				5,253.84	369.91	5,623.75
Miscellaneous income				13,341.32	0.00	13,341.32
Prior period adjustment				(51.03)	0.00	(51.03)
Change in net position				(77,200.16)	38,120.35	(39,079.81)
Net position - beginning				6,237,551.30	124,335.24	6,361,886.54
Net position - ending				\$ 6,160,351.14	\$ 162,455.59	\$ 6,322,806.73

The accompanying notes to financial statements are an integral part of this statement.

*Fund Financial Statements*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 2,432,561.61	\$ 3,560.14	\$ 163,390.91	\$ 1.22	\$ 2,599,513.88
Due from other funds	173,921.08	0.00	0.00	0.00	173,921.08
Receivables from other governments	82,233.07	0.00	0.00	0.00	82,233.07
Restricted cash and cash equivalents	738,341.03	0.00	0.00	0.00	738,341.03
<b>Total assets</b>	<b>\$ 3,427,056.79</b>	<b>\$ 3,560.14</b>	<b>\$ 163,390.91</b>	<b>\$ 1.22</b>	<b>\$ 3,594,009.06</b>

**LIABILITIES AND FUND BALANCES:**

<b>Liabilities:</b>					
Unearned revenue	\$ 0.00	\$ 3,560.14	\$ 0.00	\$ 0.00	\$ 3,560.14
<b>Total liabilities</b>	<b>\$ 0.00</b>	<b>\$ 3,560.14</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 3,560.14</b>
<b>Fund balances:</b>					
Restricted for:					
Excess surplus - current year	1,265,664.95	0.00	0.00	0.00	1,265,664.95
Excess surplus - prior year - designated for subsequent year's expenditures	1,352,836.45	0.00	0.00	0.00	1,352,836.45
Emergency reserve	70,104.24	0.00	0.00	0.00	70,104.24
Maintenance reserve	467,258.70	0.00	0.00	0.00	467,258.70
Capital reserve account	200,978.09	0.00	0.00	0.00	200,978.09
Capital projects fund	0.00	0.00	163,390.91	0.00	163,390.91
Assigned:					
Other purposes	46,537.40	0.00	0.00	0.00	46,537.40
Unassigned:					
General fund	23,676.96	0.00	0.00	1.22	23,678.18
<b>Total fund balances</b>	<b>\$ 3,427,056.79</b>	<b>\$ 0.00</b>	<b>\$ 163,390.91</b>	<b>\$ 1.22</b>	<b>\$ 3,590,448.92</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,427,056.79</b>	<b>\$ 3,560.14</b>	<b>\$ 163,390.91</b>	<b>\$ 1.22</b>	<b>\$ 3,594,009.06</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,225,937.34 and the accumulated depreciation is \$11,802,947.23.

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 footnote).

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

Net pension liability.

Accounts payable related to the April 1, 2019 required PERS pension contribution that is not to be liquidated with current financial resources.

Deferred outflows of resources - related to pensions.

Deferred inflows of resources - related to pensions.

	24,422,990.11
	(17,553,801.89)
	(178,025.00)
	(5,141,011.00)
	(198,524.00)
	2,262,391.00
	(1,044,117.00)
<b>Net position of governmental activities</b>	<b>\$ 6,160,351.14</b>

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 12,816,538.00	\$ 0.00	\$ 0.00	\$ 1,549,088.00	\$ 14,365,626.00
Tuition	1,009.80	0.00	0.00	0.00	1,009.80
Interest earned on capital reserve funds	163.56	0.00	0.00	0.00	163.56
Interest on emergency reserve	101.24	0.00	0.00	0.00	101.24
Interest earned on maintenance reserve fund	690.97	0.00	0.00	0.00	690.97
Miscellaneous	17,440.51	0.00	198.88	0.00	17,639.39
Total local sources	12,835,944.08	0.00	198.88	1,549,088.00	14,385,230.96
State sources	5,980,035.59	0.00	0.00	0.00	5,980,035.59
Federal sources	0.00	298,492.00	0.00	0.00	298,492.00
Total revenues	18,815,979.67	298,492.00	198.88	1,549,088.00	20,663,758.55
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	5,743,455.43	69,338.00	0.00	0.00	5,812,793.43
Special education instruction	1,611,550.88	0.00	0.00	0.00	1,611,550.88
Other special instruction	395,415.93	0.00	0.00	0.00	395,415.93
Support services and undistributed costs:					
Tuition	222,019.20	212,848.00	0.00	0.00	434,867.20
Student and instruction related services	1,643,568.38	0.00	0.00	0.00	1,643,568.38
General administration	368,952.88	0.00	0.00	0.00	368,952.88
School administrative services	692,121.53	0.00	0.00	0.00	692,121.53
Central services	263,745.14	0.00	0.00	0.00	263,745.14
Administrative information technology	28,667.20	0.00	0.00	0.00	28,667.20
Plant operations and maintenance	1,484,908.70	0.00	0.00	0.00	1,484,908.70
Pupil transportation	1,087,770.85	0.00	0.00	0.00	1,087,770.85
Unallocated benefits	4,908,608.13	16,306.00	0.00	0.00	4,924,914.13
Debt service:					
Principal	0.00	0.00	0.00	935,000.00	935,000.00
Interest and other charges	0.00	0.00	0.00	614,087.50	614,087.50
Capital outlay	56,209.00	0.00	0.00	0.00	56,209.00
Total expenditures	18,506,993.25	298,492.00	0.00	1,549,087.50	20,354,572.75
Excess (deficiency) of revenues over (under) expenditures	308,986.42	0.00	198.88	0.50	309,185.80
<b>OTHER FINANCING SOURCES (USES):</b>					
Prior period adjustment	(51.03)	0.00	0.00	0.00	(51.03)
Transfers in (out)	198.88	0.00	(198.88)	0.00	0.00
Total other financing sources (uses)	147.85	0.00	(198.88)	0.00	(51.03)
Net change in fund balances	309,134.27	0.00	0.00	0.50	309,134.77
Fund balance - July 1	3,117,922.52	0.00	163,390.91	0.72	3,281,314.15
Fund balance - June 30	\$ 3,427,056.79	\$ 0.00	\$ 163,390.91	\$ 1.22	\$ 3,590,448.92

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

Total net change in fund balances - governmental funds (from B-2)	\$	309,134.77
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$ (1,181,358.08)	
Capital outlays	17,236.00	(1,164,122.08)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Bond principal		935,000.00
<p>In the statement of activities, certain operating expense, e.g., compensated 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
Compensated absences		(59,953.68)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		6,895.83
<p>Governmental funds report District pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the District's pension contributions in the current period.</p>		
		(104,155.00)
Change in net position of governmental activities	\$	(77,200.16)

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Food Service	Beyond The Bell	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 48,473.32	\$ 174,470.43	\$ 222,943.75
Accounts receivable	5,217.37	0.00	5,217.37
Inventories	9,373.88	0.00	9,373.88
Total current assets	63,064.57	174,470.43	237,535.00
Noncurrent assets:			
Equipment	102,000.00	0.00	102,000.00
Less: accumulated depreciation	(102,000.00)	0.00	(102,000.00)
Total noncurrent assets	0.00	0.00	0.00
Total assets	\$ 63,064.57	\$ 174,470.43	\$ 237,535.00
<b>LIABILITIES:</b>			
Current liabilities:			
Interfund accounts payable	\$ 23,853.86	\$ 34,254.07	\$ 58,107.93
Accounts payable	6,055.95	0.00	6,055.95
Unearned revenue	1,678.53	9,237.00	10,915.53
Total current liabilities	31,588.34	43,491.07	75,079.41
Total liabilities	31,588.34	43,491.07	75,079.41
<b>NET POSITION:</b>			
Net investment in capital assets	0.00	0.00	0.00
Unrestricted	31,476.23	130,979.36	162,455.59
Total net position	\$ 31,476.23	\$ 130,979.36	\$ 162,455.59

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Food Service	Beyond The Bell	Total
<b>OPERATING REVENUES:</b>			
Charges for services:			
Daily sales-reimbursable programs:			
School lunch program	\$ 148,423.70	\$ 0.00	\$ 148,423.70
Daily sales non-reimbursable programs	124,921.78	0.00	124,921.78
Special functions	24,293.02	0.00	24,293.02
Program fees	0.00	393,725.91	393,725.91
Total operating revenues	297,638.50	393,725.91	691,364.41
<b>OPERATING EXPENSES:</b>			
Cost of sales:			
Reimbursable programs	89,683.94	0.00	89,683.94
Non-reimbursable programs	90,187.58	0.00	90,187.58
Salaries and employee benefits	184,026.51	308,110.48	492,136.99
Supplies	0.00	25,621.92	25,621.92
Maintenance	0.00	12,000.00	12,000.00
Purchased services	550.00	9,123.30	9,673.30
Miscellaneous	8,378.73	261.00	8,639.73
Total operating expenses	372,826.76	355,116.70	727,943.46
Operating income (loss)	(75,188.26)	38,609.21	(36,579.05)
<b>NONOPERATING REVENUES (expenses):</b>			
State sources:			
State school lunch program	3,162.50	0.00	3,162.50
Federal sources:			
National school lunch program	52,287.78	0.00	52,287.78
Food distribution program	18,879.21	0.00	18,879.21
Interest revenue	108.91	261.00	369.91
Total nonoperating revenues (expenses)	74,438.40	261.00	74,699.40
Income (loss)	(749.86)	38,870.21	38,120.35
Total net position - beginning	32,226.09	92,109.15	124,335.24
Total net position - ending	\$ 31,476.23	\$ 130,979.36	\$ 162,455.59

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Food Service	Beyond The Bell	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 285,840.02	\$ 388,087.11	\$ 673,927.13
Payments for employees and employee benefits	(188,027.66)	(308,414.90)	(496,442.56)
Payments to suppliers	(162,775.48)	(48,429.80)	(211,205.28)
Net cash provided by (used for) operating activities	<u>(64,963.12)</u>	<u>31,242.41</u>	<u>(33,720.71)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State sources	3,133.84	0.00	3,133.84
Federal sources	52,548.98	0.00	52,548.98
Net cash provided by noncapital financing activities	<u>55,682.82</u>	<u>0.00</u>	<u>55,682.82</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	108.91	261.00	369.91
Net cash provided by investing activities	<u>108.91</u>	<u>261.00</u>	<u>369.91</u>
Net increase (decrease) in cash and cash equivalents	(9,171.39)	31,503.41	22,332.02
Balances - beginning of year	<u>57,644.71</u>	<u>142,967.02</u>	<u>200,611.73</u>
Balances - end of year	<u>\$ 48,473.32</u>	<u>\$ 174,470.43</u>	<u>\$ 222,943.75</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (75,188.26)	\$ 38,609.21	\$ (36,579.05)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Food distribution program	18,879.21	0.00	18,879.21
Change in assets and liabilities:			
(Increase)/decrease in other accounts receivable	1,536.59	350.00	1,886.59
(Increase)/decrease in inventory	1,089.61	0.00	1,089.61
Increase/(decrease) in accounts payable	(11,280.27)	(7,716.80)	(18,997.07)
Total adjustments	<u>10,225.14</u>	<u>(7,366.80)</u>	<u>2,858.34</u>
Net cash provided by (used for) operating activities	<u>\$ (64,963.12)</u>	<u>\$ 31,242.41</u>	<u>\$ (33,720.71)</u>

The accompanying notes to financial statements are an integral part of this statement.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Trust Funds		Agency Funds
	Unemployment Compensation Trust Fund	Flexible Spending Trust Fund	
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 112,836.49	\$ 20,842.67	\$ 125,608.31
Interfund accounts receivable	0.00	125.00	3,418.57
Total assets	112,836.49	20,967.67	\$ 129,026.88
<b>LIABILITIES:</b>			
Payroll deductions and withholdings	0.00	0.00	11,900.02
Interfund account payable	3,418.57	17,602.85	98,335.28
Payable to student groups	0.00	0.00	18,791.58
Total liabilities	3,418.57	17,602.85	\$ 129,026.88
<b>NET POSITION:</b>			
Held in trust for unemployment claims and other purposes	\$ 109,417.92		
Held in trust for claims		\$ 3,364.82	

The accompanying notes to financial statements are an integral part of this statement.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Unemployment Compensation Trust Fund	Flexible Spending Trust Fund	Total
<b>ADDITIONS:</b>			
Contributions:			
Plan member	\$ 28,747.58	\$ 33,302.69	\$ 62,050.27
Total contributions	<u>28,747.58</u>	<u>33,302.69</u>	<u>62,050.27</u>
Investment earnings:			
Interest	166.78	0.00	166.78
Net investment earnings	<u>166.78</u>	<u>0.00</u>	<u>166.78</u>
Total additions	<u>28,914.36</u>	<u>33,302.69</u>	<u>62,217.05</u>
<b>DEDUCTIONS:</b>			
Quarterly reports	8,455.24	0.00	8,455.24
Claims	4,725.30	34,539.22	39,264.52
Total deductions	<u>13,180.54</u>	<u>34,539.22</u>	<u>47,719.76</u>
Net change in fund balance	15,733.82	(1,236.53)	14,497.29
Net position - beginning of year	<u>93,684.10</u>	<u>4,601.35</u>	<u>98,285.45</u>
Net position - end of year	<u>\$ 109,417.92</u>	<u>\$ 3,364.82</u>	<u>\$ 112,782.74</u>

The accompanying notes to financial statements are an integral part of this statement.

*Notes To The Financial Statements*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity/Component Units**

The East Greenwich Township School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K - 6. The District had an approximate enrollment at June 30, 2018 of 1,274 students.

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

The Governmental Accounting Standards (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment to GASB Statements No. 14 and No. 34, and GASB Statement No. 80, *Blending Requirements for Certain Component Units* an amendment to GASB Statement No. 14 provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 an amendment to GASB Statements No. 14 and 34, and GASB Statement No. 80 an amendment to GASB Statement No. 14. The District has determined that there are no component units.

**B. Government-Wide and Fund Financial Statements**

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

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements (Concluded)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Fund Accounting**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

*Governmental Funds*

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

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

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

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

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

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Concluded)**

*Proprietary Funds*

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

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

The District's enterprise funds are comprised of the food service fund and the before/after school program.

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

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

Food service fund:  
Equipment - 20 years

*Fiduciary Funds*

**Trust and Agency Funds** - The trust and agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include the unemployment compensation insurance fund.

**Agency Funds** - 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. Agency funds include payroll and student activities funds.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Basis of Accounting (Concluded)**

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 two June state aid payments 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.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Budgets/Budgetary Control (Concluded)**

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.

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

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

**G. 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. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**H. Cash, Cash Equivalents, and Investments**

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

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

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Cash, Cash Equivalents, and Investments (Concluded)**

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, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**I. Tuition Receivable**

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

**J. Tuition Payable**

Tuition charges for the fiscal years 2017-18 and 2016-17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**K. Inventories**

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

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

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

**L. Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

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

**M. Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

- Improvements - 10-20 years (governmental activities)
- Buildings and improvements - 20-50 years (governmental activities)
- Machinery and equipment - 5-10 years (governmental and business-type activities)

**O. Compensated Absences**

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**P. Pensions**

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Deferred Outflows and Deferred Inflows of Resources**

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

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

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

**R. Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**S. Accrued Liabilities and Long-Term Obligations**

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

**T. Net Position**

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

*Net Investment in Capital Assets*

This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvements of those assets.

*Restricted*

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



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**T. Net Position (Concluded)**

*Unrestricted*

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

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

**U. Fund Balance**

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

*Nonspendable*

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

*Restricted*

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

*Committed*

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

*Assigned*

The assigned fund balance classification includes amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**U. Fund Balance (Concluded)**

*Unassigned*

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

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

**V. Operating and Non-Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**W. Interfund Activity**

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

**X. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Y. Impact of Recently Issued Accounting Principles**

*Recently Issued and Adopted Accounting Pronouncements*

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this statement required the District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the post-employment expenses associated with the District. In addition, the District was required to include additional note disclosures (see Note 9) and required supplementary information related to post-employment benefits.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**Y. Impact of Recently Issued Accounting Principles (Concluded)**

*Recently Issued and Adopted Accounting Pronouncements (Concluded)*

GASB Statement No. 85, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)). The adoption of this statement had no impact on the basic financial statements of the District.

*Recently Issued Accounting Pronouncements*

The GASB has issued the following statements which will become effective in future fiscal years as shown below:

GASB Statement No. 84, Fiduciary Activities. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The statement will become effective for the District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this statement will have an impact on the basic financial statements of the District.

GASB Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The statement will become effective for the District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this statement will have an impact on the basic financial statements of the District.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

*Custodial Credit Risk Related to Deposits*

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2 - CASH AND CASH EQUIVALENTS (Concluded)**

As of June 30, 2018, the District's bank balances of \$4,388,931.31 were exposed to custodial credit risk as follows:

Insurance	\$ 250,000.00
Uninsured and collateralized with securities held by pledging financial institutions	<u>4,138,931.31</u>
	<u>\$ 4,388,931.31</u>

**NOTE 3 - CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education by inclusion of \$75,000.00 on March 2, 1999 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 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 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 (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$ 100,814.53
Transferred by Board resolution	100,000.00
Interest earnings	<u>163.56</u>
Ending balance, June 30, 2018	<u>\$ 200,978.09</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects is \$100,757.57.

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2018 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year-end for the District's individual major and fiduciary funds, in the aggregate are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
State	\$ 82,233.07	\$ -	\$ 244.38	\$ 82,477.45
Federal	-	-	4,015.28	4,015.28
Other	<u>-</u>	<u>-</u>	<u>957.71</u>	<u>957.71</u>
Total	<u>\$ 82,233.07</u>	<u>\$ -</u>	<u>\$ 5,217.37</u>	<u>\$ 87,450.44</u>



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance as of June 30, 2017	Additions	Disposals/ Adjustments	Balance as of June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 257,000.00	\$ 0.00	\$ 0.00	\$ 257,000.00
Construction in progress	0.00	0.00	0.00	0.00
Total capital assets, not being depreciated	<u>257,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>257,000.00</u>
Capital assets, being depreciated:				
Site and site improvements	745,238.00	0.00	0.00	745,238.00
Buildings and building improvements	34,873,932.00	0.00	0.00	34,873,932.00
Machinery and equipment	332,531.34	17,236.00	0.00	349,767.34
Total at historical cost	<u>35,951,701.34</u>	<u>17,236.00</u>	<u>0.00</u>	<u>35,968,937.34</u>
Less accumulated depreciation:				
Site and site improvements	293,597.95	36,639.40	0.00	330,237.35
Buildings and building improvements	10,120,138.20	1,125,207.28	0.00	11,245,345.48
Machinery and equipment	207,853.00	19,511.40	0.00	227,364.40
Total accumulated depreciation	<u>10,621,589.15</u>	<u>1,181,358.08</u>	<u>0.00</u>	<u>11,802,947.23</u>
Total capital assets, being depreciated, net	<u>25,330,112.19</u>	<u>(1,164,122.08)</u>	<u>0.00</u>	<u>24,165,990.11</u>
Governmental activities capital assets, net	<u>\$ 25,587,112.19</u>	<u>\$ (1,164,122.08)</u>	<u>\$ 0.00</u>	<u>\$ 24,422,990.11</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 102,000.00	\$ 0.00	\$ 0.00	\$ 102,000.00
Less accumulated depreciation	<u>(102,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(102,000.00)</u>
Business-type activities capital assets, net	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Depreciation expense in the amount of \$1,181,358.08 was charged to governmental functions as follows:

Unallocated	\$ (1,181,358.08)
Total depreciation expense	<u>\$ (1,181,358.08)</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 - GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	Principal Outstanding June 30, 2017	Additions	Reductions	Principal Outstanding June 30, 2018	Amounts Due Within One Year
Construction of addition and renovations to the Jeffrey Clark and Mickle Schools	\$ 14,320,000.00	\$ 0.00	\$ 450,000.00	\$ 13,870,000.00	\$ 500,000.00
Refunding bonds	4,060,000.00	0.00	485,000.00	3,575,000.00	480,000.00
Net pension liability	5,894,517.00	0.00	753,506.00	5,141,011.00	0.00
Compensated absences payable	48,848.21	59,953.68	0.00	108,801.89	60,783.27
<b>Total</b>	<b>\$ 24,323,365.21</b>	<b>\$ 59,953.68</b>	<b>\$ 1,688,506.00</b>	<b>\$ 22,694,812.89</b>	<b>\$ 1,040,783.27</b>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 - GENERAL LONG-TERM DEBT (Concluded)**

**A. Bonds Payable**

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

On January 27, 2004, the District issued \$8,177,000.00 in general obligation bonds at various interest rates for the construction of the addition and renovation to the Jeffrey Clark and the Samuel Mickle Schools. The final maturity of the bonds is in 2013. On June 5, 2012 \$5,475,000.00 in refunding bonds were issued for the 2004 bonds with interest rates ranging from 2% to 5% and mature in 2024. On February 6, 2012, the District issued \$16,097,000.00 in general obligation bonds at interest rates ranging from 2.75% to 3.625% for the construction of the addition and renovation to the Jeffrey Clark and the Samuel Mickle Schools. The final maturity of the bonds is in 2036.

Principal and interest due on serial bonds outstanding is as follows:

	Principal	Interest	Total
Year ending June 30,			
2019	\$ 980,000.00	\$ 587,725.00	\$ 1,567,725.00
2020	1,030,000.00	555,462.50	1,585,462.50
2021	1,055,000.00	519,406.25	1,574,406.25
2022	1,095,000.00	484,456.25	1,579,456.25
2023	1,150,000.00	440,393.75	1,590,393.75
2024-2028	4,485,000.00	1,606,075.00	6,091,075.00
2029-2033	4,250,000.00	943,500.00	5,193,500.00
2034-2037	3,400,000.00	243,418.75	3,643,418.75
	<u>\$17,445,000.00</u>	<u>\$ 5,380,437.50</u>	<u>\$ 22,825,437.50</u>

**B. Bonds Authorized But Not Issued**

As of June 30, 2018, the District had no authorized but not issued bonds.

**C. Capital Leases**

As of June 30, 2018, the District had no capital leases payable.

**D. Compensated Absences**

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

**E. Interest Expense**

No interest expense was capitalized during the fiscal year ending June 30, 2018. Interest expense totaling \$614,087.50 was paid by the debt service fund for the fiscal year ending June 30, 2018.

**F. Net Pension Liability**

The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7 - OPERATING LEASES**

The District has commitments to lease copying equipment under operating leases. Total operating lease expenditures for the year ended June 30, 2018 were \$57,434.90. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2019	\$ 34,044.60
2020	16,454.61
2021	2,475.92
Total future minimum lease payments	\$ 52,975.13

**NOTE 8 - PENSION PLANS**

A substantial number of the District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295, <http://www.state.nj.us/treasury/pensions>.

**General Information About the Pension Plans**

**Plan Descriptions**

*Teachers' Pension and Annuity Fund*

The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. Substantially, all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified, are covered under TPAF.

*Public Employees' Retirement System*

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. Substantially all full-time employees of the District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund, are covered under PERS.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**General Information About the Pension Plans (Continued)**

**Plan Descriptions (Concluded)**

*Defined Contribution Retirement Program*

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least \$5,000.00 annually.

**Benefits Provided**

*Teachers' Pension and Annuity Fund*

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after 3 years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier 1 - Members who were enrolled prior to July 1, 2007

Tier 2 - Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008

Tier 3 - Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010

Tier 4 - Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011

Tier 5 - Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**General Information About the Pension Plans (Continued)**

**Benefits Provided (Concluded)**

*Public Employees' Retirement System*

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The membership tiers for PERS are the same as noted above for TPAF.

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

*Defined Contribution Retirement Program*

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

**Contributions**

*Teachers' Pension and Annuity Fund*

The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**General Information About the Pension Plans (Concluded)**

**Contributions (Concluded)**

*Teachers' Pension and Annuity Fund (Concluded)*

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

The District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 7.34% of the District's covered-employee payroll, of which 0.00% of payroll was required from the District and 100.00% of payroll was required from the State of New Jersey. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the District, to the pension plan for the fiscal year ended June 30, 2018 was \$754,760.00, and was paid by April 1, 2018. District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$558,893.28.

*Public Employees' Retirement System*

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 14.02% of the District's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$204,593.00, and was paid by April 1, 2018. District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$103,347.88.

*Defined Contribution Retirement Program*

The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the District contributes 3.0% of the employees base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2018, employee contributions totaled \$31,713.68, and the District recognized pension expense of \$52,147.87. There were no forfeitures during the fiscal year.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

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

*Teachers' Pension and Annuity Fund*

At June 30, 2018, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100.00% reduction for State of New Jersey pension support provided to the District. The State's proportionate share of net pension liability, attributable to the District is as follows:

District's proportionate share of net pension liability	\$	-
State of New Jersey's proportionate share of net pension liability associated with the District		<u>45,318,471.00</u>
		<u>\$45,318,471.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2017, the District's proportion was 0.00% due to the 100.00% special funding situation of the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the District was 0.0672145460%, which was an increase of 0.0040945027% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized \$3,139,434.00 in revenue and expense, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension revenue and expense was based on the pension plan's June 30, 2017 measurement date.

*Public Employees' Retirement System*

At June 30, 2018, the District reported a liability of \$5,141,011.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the District's proportion was 0.0220848987% which was an increase of 0.0021825076% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized \$603,662.00, in the government-wide financial statements, for pension expense for PERS. This pension expense was based on the pension plan's June 30, 2017 measurement date.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Public Employees' Retirement System (Continued)*

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow Of Resources</u>	<u>Deferred Inflow Of Resources</u>
Differences between expected and actual experience	\$ 121,053.00	\$ -
Changes of assumptions	1,035,737.00	1,031,939.00
Net difference between projected and actual earnings on pension plan investments	35,007.00	-
Changes in proportion and differences between district contributions and proportionate share of contributions	872,070.00	12,178.00
District contributions subsequent to the measurement date	<u>198,524.00</u>	<u>-.</u>
	<u>\$ 2,262,391.00</u>	<u>\$ 1,044,117.00</u>

\$198,524.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2019	\$ 772,031.00
2020	1,165,013.00
2021	705,939.00
2022	(938,900.00)
2023	(684,333.00)
Thereafter	<u>-.</u>
	<u>\$ 1,019,750.00</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Public Employees' Retirement System (Concluded)*

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to PERS will be over the following number of years:

	<u>Deferred Outflow Of Resources</u>	<u>Deferred Inflow Of Resources</u>
Differences between expected and actual experience:		
Year of pension plan deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions:		
Year of pension plan deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net difference between projected and actual earnings on pension plan investments:		
Year of pension plan deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in proportion and differences between District contributions and proportionate share of contributions:		
Year of pension plan deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions*

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary increases:		
2012-2021	Varies based on experience	
Through 2026		1.65% - 4.15% based on age
Thereafter	Varies based on experience	2.65% - 5.15% based on age
Investment rate of return	7.00%	7.00%
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. Mortality tables are setback 2 years for males and 7 years for females. In addition, the tables provide the future improvements in mortality from the base year of 2013 using a generalization approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members and a 1 year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generation approach based the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions (Concluded)*

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of returns for each major asset class included in target asset allocation as of June 30, 2017, the plans' measurement dates, are summarized in the following table:

Asset Class	TPAF		PERS	
	Target Allocation	Long-Term Expected Real Rate Of Return	Target Allocation	Long-Term Expected Real Rate Of Return
Absolute return/risk mitigation	5.00%	5.51%	5.00%	5.51%
Cash equivalents	5.50%	1.00%	5.50%	1.00%
US treasuries	3.00%	1.87%	3.00%	1.87%
Investment grade credit	10.00%	3.78%	10.00%	3.78%
Public high yield	2.50%	6.82%	2.50%	6.82%
Global diversified credit	5.00%	7.10%	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%	1.00%	6.60%
Debt related private equity	2.00%	10.63%	2.00%	10.63%
Debt related real estate	1.00%	6.61%	1.00%	6.61%
Private real estate	2.50%	11.83%	2.50%	11.83%
Equity related real estate	6.25%	9.23%	6.25%	9.23%
US equity	30.00%	8.19%	30.00%	8.19%
Non-US developed markets equity	11.50%	9.00%	11.50%	9.00%
Emerging markets equity	6.50%	11.64%	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%	8.25%	13.08%
	<u>100.00%</u>		<u>100.00%</u>	

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Discount Rate*

The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate*

*Teachers' Pension and Annuity Fund*

As indicated above, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. As such, the net pension liability as of June 30, 2017, the pension plan's measurement date, attributable to the District is \$0.00 and the State's net pension liability attributable to the District using a discount rate of 4.25%, as well as using a discount rate that is 1.00% lower or 1.00% higher than the current rates used is as follows:

	<u>1.00% Decrease (3.25%)</u>	<u>Current Discount Rate (4.25%)</u>	<u>1.00% Increase (5.25%)</u>
District's proportionate share of the net position liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability	<u>54,036,685.00</u>	<u>45,484,224.00</u>	<u>38,438,669.00</u>
	<u>\$54,036,685.00</u>	<u>\$45,484,224.00</u>	<u>\$38,438,669.00</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - PENSION PLANS (Concluded)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)**

*Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Concluded)*

*Public Employees' Retirement System*

The following presents the District's proportionate share of the net pension liability at June 30, 2017, the pension plan's measurement date, calculated using a discount rate of 5.00% for PERS, as well as what the District's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates used:

	1.00% Decrease (4.00%)	Current Discount Rate (5.00%)	1.00% Increase (6.00%)
District's proportionate share of the net pension liability	\$6,377,774.00	\$5,141,011.00	\$ 4,110,635.00

*Pension Plan Fiduciary Net Position*

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

**NOTE 9- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information About the OPEB Plan**

**Plan Description and Benefits Provided**

*State Health Benefit Local Education Retired Employees Plan*

The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in Paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Post-Employment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website: State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295, <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**General Information About the OPEB Plan (Concluded)**

**Contributions**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retirees on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirements System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

At June 30, 2018, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members:

Active plan members	223,747
Inactive plan members or beneficiaries currently receiving benefits	142,331
Inactive plan members entitled to but not yet receiving benefit payments	-
	<u>366,078</u>

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS, and ABP participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is 0.00%. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2018 was \$169,791,116.00. Since the OPEB liability associated with the District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

The total Non-Employer OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the District was 0.003165391808% which was a decrease of 0.000003930055% from its proportion measured as of June 30, 2016.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total Non-Employer OPEB Liability (Continued)**

*Actuarial Assumptions and Other Inputs*

The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases -

	TPAF/ ABP (1)	PERS (2)	PFRS (2)
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) - Based on years of service

(2) - Based on age

Inflation Rate - 2.50%.

Mortality Rates - Pre-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Experience Studies - The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS, and PERS, respectively.

Health Care Trend Assumptions - For Pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.00% long-term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.00% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after 8 years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total Non-Employer OPEB Liability (Continued)**

*Actuarial Assumptions and Other Inputs (Continued)*

Changes in the Total Non-Employer OPEB Liability - The table below summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2017		\$183,060,256.00
Changes for the year:		
Service cost	\$ 7,571,233.83	
Interest cost	5,379,398.95	
Changes in assumptions	(22,431,863.78)	
Gross benefit payments	(3,932,723.00)	
Member contributions	<u>144,813.00</u>	
Net changes		<u>(13,269,141.00)</u>
Balance at June 30, 2018		<u>\$169,791,115.00</u>

There are no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the District, using a discount rate of 3.58%, as well as using a discount rate that is 1.00% lower or 1.00% higher than the current rate used is as follows:

	1.00% Decrease (2.58%)	Current Discount Rate (3.58%)	1.00% Increase (4.58%)
State of New Jersey's proportionate share of the Total Non-Employer OPEB Liability associated with the District	<u>\$201,554,304.00</u>	<u>\$169,791,115.00</u>	<u>\$144,596,253.00</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Concluded)**

**Total Non-Employer OPEB Liability (Concluded)**

*Actuarial Assumptions and Other Inputs (Concluded)*

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the District, using healthcare cost trend rates that are 1.00% lower or 1.00% higher than the current healthcare cost trend rate used is as follows:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
State of New Jersey's proportionate share of the Total Non-Employer OPEB Liability associated with the District	<u>\$139,636,779.00</u>	<u>\$170,001,924.00</u>	<u>\$209,835,720.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the District recognized \$686,562.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's Expense, associated with the District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

In accordance with GASB Statement No. 75, the District's proportionate share of the OPEB Liability is \$0.00. As such, there is no recognition of the allocation of proportionate share of deferred outflows or resources and deferred inflows of resources by the District. However, at June 30, 2018, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with the District, are as follows:

	Deferred Outflow Of Resources	Deferred Inflow Of Resources
Changes in proportion	\$ -	\$ 796,917.00
Changes in assumptions or other inputs	-	20,080,515.00
	\$ -	\$20,877,432.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	PERS
2019	\$ (2,444,664.00)
2020	(2,444,664.00)
2021	(2,444,664.00)
2022	(2,444,664.00)
2023	(2,444,664.00)
Thereafter	(8,654,111.00)
	\$(20,877,431.00)

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10 - ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2018, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$1,058,135.00 and \$686,562.00, respectively.

**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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the proprietary fund types.

**NOTE 12 - DEFERRED COMPENSATION**

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

Equitable  
Lincoln

**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, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2018 for the joint insurance pool. As of December 31, 2017, the fund had a projected surplus of \$744,194.00 of which the District's share is \$9,213.00.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 13 - RISK MANAGEMENT (Concluded)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 166.78	\$ 28,747.58	\$ 13,180.54	\$ 109,417.92
2016-2017	150.75	34,314.05	33,424.04	93,684.10
2015-2016	147.83	26,465.94	18,268.65	92,643.34

**NOTE 14 - FLEXIBLE SPENDING PROGRAM**

The District offers its employees a flexible spending program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses, and other medical expenses not covered by other insurance. The District, who is the plan administrator, has contracted with American Family Life Assurance Company (AFLAC) to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to AFLAC for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the District.

The following is a summary of District contributions, employee contributions, reimbursements to the plan participants for benefits paid, and the ending balance of the District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ -	\$ 33,302.69	\$ 34,539.22	\$ 3,364.82
2016-2017	-	27,930.00	23,809.90	4,601.35
2015-2016	-	16,199.97	15,718.72	481.25

**NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances exist at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund:		
Flexible spending account	\$ 17,602.87	\$ -
Payroll and agency fund	98,210.28	-
Enterprise fund - cafeteria	23,853.86	-
Enterprise fund - beyond the bell	34,254.07	-
Unemployment trust fund:		
Payroll and agency fund	-	3,418.57
Flexible spending account:		
General fund	-	17,602.87
Payroll and agency fund	125.00	-



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES (Concluded)**

Fund	Interfund Receivable	Interfund Payable
Payroll agency fund:		
General fund	\$ -	\$ 98,210.28
Unemployment trust fund	3,418.57	-
Flexible spending account	-	125.00
Enterprise fund - cafeteria:		
General fund	-	23,853.86
Enterprise fund - beyond the bell:		
General fund	-	34,254.07
	<u>\$ 177,464.65</u>	<u>\$ 177,464.65</u>

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as 2018's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

**NOTE 16 - INVENTORY**

Inventory in the food service fund at June 30, 2018, consisted of the following:

Food and commodities	\$ 6,823.73
Supplies	2,550.15
	<u>\$ 9,373.88</u>

The value of federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 17 - FUND BALANCE APPROPRIATED**

The District has classified its fund balances with the following hierarchy:

*Nonspendable*

The District does not have any nonspendable funds.

*Spendable*

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

*Restricted*

Capital reserve - As of June 30, 2018, the balance in the capital reserve account is \$200,978.09 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 17 - FUND BALANCE APPROPRIATED (Concluded)**

Maintenance reserve - As of June 30, 2018, the balance in the maintenance reserve account is \$467,258.70. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (s1701).

Emergency reserve - As of June 30, 2018, the balance in the emergency reserve account is \$70,104.24.

Excess surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance as of June 30, 2018 is \$2,618,501.40. Of this, \$1,352,836.45 of excess fund balance, which was generated during 2016-17, has been restricted and designated for utilization in the 2018-19 budget.

Capital project fund - On February 6, 2012, the District issued \$16,097,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the District. The bond issuance was approved by the voters for the additions and renovations to the Jeffrey Clark and Samuel Mickle schools. As of June 30, 2018, the restricted fund balance amount was \$163,390.91.

Debt service fund - The debt service fund restricted fund balance at June 30, 2018 was \$1.22.

*Assigned*

Other purposes - As of June 30, 2018, the District had \$46,537.40 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

*Unassigned*

This is the remainder of the District's equity in the governmental fund types. The total balance is \$23,676.96 as of June 30, 2018.

**NOTE 18 - CALCULATION OF EXCESS SURPLUS**

The designation for reserved fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$1,265,664.95.

**NOTE 19 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through February 25, 2019, the date which the financial statements were available to be issued.



*Required Supplementary Information - Part II*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**

**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 12,816,538.00	\$ 0.00	\$ 12,816,538.00	\$ 12,816,538.00	\$ 0.00
Tuition	20,000.00	0.00	20,000.00	1,009.80	(18,990.20)
Interest earned on capital reserve	1.00	0.00	1.00	163.56	162.56
Interest earned on emergency reserve	1.00	0.00	1.00	101.24	100.24
Interest earned on maintenance reserve	1.00	0.00	1.00	690.97	689.97
Miscellaneous	19,999.00	0.00	19,999.00	17,440.51	(2,558.49)
<b>Total local sources</b>	<b>12,856,540.00</b>	<b>0.00</b>	<b>12,856,540.00</b>	<b>12,835,944.08</b>	<b>(20,595.92)</b>
State sources:					
Categorical special education aid	626,378.00	0.00	626,378.00	626,378.00	0.00
Categorical transportation aid	98,186.00	0.00	98,186.00	98,186.00	0.00
Equalization aid	1,965,539.00	0.00	1,965,539.00	2,138,484.00	172,945.00
Categorical security aid	83,010.00	0.00	83,010.00	83,010.00	0.00
Supplemental enrollment growth aid	539,780.00	0.00	539,780.00	539,780.00	0.00
Under adequacy aid	123,906.00	0.00	123,906.00	123,906.00	0.00
PARCC readiness aid	12,990.00	0.00	12,990.00	12,990.00	0.00
Per pupil growth aid	12,990.00	0.00	12,990.00	12,990.00	0.00
Professional community learning aid	13,190.00	0.00	13,190.00	13,190.00	0.00
Extraordinary aid	0.00	0.00	0.00	16,787.00	16,721.00
Nonpublic school transportation	0.00	0.00	0.00	20,010.00	20,010.00
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	1,058,135.00	1,058,135.00
On-behalf T.P.A.F. post retirement medical (non-budgeted)	0.00	0.00	0.00	686,562.00	686,562.00
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	570,950.59	570,950.59
<b>Total state sources</b>	<b>3,475,969.00</b>	<b>0.00</b>	<b>3,475,969.00</b>	<b>6,001,358.59</b>	<b>2,525,323.59</b>
<b>Total revenues</b>	<b>16,332,509.00</b>	<b>0.00</b>	<b>16,332,509.00</b>	<b>18,837,302.67</b>	<b>2,504,727.67</b>

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 699,705.00	\$ 0.00	\$ 699,705.00	\$ 693,834.77	\$ 5,870.23
Grades 1-5	3,739,169.00	(168,035.54)	3,571,133.46	3,538,618.68	32,514.78
Grades 6-8	848,862.00	61,298.73	910,160.73	900,900.59	9,260.14
Home instruction:					
Salaries of teachers	3,000.00	0.00	3,000.00	0.00	3,000.00
Purchased professional/educational services	0.00	700.00	700.00	700.00	0.00
Regular programs - undistributed instruction:					
Purchased professional/educational services	5,500.00	(700.00)	4,800.00	4,343.96	456.04
Purchased technical services	34,000.00	(1,941.68)	32,058.32	26,142.72	5,915.60
Rentals	51,200.00	3,759.29	54,959.29	51,406.90	3,552.39
Other purchased services	62,650.00	(1,817.61)	60,832.39	52,800.05	8,032.34
General supplies	523,633.22	9,464.09	533,097.31	474,707.76	58,389.55
Textbooks	10,000.00	(10,000.00)	0.00	0.00	0.00
Other objects	500.00	0.00	500.00	0.00	500.00
Total regular programs	5,978,219.22	(107,272.72)	5,870,946.50	5,743,455.43	127,491.07
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	203,002.00	(45,922.29)	157,079.71	155,968.44	1,111.27
Other salaries for instruction	87,414.00	(12,531.38)	74,882.62	67,288.16	7,594.46
General supplies	5,000.00	0.00	5,000.00	4,441.98	558.02
Textbooks	500.00	0.00	500.00	0.00	500.00
Total learning and/or language disabilities	295,916.00	(58,453.67)	237,462.33	227,698.58	9,763.75

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Multiple disabilities:					
Salaries of teachers	\$ 118,093.00	\$ 0.00	\$ 118,093.00	\$ 117,997.57	\$ 95.43
Other salaries for instruction	97,589.00	11,676.47	109,265.47	105,695.47	3,570.00
General supplies	3,000.00	0.00	3,000.00	556.31	2,443.69
Textbooks	2,000.00	0.00	2,000.00	0.00	2,000.00
Total multiple disabilities	220,682.00	11,676.47	232,358.47	224,249.35	8,109.12
Resource room/resource center:					
Salaries of teachers	685,820.00	26,118.44	711,938.44	707,140.68	4,797.76
Other salaries for instruction	108,595.00	1,958.28	110,553.28	110,553.28	0.00
General supplies	8,000.00	(3,700.00)	4,300.00	2,531.39	1,768.61
Total resource room/resource center	802,415.00	24,376.72	826,791.72	820,225.35	6,566.37
Preschool disabilities - part-time:					
Salaries of teachers	133,438.00	4,573.73	138,011.73	138,011.73	0.00
Other salaries for instruction	67,019.00	(9,134.71)	57,884.29	57,038.36	845.93
Purchased professional/educational services	525.00	(504.37)	20.63	0.00	20.63
General supplies	4,000.00	5,924.66	9,924.66	9,837.90	86.76
Total preschool disabilities - part-time	204,982.00	859.31	205,841.31	204,887.99	953.32
Preschool disabilities - full-time:					
Salaries of teachers	59,656.00	2,679.30	62,335.30	62,044.52	290.78
Other salaries for instruction	57,938.00	14,507.09	72,445.09	72,445.09	0.00
General supplies	1,000.00	(500.00)	500.00	0.00	500.00
Total preschool disabilities - full-time	118,594.00	16,686.39	135,280.39	134,489.61	790.78

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Total special education	\$ 1,642,589.00	\$ (4,854.78)	\$ 1,637,734.22	\$ 1,611,550.88	\$ 26,183.34
Basic skills/remedial - instruction:					
Salaries of teachers	272,193.00	120,322.00	392,515.00	392,514.96	0.04
General supplies	5,500.00	(2,599.03)	2,900.97	2,900.97	0.00
Total basic skills/remedial - instruction	277,693.00	117,722.97	395,415.97	395,415.93	0.04
Community service programs/operations:					
Supplies and materials	2,000.00	0.00	2,000.00	0.00	2,000.00
Total community service programs/operations	2,000.00	0.00	2,000.00	0.00	2,000.00
Total instruction	7,900,501.22	5,595.47	7,906,096.69	7,750,422.24	155,674.45
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state - regular	0.00	26,846.00	26,846.00	25,027.40	1,818.60
Tuition to other LEA's within the state - special	22,325.00	0.00	22,325.00	22,324.80	0.20
Tuition to county special services and regional day schools	321,672.00	(35,627.00)	286,045.00	122,484.00	163,561.00
Tuition to private schools for the handicapped - special within the state	52,693.00	0.00	52,693.00	52,183.00	510.00
Total instruction	396,690.00	(8,781.00)	387,909.00	222,019.20	165,889.80

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Health services:					
Salaries	\$ 187,469.00	\$ (1,000.00)	\$ 186,469.00	\$ 128,282.04	\$ 58,186.96
Purchased professional and technical services	2,000.00	1,100.00	3,100.00	2,775.25	324.75
Travel	100.00	0.00	100.00	0.00	100.00
Supplies and materials	8,000.00	(100.00)	7,900.00	6,344.80	1,555.20
Other objects	900.00	0.00	900.00	0.00	900.00
Total health services	198,469.00	0.00	198,469.00	137,402.09	61,066.91
Speech, OT, PT and related services:					
Salaries	381,101.00	0.00	381,101.00	376,855.69	4,245.31
Purchased professional educational services	100,000.00	(52,935.00)	47,065.00	0.00	47,065.00
Supplies and materials	5,000.00	0.00	5,000.00	3,600.81	1,399.19
Other objects	500.00	0.00	500.00	0.00	500.00
Total speech, OT, PT and related services	486,601.00	(52,935.00)	433,666.00	380,456.50	53,209.50
Other support services - extraordinary services:					
Salaries	220,640.00	(21,117.32)	199,522.68	192,921.00	6,601.68
Purchased professional educational services	96,000.00	61,417.50	157,417.50	156,981.44	436.06
Supplies and materials	8,000.00	0.00	8,000.00	3,942.00	4,058.00
Total other support services - extraordinary services	324,640.00	40,300.18	364,940.18	353,844.44	11,095.74

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Guidance:					
Salaries of other professional staff	\$ 135,842.00	\$ 3,155.59	\$ 138,997.59	\$ 137,092.59	\$ 1,905.00
Purchased professional educational services	3,000.00	0.00	3,000.00	0.00	3,000.00
Other purchased professional and technical services	9,250.00	0.00	9,250.00	0.00	9,250.00
Supplies and materials	16,000.00	(3,155.59)	12,844.41	4,857.60	7,986.81
Total guidance	<u>164,092.00</u>	<u>0.00</u>	<u>164,092.00</u>	<u>141,950.19</u>	<u>22,141.81</u>
Child study teams:					
Salaries of other professional staff	367,075.00	0.00	367,075.00	282,239.41	84,835.59
Salaries of secretarial and clerical assistants	44,930.00	0.00	44,930.00	44,068.37	861.63
Purchased professional educational services	23,700.00	563.65	24,263.65	23,964.53	299.12
Travel	1,500.00	0.00	1,500.00	168.84	1,331.16
Supplies and materials	10,000.00	(563.65)	9,436.35	8,278.04	1,158.31
Other objects	1,200.00	0.00	1,200.00	859.00	341.00
Total child study teams	<u>448,405.00</u>	<u>0.00</u>	<u>448,405.00</u>	<u>359,578.19</u>	<u>88,826.81</u>



EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Improvement of instruction services:					
Other salaries	\$ 18,200.00	\$ (2,290.00)	\$ 15,910.00	\$ 6,772.50	\$ 9,137.50
Purchased professional educational services	40,800.00	290.00	41,090.00	27,756.64	13,333.36
Supplies and materials	2,500.00	0.00	2,500.00	201.22	2,298.78
Total improvement of instruction services	61,500.00	(2,000.00)	59,500.00	34,730.36	24,769.64
Educational media services/school library:					
Salaries	125,608.00	0.00	125,608.00	124,949.25	658.75
Salaries of technology coordinators	47,921.00	820.35	48,741.35	48,741.35	0.00
Purchased professional and technical services	12,560.00	0.00	12,560.00	2,367.26	10,192.74
Other purchased services	500.00	0.00	500.00	0.00	500.00
Supplies and materials	17,300.00	(820.35)	16,479.65	9,507.98	6,971.67
Total educational media services/school library	203,889.00	0.00	203,889.00	185,565.84	18,323.16
Training services - instructional staff:					
Other salaries	33,880.00	0.00	33,880.00	28,949.11	4,930.89
Purchased professional educational services	15,000.00	0.00	15,000.00	7,600.00	7,400.00
Travel	20,000.00	2,000.00	22,000.00	12,915.50	9,084.50
Supplies and materials	1,000.00	0.00	1,000.00	576.16	423.84
Total training services - instructional staff	69,880.00	2,000.00	71,880.00	50,040.77	21,839.23

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Support services - general administration:					
Salaries other professional staff	\$ 140,662.00	\$ 4,138.00	\$ 144,800.00	\$ 144,799.20	\$ 0.80
Salaries secretary/clerical	51,603.00	0.00	51,603.00	50,626.75	976.25
Legal services	54,000.00	5,190.26	59,190.26	59,190.26	0.00
Audit fees	18,000.00	0.00	18,000.00	17,017.00	983.00
Architectural/engineering services	10,000.00	(4,138.00)	5,862.00	0.00	5,862.00
Other professional services	15,000.00	(190.26)	14,809.74	8,080.00	6,729.74
Rentals	5,000.00	(5,000.00)	0.00	0.00	0.00
Communications/telephone	42,300.00	3,245.44	45,545.44	32,253.33	13,292.11
Travel	1,700.00	0.00	1,700.00	192.59	1,507.41
BOE other purchased services	2,800.00	0.00	2,800.00	1,467.57	1,332.43
Other purchased services	35,000.00	3,954.56	38,954.56	38,954.56	0.00
General supplies	4,300.00	(1,269.75)	3,030.25	1,291.48	1,738.77
BOE in-house training/meeting supplies	500.00	69.75	569.75	569.75	0.00
Miscellaneous expenditures	5,000.00	6,080.00	11,080.00	8,420.00	2,660.00
BOE membership dues and fees	6,500.00	(80.00)	6,420.00	6,090.39	329.61
Total support services - general administration	392,365.00	12,000.00	404,365.00	368,952.88	35,412.12

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 520,704.00	\$ 7,152.85	\$ 527,856.85	\$ 523,350.81	\$ 4,506.04
Salaries of secretarial and clerical staff assistants	149,706.00	2,847.15	152,553.15	152,553.15	0.00
Purchased professional and educational services	24,000.00	0.00	24,000.00	0.00	24,000.00
Rentals	7,000.00	0.00	7,000.00	6,317.59	682.41
Travel	2,200.00	0.00	2,200.00	63.66	2,136.34
Supplies and materials	20,000.00	0.00	20,000.00	4,638.32	15,361.68
Other objects	4,000.00	2,000.00	6,000.00	5,198.00	802.00
<b>Total support services - school administration</b>	<b>727,610.00</b>	<b>12,000.00</b>	<b>739,610.00</b>	<b>692,121.53</b>	<b>47,488.47</b>
Central services:					
Salaries of other professionals	105,319.00	8,781.00	114,100.00	106,400.08	7,699.92
Salaries of secretarial and clerical staff	93,465.00	(1,915.75)	91,549.25	91,549.25	0.00
Purchased professional services	10,000.00	(3,069.85)	6,930.15	5,725.00	1,205.15
Purchased technical services	25,000.00	27,355.35	52,355.35	52,355.35	0.00
Miscellaneous purchased services	4,500.00	221.28	4,721.28	4,467.51	253.77
Travel	1,500.00	(221.28)	1,278.72	514.16	764.56
Supplies and materials	5,000.00	(2,347.65)	2,652.35	2,498.79	153.56
Miscellaneous expenditures	1,200.00	(22.10)	1,177.90	235.00	942.90
<b>Total central services</b>	<b>245,984.00</b>	<b>28,781.00</b>	<b>274,765.00</b>	<b>263,745.14</b>	<b>11,019.86</b>
Administration information technology:					
Salaries technical coordinator	70,564.00	0.00	70,564.00	28,667.20	41,896.80
<b>Total administration technology</b>	<b>70,564.00</b>	<b>0.00</b>	<b>70,564.00</b>	<b>28,667.20</b>	<b>41,896.80</b>

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Required maintenance for school facilities:					
Cleaning, repair, and maintenance services	\$ 100,000.00	\$ 13,904.35	\$ 113,904.35	\$ 113,456.35	\$ 448.00
General supplies	10,000.00	(6,143.40)	3,856.60	3,641.03	215.57
Total required maintenance for school facilities	110,000.00	7,760.95	117,760.95	117,097.38	663.57
Custodial services:					
Salaries of non-instructional aides	177,505.00	4,779.98	182,284.98	182,284.98	0.00
Other salaries	448,784.00	10,694.52	459,478.52	451,941.93	7,536.59
Purchased professional and technical services	90,000.00	(1,245.46)	88,754.54	88,754.54	0.00
Cleaning, repair, and maintenance services	22,000.00	(12,710.01)	9,289.99	8,130.25	1,159.74
Other purchased property services	600.00	0.00	600.00	0.00	600.00
Insurance	31,000.00	(13,117.76)	17,882.24	17,882.24	0.00
Miscellaneous purchased services	400.00	0.00	400.00	0.00	400.00
General supplies	92,002.00	(13,298.20)	78,703.80	68,888.82	9,814.98
Energy (natural gas)	120,000.00	5,646.73	125,646.73	125,646.73	0.00
Energy (electricity)	400,000.00	(17,113.95)	382,886.05	373,507.31	9,378.74
Utility - water and sewer	30,000.00	18,763.70	48,763.70	48,763.70	0.00
Total custodial services	1,412,291.00	(17,600.45)	1,394,690.55	1,365,800.50	28,890.05
Care and upkeep of grounds:					
Cleaning, repair, and maintenance services	2,800.00	0.00	2,800.00	935.33	1,864.67
General supplies	2,900.00	0.00	2,900.00	1,075.49	1,824.51
Total custodial services	5,700.00	0.00	5,700.00	2,010.82	3,689.18

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Student transportation services:					
Other salaries	\$ 23,170.00	\$ 688.54	\$ 23,858.54	\$ 23,858.54	\$ 0.00
Purchased professional and technical services	20,000.00	(19,812.50)	187.50	187.50	0.00
Contracted services (between home and school) - joint agreements	706,418.00	(12,504.07)	693,913.93	693,913.93	0.00
Contracted services (special education) - joint agreements	254,946.00	44,323.44	299,269.44	299,269.44	0.00
Contracted services - aid in lieu of payments	75,000.00	(4,458.56)	70,541.44	70,541.44	0.00
Total student transportation services	1,079,534.00	8,236.85	1,087,770.85	1,087,770.85	0.00
Unallocated benefits:					
Group insurance	16,500.00	0.00	16,500.00	975.00	15,525.00
Social security contributions	240,000.00	0.00	240,000.00	215,085.70	24,914.30
Other retirement contributions - PERS	180,000.00	18,894.06	198,894.06	194,620.71	4,273.35
Other retirement contributions - ERIP	16,500.00	0.00	16,500.00	0.00	16,500.00
Workmen's compensation	40,000.00	0.00	40,000.00	33,843.24	6,156.76
Health benefits	2,442,854.00	(132,894.06)	2,309,959.94	1,958,981.77	350,978.17
Tuition reimbursement	18,000.00	0.00	18,000.00	11,333.44	6,666.56
Other employee benefits	130,000.00	70,000.00	200,000.00	178,120.68	21,879.32
Total unallocated benefits	3,083,854.00	(44,000.00)	3,039,854.00	2,592,960.54	446,893.46

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
On-behalf T.P.A.F. pension contributions (non-budgeted)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,058,135.00	\$ (1,058,135.00)
On-behalf TPAF - post retirement medical (non-budgeted)	0.00	0.00	0.00	686,562.00	(686,562.00)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	570,950.59	(570,950.59)
Total undistributed expenditures	9,482,068.00	(14,237.47)	9,467,830.53	10,700,362.01	(1,232,531.48)
Total expenditures - current expense	17,382,569.22	(8,642.00)	17,373,927.22	18,450,784.25	(1,076,857.03)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Non-instructional equipment	0.00	8,642.00	8,642.00	0.00	8,642.00
Custodial service equipment	10,699.00	0.00	10,699.00	8,594.00	2,105.00
Total equipment	10,699.00	8,642.00	19,341.00	8,594.00	10,747.00
Facilities acquisition and construction services:					
Land and improvements	0.00	0.00	0.00	0.00	0.00
Other objects	47,615.00	0.00	47,615.00	47,615.00	0.00
Total facilities acquisition and construction services	47,615.00	0.00	47,615.00	47,615.00	0.00
Total capital outlay	58,314.00	8,642.00	66,956.00	56,209.00	10,747.00
Total expenditures	17,440,883.22	0.00	17,440,883.22	18,506,993.25	(1,066,110.03)

**EXHIBIT C-1**  
**(Continued)**

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Excess (deficiency) of revenues over (under) expenditures	\$ (1,108,374.22)	\$ 0.00	\$ (1,108,374.22)	\$ 330,309.42	\$ 1,438,617.64
Other financing sources (uses):					
Prior period adjustment	0.00	0.00	0.00	(51.03)	(51.03)
Transfer from capital projects fund	0.00	0.00	0.00	198.88	198.88
Total other financing sources (uses)	0.00	0.00	0.00	147.85	147.85
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,108,374.22)	0.00	(1,108,374.22)	330,457.27	1,438,765.49
Fund balances - July 1	3,433,546.52	0.00	3,433,546.52	3,433,546.52	0.00
Fund balances - June 30	\$ 2,325,172.30	\$ 0.00	\$ 2,325,172.30	\$ 3,764,003.79	\$ 1,438,765.49





**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual (Budgetary Basis)	Variance Final To Actual
<b>REVENUES:</b>					
Federal sources	\$ 244,883.00	\$ 56,813.00	\$ 301,696.00	\$ 298,492.00	\$ (3,204.00)
Total revenues	244,883.00	56,813.00	301,696.00	298,492.00	(3,204.00)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	49,121.00	9,113.00	58,234.00	58,234.00	0.00
Tuition	185,028.00	27,820.00	212,848.00	212,848.00	0.00
Purchased professional technical services	0.00	14,308.00	14,308.00	11,104.00	(3,204.00)
Total instruction	234,149.00	51,241.00	285,390.00	282,186.00	(3,204.00)
Support services:					
Employee benefits	10,734.00	5,572.00	16,306.00	16,306.00	0.00
Total support services	10,734.00	5,572.00	16,306.00	16,306.00	0.00
Total expenditures	244,883.00	56,813.00	301,696.00	298,492.00	(3,204.00)
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

*Notes To The Required Supplementary Information*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note To Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2018**

*Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures*

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 18,837,302.67	\$ 298,492.00
Difference - budget to GAAP:		
State aid payments recognized for budgetary purposes not recognized for GAAP statements:		
School year 2016-17	315,624.00	0.00
School year 2017-18	<u>(336,947.00)</u>	<u>0.00</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 18,815,979.67</u>	<u>\$ 298,492.00</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 18,506,993.25</u>	<u>\$ 298,492.00</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 18,506,993.25</u>	<u>\$ 298,492.00</u>

*Required Supplementary Information - Part III*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Five Fiscal Years**

	Measurement Date Ending June 30,				
	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.0220848987%	0.0199023911%	0.0174587000%	0.0155799669%	0.0157481376%
District's proportionate share of the net pension liability	\$ 5,141,011.00	\$ 5,894,517.00	\$ 3,919,128.00	\$ 2,916,996.00	\$ 3,009,782.00
District's covered-employee payroll	\$ 1,416,272.00	\$ 1,415,408.00	\$ 1,464,877.00	\$ 1,150,167.00	\$ 1,071,535.00
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	363.00%	416.45%	267.54%	253.61%	280.89%
Plan fiduciary net position as a percentage of the total pension liability	62.62%	54.61%	82.14%	97.45%	95.02%

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Five Fiscal Years**

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 198,524.00	\$ 208,563.00	\$ 176,810.00	\$ 191,706.00	\$ 128,439.00
Contributions in relation to the contractually required contribution	<u>(198,524.00)</u>	<u>(208,563.00)</u>	<u>(176,810.00)</u>	<u>(191,706.00)</u>	<u>(128,439.00)</u>
Contribution deficiency (excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
District's covered-employee payroll	\$ 1,416,272.00	\$ 1,415,408.00	\$ 1,464,877.00	\$ 1,282,375.00	\$ 1,150,167.00
Contributions as a percentage of district's covered-employee payroll	14.02%	14.74%	12.07%	14.95%	11.17%

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



EAST GREENWICH TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability

Teacher's Pension and Annuity Fund (TPAF)

Last Five Fiscal Years

	Measurement Date Ending June 30,				
	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportion of the net pension liability associated with the District	100.00%	100.00%	100.00%	100.00%	100.00%
District's proportionate share of the net pension liability	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
State's proportionate share of the net pension liability associated with the District	45,318,471.00	49,654,245.00	39,246,423.00	32,167,546.00	28,977,791.00
District's covered-employee payroll	\$ 7,576,246.00	\$ 7,619,492.00	\$ 7,234,499.00	\$ 6,393,228.00	\$ 5,896,845.00
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	598.17%	651.67%	542.49%	503.15%	491.41%
Plan fiduciary net position as a percentage of the total pension liability	35.08%	32.02%	40.51%	51.05%	51.22%

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Contributions**  
**Teacher's Pension and Annuity Fund (TPAF)**  
**Last Five Fiscal Years**

NOT APPLICABLE

Note: The District is not required to make any contributions towards TPAF. There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

*Notes To The Required Supplementary Information*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2018**

**NOTE 1 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

**Changes In Benefit Terms**

None.

**Changes In Assumptions**

For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study, and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**NOTE 2 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

**Changes In Benefit Terms**

None.

**Changes In Assumptions**

For 2017, the discount rate changed to 4.25% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65% from 7.90%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

*Required Supplementary Information - Part IV*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
**Last Plan Year**

	Measurement Date Ending June 30, 2017
Total Non-Employer OPEB Liability - State's proportionate share of the Total OPEB Liability associated with the District	
Changes for the year:	
Service cost	\$ 7,571,233.83
Interest cost	5,379,398.95
Changes in assumptions	(22,431,862.83)
Gross benefit payments	(3,932,817.52)
Member contributions	144,813.00
Net change in total non-employer OPEB liability	(13,269,234.57)
Total non-employer OPEB liability - beginning	183,060,256.00
Total non-employer OPEB liability - ending	\$ 169,791,021.43
District's covered payroll (plan measurement period)	\$ 8,992,518.00
State's proportionate share of the total non-employer OPEB liability associated with the District as a percentage of covered payroll	1888.14%

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

*Notes To The Required Supplementary Information*



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2018**

**NOTE 1 - TOTAL OPEB LIABILITY ASSOCIATED WITH THE DISTRICT**

**Changes In Benefit Terms**

None.

**Changes In Assumptions**

This discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

*Other Supplementary Information*

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures**  
**Budgetary Basis**

**For the Fiscal Year Ended June 30, 2018**

	Title I Part A	Title II Part A	I.D.E.A. - Part B Basic Regular Program	I.D.E.A. - Part B Preschool Incentive Program	Total
<b>REVENUES:</b>					
Federal sources	\$ 74,540.00	\$ 11,104.00	\$ 200,585.00	\$ 12,263.00	\$ 298,492.00
Total revenues	<u>\$ 74,540.00</u>	<u>\$ 11,104.00</u>	<u>\$ 200,585.00</u>	<u>\$ 12,263.00</u>	<u>\$ 298,492.00</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 58,234.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 58,234.00
Purchase professional educational services	0.00	11,104.00	0.00	0.00	11,104.00
Tuition	0.00	0.00	200,585.00	12,263.00	212,848.00
Total instruction	<u>58,234.00</u>	<u>11,104.00</u>	<u>200,585.00</u>	<u>12,263.00</u>	<u>282,186.00</u>
Support services:					
Personal service - employee benefits	16,306.00	0.00	0.00	0.00	16,306.00
Total support services	<u>16,306.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,306.00</u>
Total expenditures	<u>\$ 74,540.00</u>	<u>\$ 11,104.00</u>	<u>\$ 200,585.00</u>	<u>\$ 12,263.00</u>	<u>\$ 298,492.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2018**

Project Title	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures To Date		Unexpended Appropriations June 30, 2018
			Prior Year	Current Year	
Construction of addition and renovations to the Samuel Mickle School and the Jeffrey Clark School	12/11/11	\$ 22,541,250.00	\$ 22,377,859.09	\$ 0.00	\$ 163,390.91
		\$ 22,541,250.00	\$ 22,377,859.09	\$ 0.00	\$ 163,390.91

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

REVENUES AND OTHER FINANCING SOURCES:	
Interest earnings	\$ 198.88
Total revenues and other financing sources	198.88
EXPENDITURES AND OTHER FINANCING USES:	
Construction services	0.00
Total expenditures and other financing uses	0.00
Excess (deficiency) of revenues over (under) expenditures	198.88
OTHER FINANCING SOURCES (USES):	
Transfers out - interest earnings	(198.88)
Total other financing sources (uses)	(198.88)
Excess (deficiency) of revenues over (under) expenditures after other financing sources (uses)	0.00
Fund balance - beginning	163,390.91
Fund balance - ending	\$ 163,390.91

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Construction of Addition and Renovations to the Samuel Mickle School and the Jeffrey Clark School  
From Inception and for the Fiscal Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State sources - SDA grant	\$ 6,444,241.00	\$ 0.00	\$ 6,444,241.00	\$ 6,444,241.00
Bond proceeds and transfers	16,097,009.00	0.00	16,097,009.00	16,097,009.00
Total revenues and other financing sources	22,541,250.00	0.00	22,541,250.00	22,541,250.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services	1,394,298.07	0.00	1,394,298.07	1,320,000.00
Land and improvements	609,476.80	0.00	609,476.80	1,615,000.00
Construction services	18,886,242.97	0.00	18,886,242.97	19,180,250.00
Interest on bonds	494,244.29	0.00	494,244.29	0.00
Miscellaneous	993,596.96	0.00	993,596.96	426,000.00
Total expenditures and other financing uses	22,377,859.09	0.00	22,377,859.09	22,541,250.00
Excess (deficiency) of revenues over (under) expenditures	\$ 163,390.91	\$ 0.00	\$ 163,390.91	\$ 0.00
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number - Samuel Mickle School	1180-045-10-3002			
Project number - Jeffrey Clark School	1180-020-10-1001			
Grant date	03/05/12			
Bond authorization date	06/05/12			
Bonds authorized	\$ 16,097,000.00			
Bonds issued	\$ 16,097,000.00			
Original authorized cost	\$ 22,541,250.00			
Additional authorized cost	\$ 0.00			
Revised authorized cost	\$ 22,541,250.00			
Percentage increase over original authorized cost	0.00%			
Percentage of completion	99.28%			
Original target completion date	09/01/13			
Revised target completion date	N/A			

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2018**

	Trust		Agency		Total
	Unemployment Compensation Insurance	Flexible Spending	Student Activity	Payroll	
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 112,836.49	\$ 20,842.67	\$ 18,791.58	\$ 106,816.73	\$ 259,287.47
Interfund accounts receivable	0.00	125.00	0.00	3,418.57	3,543.57
Total assets	<u>\$ 112,836.49</u>	<u>\$ 20,967.67</u>	<u>\$ 18,791.58</u>	<u>\$ 110,235.30</u>	<u>\$ 262,831.04</u>
<b>LIABILITIES:</b>					
Payroll deductions and withholdings	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11,900.02	\$ 11,900.02
Interfund accounts payable	3,418.57	17,602.85	0.00	98,335.28	119,356.70
Due to student groups	0.00	0.00	18,791.58	0.00	18,791.58
Total liabilities	<u>3,418.57</u>	<u>17,602.85</u>	<u>\$ 18,791.58</u>	<u>\$ 110,235.30</u>	<u>150,048.30</u>
<b>NET POSITION:</b>					
Reserved	<u>109,417.92</u>	<u>3,364.82</u>			<u>112,782.74</u>
Total net position	<u>\$ 109,417.92</u>	<u>\$ 3,364.82</u>			<u>\$ 112,782.74</u>



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2018**

	Unemployment Compensation Insurance Trust Fund	Flexible Spending Trust Fund	Total
<b>OPERATING REVENUES:</b>			
Deduction from employees' salaries	\$ 28,747.58	\$ 33,302.69	\$ 62,050.27
Interest earned	166.78	0.00	166.78
Total operating revenues	<u>28,914.36</u>	<u>33,302.69</u>	<u>62,217.05</u>
<b>OPERATING EXPENSES:</b>			
Quarterly reports	8,455.24	0.00	8,455.24
Claims	4,725.30	34,539.22	39,264.52
Total operating expenses	<u>13,180.54</u>	<u>34,539.22</u>	<u>47,719.76</u>
Net change in fund balance	15,733.82	(1,236.53)	14,497.29
Fund balances - July 1	<u>93,684.10</u>	<u>4,601.35</u>	<u>98,285.45</u>
Fund balances - June 30	<u>\$ 109,417.92</u>	<u>\$ 3,364.82</u>	<u>\$ 112,782.74</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2018**

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Elementary schools:				
Samuel Mickle School	\$ 7,660.04	\$ 80,849.22	\$ 81,608.51	\$ 6,900.75
Jeffrey Clark School	6,824.45	34,240.45	31,359.47	9,705.43
Wild site fund	2,181.84	3.56	0.00	2,185.40
	<u>2,181.84</u>	<u>3.56</u>	<u>0.00</u>	<u>2,185.40</u>
Total all schools	<u>\$ 16,666.33</u>	<u>\$ 115,093.23</u>	<u>\$ 112,967.98</u>	<u>\$ 18,791.58</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursement**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Balance</u>	<u>Cash</u>	<u>Disbursements</u>	<u>Balance</u>
	<u>July</u>	<u>Receipts</u>	<u>Cash</u>	<u>June</u>
	<u>1, 2017</u>	<u>          </u>	<u>          </u>	<u>30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 15,872.02	\$ 12,414,689.73	\$ 12,323,745.02	\$ 106,816.73
Interfund accounts receivable	5,975.23	0.00	2,556.66	3,418.57
	<u>\$ 21,847.25</u>	<u>\$ 12,414,689.73</u>	<u>\$ 12,326,301.68</u>	<u>\$ 110,235.30</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 17,614.06	\$ 5,252,752.42	\$ 5,258,466.46	\$ 11,900.02
Net payroll	0.00	6,825,412.90	6,825,412.90	0.00
Interfund accounts payable	4,233.19	336,524.41	242,422.32	98,335.28
	<u>\$ 21,847.25</u>	<u>\$ 12,414,689.73</u>	<u>\$ 12,326,301.68</u>	<u>\$ 110,235.30</u>

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2018**

Issue	Date Of Issue	Amount Of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Retired	Balance June 30, 2018
			Date	Amount				
Construction of addition and renovation to the Jeffrey Clark and the Samuel Mickle Schools	02/06/12	\$ 16,097,000.00	09/01/18	\$ 500,000.00	2.750%			
			09/01/19	450,000.00	2.750%			
			09/01/20	485,000.00	2.750%			
			09/01/21-22	475,000.00	2.750%			
			09/01/23	550,000.00	2.750%			
			09/01/24	810,000.00	3.000%			
			09/01/25-27	825,000.00	3.000%			
			09/01/28-29	850,000.00	3.000%			
			09/01/30	850,000.00	3.125%			
			09/01/31	850,000.00	3.250%			
			09/01/32	850,000.00	3.375%			
			09/01/33	850,000.00	3.400%			
			09/01/34	850,000.00	3.500%			
		09/01/35	850,000.00	3.600%				
		09/01/36	850,000.00	3.625%	\$ 14,320,000.00	\$ 450,000.00	\$ 13,870,000.00	
Refunding bonds	06/05/12	5,475,000.00	06/14/19	480,000.00	4.00%			
			06/14/20	580,000.00	4.00%			
			06/14/21	70,000.00	2.50%			
			06/14/21	500,000.00	4.00%			
			06/14/22	620,000.00	5.00%			
			06/14/23	675,000.00	5.00%			
		06/14/24	650,000.00	5.00%	4,060,000.00	485,000.00	3,575,000.00	
					\$ 18,380,000.00	\$ 935,000.00	\$ 17,445,000.00	

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Budget
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,549,088.00	0.00	\$ 1,549,088.00	\$ 1,549,088.00	\$ 0.00
Total local sources	<u>1,549,088.00</u>	<u>0.00</u>	<u>1,549,088.00</u>	<u>1,549,088.00</u>	<u>0.00</u>
<b>Total revenues</b>	<u>1,549,088.00</u>	<u>0.00</u>	<u>1,549,088.00</u>	<u>1,549,088.00</u>	<u>0.00</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	614,088.00	0.00	614,088.00	614,087.50	0.50
Redemption of principal	935,000.00	0.00	935,000.00	935,000.00	0.00
Total regular debt service	<u>1,549,088.00</u>	<u>0.00</u>	<u>1,549,088.00</u>	<u>1,549,087.50</u>	<u>0.50</u>
<b>Total expenditures</b>	<u>1,549,088.00</u>	<u>0.00</u>	<u>1,549,088.00</u>	<u>1,549,087.50</u>	<u>0.50</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	0.50	0.50
Fund balance - July 1	0.72	0.00	0.72	0.72	0.00
Fund balance - June 30	<u>0.72</u>	<u>0.00</u>	<u>0.72</u>	<u>1.22</u>	<u>0.50</u>

## Statistical Section

**Financial Trends** - These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

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

**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT

Net Position By Component  
Last Ten Fiscal Years  
Accrual Basis of Accounting

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 6,977,990.11	\$ 7,207,112.19	\$ 6,982,839.41	\$ 7,177,807.69	\$ 5,614,127.92	\$ 4,657,364.84	\$ 2,611,088.78	\$ 714,772.07	\$ 635,146.50	\$ 128,076.84
Restricted	3,566,771.96	3,252,135.13	3,040,602.09	3,537,708.19	3,374,027.19	5,652,192.45	6,690,088.01	1,240,921.58	676,397.08	353,724.10
Unrestricted	(4,384,410.93)	(4,221,696.02)	(3,436,696.84)	(3,283,832.10)	71,201.29	176,868.01	68,290.39	126,299.65	14,631.69	176,020.73
Total governmental activities net position	\$ 6,160,351.14	\$ 6,237,551.30	\$ 6,586,744.66	\$ 7,431,683.78	\$ 9,059,356.40	\$ 10,486,425.30	\$ 9,369,467.18	\$ 2,081,993.30	\$ 1,326,175.27	\$ 657,821.67
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 0.00	\$ 0.00	\$ 386.68	\$ 1,160.00	\$ 3,943.38	\$ 9,436.68	\$ 15,716.65	\$ 23,880.04	\$ 31,426.68	\$ 37,616.65
Restricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted	162,455.59	124,335.24	108,314.18	74,717.05	74,408.24	28,556.09	23,172.38	(18,063.30)	(881.45)	19,184.49
Total business-type activities net position	\$ 162,455.59	\$ 124,335.24	\$ 108,700.86	\$ 75,877.05	\$ 78,351.62	\$ 37,992.77	\$ 38,889.03	\$ 5,816.74	\$ 30,545.23	\$ 56,801.14
<b>District-wide activities:</b>										
Net investment in capital assets	\$ 6,977,990.11	\$ 7,207,112.19	\$ 6,983,226.09	\$ 7,178,967.69	\$ 5,618,071.30	\$ 4,666,801.52	\$ 2,626,805.43	\$ 738,652.11	\$ 666,573.18	\$ 165,693.49
Restricted	3,566,771.96	3,252,135.13	3,040,602.09	3,537,708.19	3,374,027.19	5,652,192.45	6,690,088.01	1,240,921.58	676,397.08	353,724.10
Unrestricted	(4,221,955.34)	(4,097,360.78)	(3,328,382.66)	(3,209,115.05)	145,609.53	205,424.10	91,462.77	108,236.35	13,750.24	195,205.22
Total district-wide activities net position	\$ 6,322,806.73	\$ 6,361,886.54	\$ 6,695,445.52	\$ 7,507,560.83	\$ 9,137,708.02	\$ 10,524,418.07	\$ 9,408,356.21	\$ 2,087,810.04	\$ 1,356,720.50	\$ 714,622.81

In accordance with GASB Statement No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 63 and No. 71, which required the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.



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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses:</b>										
<b>Governmental activities:</b>										
<b>Instruction:</b>										
Regular	\$ 5,812,793.43	\$ 5,571,912.58	\$ 5,369,717.52	\$ 4,934,794.73	\$ 4,591,849.54	\$ 4,515,678.74	\$ 5,453,441.61	\$ 4,136,810.08	\$ 4,189,378.48	\$ 3,482,523.79
Special education	1,611,550.88	1,600,846.70	1,531,753.05	1,398,213.94	1,192,288.26	1,043,564.82	1,331,195.96	771,311.40	780,399.03	695,180.26
Other special education	395,415.93	292,004.86	353,223.73	402,121.81	336,509.67	288,004.23	237,532.61	230,298.62	228,018.04	212,038.96
Other instruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	776.77	698.27
<b>Support services:</b>										
Tuition	434,867.20	432,308.71	392,680.45	365,479.66	483,195.26	467,321.73	540,656.74	585,162.99	381,657.94	340,694.92
Student and instruction related services	1,643,568.38	1,647,331.33	1,484,724.47	1,647,709.91	1,653,821.77	1,455,095.66	1,853,590.70	1,220,212.07	1,227,429.14	1,266,598.86
General administration	368,952.88	381,235.92	339,383.56	327,759.84	317,468.51	297,014.37	409,253.82	327,514.62	316,314.14	293,844.41
School administrative services	692,121.53	681,836.00	627,476.38	560,999.79	524,733.61	450,075.14	517,327.57	391,649.44	382,625.13	371,119.12
Central services	263,745.14	231,317.17	218,345.84	214,607.46	256,047.29	197,376.89	187,970.87	181,561.16	183,254.50	185,411.55
Administration information technology	28,667.20	62,675.04	60,500.08	51,549.92	0.00	0.00	0.00	0.00	0.00	0.00
Plant operations and maintenance	1,484,908.70	1,365,731.62	1,495,047.00	1,254,851.02	1,169,591.67	1,009,868.08	1,359,162.82	1,089,499.76	1,115,735.18	1,045,167.08
Pupil transportation	1,087,770.85	1,073,467.84	1,097,599.10	986,437.08	967,952.29	893,175.70	754,303.30	692,320.10	673,978.81	709,761.23
Unallocated benefits	4,030,886.81	5,114,349.55	11,756,301.87	7,095,927.94	3,265,495.55	3,151,746.16	0.00	2,427,650.89	2,176,416.85	1,910,687.35
Interest on long-term debt	607,191.67	648,350.00	661,054.17	685,564.58	712,782.08	239,567.98	472,985.97	324,053.78	319,989.14	353,966.23
Capital outlay	38,973.00	318,516.32	462,115.36	45,815.14	2,048,927.88	0.00	0.00	0.00	0.00	0.00
Unallocated depreciation	1,181,358.08	1,181,959.22	1,177,385.00	662,766.46	291,634.00	291,634.00	291,634.00	324,898.97	322,550.97	318,169.00
<b>Total governmental activities expenses</b>	<b>19,682,771.68</b>	<b>20,603,832.86</b>	<b>27,027,509.38</b>	<b>20,634,599.28</b>	<b>17,812,297.38</b>	<b>14,300,123.50</b>	<b>13,409,055.97</b>	<b>12,702,943.88</b>	<b>12,298,524.12</b>	<b>11,185,861.03</b>
<b>Business-type activities:</b>										
Food services	372,826.76	376,850.87	365,954.54	350,132.25	337,327.58	320,222.21	313,602.45	300,038.13	312,735.54	292,384.90
Beyond the bell	355,116.70	299,650.04	283,795.78	261,452.65	169,065.95	0.00	0.00	0.00	0.00	0.00
Strings program	0.00	0.00	0.00	0.00	0.00	2,512.02	12,970.44	8,527.50	0.00	0.00
<b>Total business-type activities expenses</b>	<b>727,943.46</b>	<b>676,510.91</b>	<b>649,750.32</b>	<b>611,584.90</b>	<b>506,393.53</b>	<b>322,734.23</b>	<b>326,572.89</b>	<b>308,565.63</b>	<b>312,735.54</b>	<b>292,384.90</b>
<b>Total district expenses</b>	<b>\$ 20,410,715.14</b>	<b>\$ 21,280,363.77</b>	<b>\$ 27,677,259.90</b>	<b>\$ 21,246,184.18</b>	<b>\$ 18,318,690.91</b>	<b>\$ 14,622,857.73</b>	<b>\$ 13,735,628.86</b>	<b>\$ 13,011,509.51</b>	<b>\$ 12,611,259.66</b>	<b>\$ 11,478,245.93</b>
<b>Revenues:</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$ 1,556,004.59	\$ 2,124,410.59	\$ 9,495,471.01	\$ 4,954,693.33	\$ 1,411,490.46	\$ 1,485,396.80	\$ 1,177,079.22	\$ 1,137,538.73	\$ 1,161,264.80	\$ 1,114,709.45
Capital grants and contributions	0.00	0.00	0.00	0.00	0.00	0.00	6,444,241.00	0.00	0.00	0.00
<b>Total governmental activities revenues</b>	<b>1,556,004.59</b>	<b>2,124,410.59</b>	<b>9,495,471.01</b>	<b>4,954,693.33</b>	<b>1,411,490.46</b>	<b>1,485,396.80</b>	<b>7,621,320.22</b>	<b>1,137,538.73</b>	<b>1,161,264.80</b>	<b>1,114,709.45</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Food services	297,638.50	279,403.19	279,723.91	273,106.26	250,379.52	234,584.52	207,313.55	196,395.70	198,988.56	188,920.10
Beyond the bell	393,725.91	320,426.50	318,696.59	255,665.29	205,822.66	0.00	0.00	0.00	0.00	0.00
Strings program	0.00	0.00	0.00	0.00	0.00	0.00	18,225.00	8,550.00	0.00	0.00
Operating grants and contributions	74,329.49	92,016.37	83,900.77	77,959.46	90,862.33	87,133.33	84,423.85	78,760.93	86,029.36	74,196.60
<b>Total business-type activities revenues</b>	<b>765,693.90</b>	<b>691,846.06</b>	<b>682,321.27</b>	<b>606,731.01</b>	<b>547,064.51</b>	<b>321,717.85</b>	<b>309,962.40</b>	<b>283,706.63</b>	<b>285,017.92</b>	<b>263,116.70</b>
<b>Total district revenues</b>	<b>\$ 2,321,698.49</b>	<b>\$ 2,816,256.65</b>	<b>\$ 10,177,792.28</b>	<b>\$ 5,561,424.34</b>	<b>\$ 1,958,554.97</b>	<b>\$ 1,807,114.65</b>	<b>\$ 7,931,282.62</b>	<b>\$ 1,421,245.36</b>	<b>\$ 1,446,282.72</b>	<b>\$ 1,377,826.15</b>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net (expenses)/revenues:										
Governmental activities	\$ (18,126,767.09)	\$ (18,479,442.27)	\$ (17,532,038.57)	\$ (15,679,905.95)	\$ (16,400,806.92)	\$ (12,814,726.70)	\$ (5,787,735.75)	\$ (11,565,405.15)	\$ (11,137,259.32)	\$ (10,071,151.58)
Business-type activities	37,750.44	15,335.15	32,570.95	(4,853.89)	40,670.98	(1,016.38)	(16,610.49)	(24,859.00)	(27,717.62)	(29,268.20)
Total district-wide net expenses	\$ (18,089,016.65)	\$ (18,464,107.12)	\$ (17,499,467.62)	\$ (15,684,759.84)	\$ (16,360,135.94)	\$ (12,815,743.08)	\$ (5,804,346.24)	\$ (11,590,264.15)	\$ (11,164,976.94)	\$ (10,100,419.78)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,816,538.00	\$ 12,596,106.00	\$ 11,785,942.00	\$ 10,729,296.00	\$ 9,970,630.00	\$ 9,830,796.00	\$ 9,638,035.00	\$ 9,192,187.00	\$ 8,279,453.00	\$ 7,089,227.00
Taxes levied for debt service	1,549,088.00	1,581,163.00	1,588,044.00	1,567,418.00	1,546,821.00	669,617.00	632,304.00	644,991.00	1,014,060.00	1,025,832.00
Federal and state aid not restricted	3,664,387.00	3,506,371.14	3,250,243.00	3,434,726.00	3,380,480.00	3,268,451.00	2,659,034.31	2,384,689.60	2,579,164.00	2,587,521.00
Federal and state aid restricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,393.00	0.00
Tuition	1,009.80	8,261.17	23,047.00	0.00	33,399.16	0.00	16,291.75	0.00	0.00	38,120.00
Investment earnings	5,253.84	4,675.64	5,053.75	4,901.03	4,891.56	17,855.11	13,744.47	6,603.29	6,197.37	9,379.30
Miscellaneous income	13,341.32	21,535.47	37,752.95	39,142.30	21,352.65	14,924.34	21,703.15	55,537.20	21,230.99	11,841.23
Fixed asset donations, disposals, adjustments	0.00	0.00	0.00	1,284,477.23	0.00	96,925.54	15,819.52	8,939.00	(1,356.67)	(8,136,289.30)
Prior period adjustment - enterprise salaries	(51.03)	46,986.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed assets retired (net of depreciation)	0.00	(28,763.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment - fixed assets	0.00	389,738.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compensated absences (increase)/reduction	0.00	4,154.61	(2,983.25)	2,054.77	16,163.65	33,115.83	(36,311.62)	28,276.09	(1,528.77)	(8,823.66)
Capital lease issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(110,000.00)	0.00
Cancellation of capital retained percentage due contractor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,039.59
Bond sale premium/refunding bond/excess COI	0.00	0.00	0.00	0.00	0.00	0.00	164,166.64	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	(49,577.59)	0.00	0.00	0.00
Total governmental activities	18,049,566.93	18,130,248.91	16,687,099.45	17,062,015.33	14,973,758.02	13,931,684.82	13,075,209.63	12,321,223.18	11,805,612.92	2,639,847.16
Business-type activities:										
Investment earnings	369.91	299.23	252.86	204.80	154.54	120.12	105.19	130.51	105.04	454.23
Fixed asset disposals and adjustments	0.00	0.00	0.00	0.00	(466.67)	0.00	0.00	0.00	1,356.67	(9,241.06)
Miscellaneous income	0.00	0.00	0.00	2,174.22	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	49,577.59	0.00	0.00	0.00
Total business-type activities	369.91	299.23	252.86	2,379.02	(312.13)	120.12	49,682.78	130.51	1,461.71	(8,786.83)
Total district-wide activities	\$ 18,049,936.84	\$ 18,130,548.14	\$ 16,687,352.31	\$ 17,064,394.35	\$ 14,973,425.89	\$ 13,931,804.94	\$ 13,124,892.41	\$ 12,321,353.69	\$ 11,807,074.63	\$ 2,631,060.33
Change in net position:										
Governmental activities	\$ (77,200.16)	\$ (349,193.36)	\$ (844,939.12)	\$ 1,382,109.38	\$ (1,427,068.90)	\$ 1,116,958.12	\$ 7,287,473.88	\$ 755,818.03	\$ 668,353.60	\$ (7,431,304.42)
Business-type activities	38,120.35	15,634.38	32,823.81	(2,474.87)	40,358.85	(896.26)	33,072.29	(24,728.49)	(26,255.91)	(38,055.03)
Total district-wide	\$ (39,079.81)	\$ (333,558.98)	\$ (812,115.31)	\$ 1,379,634.51	\$ (1,386,710.05)	\$ 1,116,061.86	\$ 7,320,546.17	\$ 731,089.54	\$ 642,097.69	\$ (7,469,359.45)

In accordance with GASB Statement No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*Modified Accrual Basis of Accounting*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General fund:</b>										
Reserved	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 787,369.94	\$ 474,952.86
Unreserved	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,582.31	211,733.54
Restricted	3,356,842.43	3,073,809.78	2,831,806.15	2,809,373.32	3,058,552.56	2,909,938.13	2,157,831.26	1,313,558.51	0.00	0.00
Committed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,573.05	0.00	0.00
Assigned	46,537.40	14,933.72	0.31	105,039.13	15,569.54	126,617.25	28,539.81	20,628.24	0.00	0.00
Unassigned	23,676.96	29,179.02	(91.69)	(8,457.62)	7,636.17	25,458.00	66,139.31	74,466.60	0.00	0.00
<b>Total general fund</b>	<b>\$ 3,427,056.79</b>	<b>\$ 3,117,922.52</b>	<b>\$ 2,831,714.77</b>	<b>\$ 2,905,954.83</b>	<b>\$ 3,081,758.27</b>	<b>\$ 3,062,013.38</b>	<b>\$ 2,252,510.38</b>	<b>\$ 1,485,226.40</b>	<b>\$ 839,952.25</b>	<b>\$ 686,686.40</b>
<b>All other governmental funds:</b>										
Reserved	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 325,662.95	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Assigned	0.00	0.00	0.00	0.00	2,279.74	0.00	0.00	0.00	0.00	0.00
Unreserved, reported in:										
Special revenue fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital projects fund	163,390.91	163,390.91	208,795.41	623,295.77	619,216.17	2,722,612.40	4,820,261.14	5,850.17	5,850.17	5,850.17
Debt service fund	1.22	0.72	0.22	(0.03)	0.72	0.97	18,017.61	0.30	1.30	1.06
<b>Total all other governmental funds</b>	<b>\$ 163,392.13</b>	<b>\$ 163,391.63</b>	<b>\$ 208,795.63</b>	<b>\$ 623,295.74</b>	<b>\$ 621,496.63</b>	<b>\$ 3,048,276.32</b>	<b>\$ 4,838,278.75</b>	<b>\$ 5,850.47</b>	<b>\$ 5,851.47</b>	<b>\$ 5,851.23</b>

In accordance with GASB Statement No. 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Modified Accrual Basis of Accounting

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Tax levy	\$ 14,365,626.00	\$ 14,177,269.00	\$ 13,373,986.00	\$ 12,296,714.00	\$ 11,517,451.00	\$ 10,500,413.00	\$ 10,270,339.00	\$ 9,837,178.00	\$ 9,293,513.00	\$ 8,115,059.00
Tuition	1,009.80	3,261.17	23,047.00	0.00	33,399.16	0.00	16,291.75	0.00	0.00	38,120.00
Interest earnings	5,253.84	4,925.69	5,053.75	4,901.03	4,892.15	17,855.11	6,162.47	6,566.97	6,162.47	9,379.30
Miscellaneous	13,341.32	21,305.62	37,752.95	39,142.30	21,352.06	16,312.34	21,702.15	59,969.20	25,410.99	6,745.90
State sources	5,980,035.59	5,455,705.60	5,074,827.98	5,114,218.26	4,529,973.46	4,509,229.80	9,944,887.53	3,145,052.42	3,123,728.71	3,454,981.45
Federal sources	298,492.00	316,584.00	300,181.00	271,272.00	261,997.00	243,230.00	335,467.00	381,682.91	630,913.09	247,249.00
Total revenues	20,663,758.55	19,984,050.88	18,814,848.68	17,726,247.59	16,369,064.83	15,287,040.25	20,602,431.90	13,430,449.50	13,079,728.26	11,871,534.65
<b>Expenditures:</b>										
Instruction:										
Regular instruction	5,812,793.43	5,571,912.58	5,369,717.52	4,934,794.73	4,565,892.04	4,493,086.14	4,183,112.80	4,172,286.62	4,227,151.78	3,482,523.79
Special education instruction	1,611,550.88	1,600,846.70	1,531,733.05	1,398,213.94	1,192,288.26	1,043,564.82	929,568.45	771,311.40	780,399.03	695,180.26
Other special instruction	395,415.93	292,004.86	353,223.73	402,121.81	336,509.67	288,004.23	237,532.61	230,298.62	228,018.04	212,038.96
Other instruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	776.77	698.27
Support services:										
Tuition	434,867.20	432,308.71	392,680.45	365,479.66	483,195.26	467,321.73	540,656.74	585,162.99	381,657.94	340,694.92
Student and instruction related services	1,643,568.38	1,647,331.33	1,484,724.47	1,647,709.91	1,653,821.77	1,453,783.46	1,343,189.08	1,220,212.07	1,227,429.14	1,266,598.86
General administration	368,952.88	381,235.92	339,585.56	327,759.84	315,376.32	297,014.37	296,144.74	327,514.62	316,314.14	293,844.41
School administrative services	692,121.53	681,836.00	627,476.38	560,999.79	524,733.61	450,075.14	408,553.45	391,649.44	382,625.13	371,119.12
Central services	263,745.14	231,317.17	218,345.84	214,607.46	256,047.29	197,376.89	187,970.87	181,561.16	183,254.50	185,411.55
Administration information technology	28,667.20	62,675.04	60,500.08	51,349.92	0.00	0.00	0.00	0.00	0.00	0.00
Plant operations and maintenance	1,484,908.70	1,365,731.52	1,495,047.00	1,254,851.02	1,166,922.06	1,008,429.27	1,023,636.89	1,089,499.76	1,115,735.18	1,045,167.08
Pupil transportation	1,087,770.85	1,073,467.34	1,097,599.10	986,437.08	967,952.29	893,175.70	754,303.30	692,320.10	709,978.81	709,761.23
Unallocated benefits	4,924,914.13	4,519,620.42	4,220,359.84	4,075,523.87	3,265,495.55	3,151,746.16	2,748,638.24	2,427,650.89	2,176,416.85	1,910,687.35
Capital outlay	56,209.00	348,783.32	524,532.08	112,784.14	2,501,044.26	1,836,328.13	17,776,698.02	50,753.00	133,204.00	4,345.00
Debt service:										
Principal	935,000.00	940,000.00	920,000.00	875,000.00	827,000.00	430,000.00	350,000.00	350,000.00	880,000.00	860,000.00
Interest and other charges	614,087.50	641,162.50	668,043.75	692,418.75	719,821.25	257,633.64	282,304.50	294,992.00	329,535.76	363,279.51
Total expenditures	20,354,572.75	19,790,234.01	19,303,888.85	17,900,251.92	18,776,099.63	16,267,539.68	31,062,309.69	12,785,212.67	13,036,497.07	11,741,330.31
Excess (deficiency) of revenues over (under) expenditures	309,185.80	193,816.87	(488,740.17)	(174,004.33)	(2,407,034.80)	(980,499.43)	(10,459,877.79)	645,256.83	43,231.19	130,184.34
Other financing sources (uses):										
Prior period adjustment - enterprise salaries	(51.03)	-6,986.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bond proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess of cost of issuance costs	0.00	0.00	0.00	0.00	0.00	0.00	16,097,000.00	0.00	0.00	0.00
Application of deferred revenue	0.00	0.00	0.00	0.00	0.00	0.00	12,166.64	0.00	0.00	0.00
Capital leases (non-budgeted)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Transfers in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110,000.00	0.00
Transfers out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.32	34.90	95.33
Total other financing sources (uses)	(51.03)	-6,986.88	0.00	0.00	0.00	0.00	(49,577.59)	0.00	0.00	0.00
Net change in fund balances	\$ 309,134.77	\$ 240,803.75	\$ (488,740.17)	\$ (174,004.33)	\$ (2,407,034.80)	\$ (980,499.43)	\$ 5,599,712.26	\$ 645,273.15	\$ 153,266.09	\$ 130,279.67
Debt service as a percentage of noncapital expenditures	7.63%	8.13%	8.46%	8.81%	9.50%	4.76%	4.76%	5.06%	9.37%	10.42%

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central services and administrative information technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, central services and administrative information technology were combined in other support services as business and other support services.  
Does not include capital projects fund.

Source: District records.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**General Fund Other Local Revenue By Source**  
 Last Ten Fiscal Years  
*Modified Accrual Basis of Accounting*

Fiscal Year Ended June 30	Tuition	Interest On Investments	Donations	Local Grants	Rentals	Prior Year's Refunds/ Voided Checks	Miscellaneous	Total
2018	\$ 1,009.80	\$ 5,253.84	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,341.32	\$ 19,604.96
2017	8,261.17	4,925.49	0.00	0.00	0.00	0.00	21,305.62	34,492.28
2016	23,047.00	5,053.75	0.00	0.00	0.00	0.00	37,752.95	65,853.70
2015	0.00	4,901.03	0.00	0.00	0.00	0.00	39,142.30	44,043.33
2014	33,399.16	7,962.73	0.00	0.00	0.00	0.00	14,660.65	56,022.54
2013	0.00	4,893.17	0.00	0.00	0.00	0.00	16,311.32	21,204.49
2012	16,291.75	17,855.11	4,800.00	0.00	4,200.00	0.00	12,702.15	55,849.01
2011	0.00	13,744.47	0.00	4,432.00	3,600.00	37,192.83	14,744.37	73,713.67
2010	0.00	6,566.97	0.00	4,180.00	3,600.00	12,859.25	4,771.74	31,977.96
2009	16,291.75	6,162.47	0.00	0.00	4,950.00	0.00	1,795.90	29,200.12

Source: District records.

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

Fiscal Year Ended June 30	Vacant Land	Residential	Farm - Regular	Farm - Qualified	Commercial	Industrial	Apartments	Improvements	Total Assessed Value	Less: Tax Exempt Property	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rates**
2018	\$ 17,116,700	\$ 964,291,200	\$ 19,236,700	\$ 2,586,400	\$ 45,205,600	\$ 18,189,300	\$ 1,624,400	\$ 0	\$ 1,068,250,300	\$ 0	\$ 0	\$ 1,068,250,300	\$ 1,146,443,025	\$ 1.338
2017	15,568,800	954,674,000	20,887,100	2,651,300	48,924,400	16,188,500	1,624,400	0	1,060,518,500	0	0	1,060,518,500	1,122,656,649	1.301
2016	15,699,700	941,124,600	21,611,800	2,710,000	49,351,600	16,146,300	1,916,500	0	1,048,560,500	0	1,280,885	1,049,841,385	1,089,213,265	1.216
2015	14,104,900	924,528,700	23,001,600	2,712,700	54,274,600	16,459,200	1,916,500	0	1,056,998,200	0	1,266,142	1,038,264,342	1,079,797,686	1.150
2014	17,930,100	910,807,400	23,975,400	2,749,200	54,269,400	16,952,500	2,159,800	0	1,028,843,800	0	1,470,197	1,030,313,997	1,092,833,683	1.090
2013	23,442,400	889,149,600	26,804,000	2,753,700	55,217,900	16,965,700	2,159,800	0	1,016,493,100	0	1,619,410	1,018,112,510	1,138,046,180	1.018
2012	11,189,900	553,679,120	13,521,100	2,501,200	27,839,800	12,696,000	1,799,600	0	623,226,720	0	938,951	624,165,671	1,147,450,036	1.611
2011	15,368,950	525,325,520	14,300,100	2,533,250	28,051,700	13,029,300	1,799,600	0	600,408,420	0	1,115,561	601,523,981	1,157,758,363	1.618
2010	20,274,050	486,601,720	15,097,500	2,548,250	28,096,200	13,029,300	1,799,600	0	567,446,620	0	1,053,782	568,500,402	1,114,585,736	1.527
2009	24,720,000	434,840,200	15,307,700	2,429,900	27,791,300	12,534,600	1,799,600	0	519,423,300	0	923,515	520,346,815	1,032,158,106	1.542

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

Source: Municipal tax assessor.

\*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies

\*\*Tax rates are per \$100.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Per \$100 of Assessed Valuation**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	District's Direct Rate				(From J-6)			Overlapping Rates			Total Direct And Overlapping Tax Rate
	Basic Rate*	General Obligation Debt Service**	Direct School Tax Rate	Regional High School	Municipality	County					
2018	\$ 1.193	\$ 0.145	\$ 1.338	\$ 0.768	\$ 0.382	\$ 0.766	\$	\$			\$ 3.254
2017	1.152	0.149	1.301	0.767	0.384	0.764					3.216
2016	1.065	0.151	1.216	0.752	0.385	0.729					3.082
2015	0.999	0.151	1.150	0.726	0.327	0.689					2.892
2014	0.961	0.129	1.090	0.720	0.320	0.686					2.816
2013	0.957	0.061	1.018	0.708	0.301	0.663					2.690
2012	1.508	0.102	1.611	1.115	0.416	1.069					4.211
2011	1.452	0.166	1.618	1.080	0.390	1.134					4.222
2010	1.351	0.176	1.527	1.074	0.374	1.156					4.131
2009	1.345	0.197	1.542	1.158	0.364	1.173					4.237

Source: Municipal Tax Collector.

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

\*The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2018		2009	
	Taxable Assessed Value	Percentage Of Total District Net Assessed Value	Taxable Assessed Value	Percentage Of Total District Net Assessed Value
Travel Centers Properties, LP	\$ 3,600,000	0.58%	\$ -	0.00%
Columbia Gas Transmission Co.	3,598,900	0.58%	2,150,500	0.41%
NAR Farms LLC	3,150,100	0.50%	-	0.00%
Saint Gobain Performance Plastics Co.	3,000,000	0.48%	2,235,200	0.43%
South Shore Properties, LLC	2,743,700	0.44%	-	0.00%
Transcontinental Gas Pipeline Co.	2,520,900	0.40%	2,150,000	0.41%
Storage World of NJ, LLC	2,361,900	0.38%	-	0.00%
Summer Skye, LLC	2,066,700	0.33%	-	0.00%
Baybridge II, LLC	1,605,500	0.26%	-	0.00%
WGJ Enterprises	1,557,200	0.25%	-	0.00%
Beazer Homes	-	0.00%	3,687,900	0.71%
Travelers Company of America	-	0.00%	3,381,200	0.65%
Fentek-Crossing LLC	-	0.00%	2,235,200	0.43%
Colonial Pipeline Company	-	0.00%	1,842,500	0.35%
Pulte Homes	-	0.00%	1,646,000	0.32%
Wilson and Wilson	-	0.00%	1,466,300	0.28%
Hovbros Oak Ridge, LLC	-	0.00%	1,442,000	0.28%
<b>Total</b>	<b>\$ 26,204,900.00</b>	<b>4.20%</b>	<b>\$ 22,236,800.00</b>	<b>4.27%</b>

Source: Municipal Tax Assessor.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of the Levy*		Collections In Subsequent Year
		Current Amount	Percentage Of Levy	
2018	\$ 14,365,626.00	\$ 14,365,626.00	100.00%	\$ 0.00
2017	14,177,269.00	14,177,269.00	100.00%	0.00
2016	13,373,986.00	13,373,986.00	100.00%	0.00
2015	12,296,714.00	12,296,714.00	100.00%	0.00
2014	11,517,451.00	11,517,451.00	100.00%	0.00
2013	10,500,413.00	10,500,413.00	100.00%	0.00
2012	10,270,339.00	10,270,339.00	100.00%	0.00
2011	9,837,178.00	9,837,178.00	100.00%	0.00
2010	9,293,513.00	9,293,513.00	100.00%	0.00
2009	8,115,059.00	8,115,059.00	100.00%	0.00

Source: District records including the certificate and report of school taxes (A4F Form).

\*School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Ratios Of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities			Total District	Percentage Of Personal Income*	Per Capita*
	General Obligation Bonds**	Capital Leases				
2018	\$ 17,445,000.00	\$ 0.00	\$ 0.00	17,445,000.00	Not available	1,658
2017	18,380,000.00	0.00	0.00	18,380,000.00	3.54%	1,768
2016	19,320,000.00	0.00	0.00	19,320,000.00	3.81%	1,861
2015	20,240,000.00	0.00	0.00	20,240,000.00	4.22%	1,967
2014	21,115,000.00	0.00	0.00	21,115,000.00	4.58%	2,069
2013	21,942,000.00	0.00	0.00	21,942,000.00	4.86%	2,180
2012	22,372,000.00	0.00	0.00	22,372,000.00	5.53%	2,335
2011	6,777,000.00	36,750.16		6,813,750.16	1.72%	713
2010	7,127,000.00	72,226.70		7,199,226.70	2.16%	866
2009	8,007,000.00	0.00	0.00	8,007,000.00	2.55%	1,032

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

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

\*\*Includes early retirement incentive plan (ERIP) refunding.

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

Fiscal Year Ended June 30	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value Of Property*	Per Capita**
2018	\$ 17,445,000.00	\$ 17,445,000.00	1.63%	\$ 1,658
2017	18,380,000.00	18,380,000.00	1.73%	1,768
2016	19,320,000.00	19,320,000.00	1.84%	1,861
2015	20,240,000.00	20,240,000.00	1.95%	1,967
2014	21,115,000.00	21,115,000.00	2.05%	2,069
2013	21,942,000.00	21,942,000.00	2.16%	2,180
2012	22,372,000.00	22,372,000.00	3.58%	2,335
2011	6,777,000.00	6,777,000.00	1.13%	709
2010	7,127,000.00	7,127,000.00	1.25%	857
2009	8,007,000.00	8,007,000.00	1.54%	1,032

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

\*See Exhibit J-6 for property tax data.

\*\*Population data can be found in Exhibit J-14.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share Of Overlapping Debt
Debt repaid with property taxes:			
Municipality**	\$ 12,354,073.00	100.00%	\$ 12,354,073.00
County general obligation debt	225,453,500.00	4.40%	9,910,164.37
Regional high school district**	15,103,182.42	38.99%	<u>5,889,041.13</u>
Subtotal - overlapping debt			28,153,278.50
District's direct debt			<u>17,445,000.00</u>
Total direct and overlapping debt			<u>\$ 45,598,278.50</u>

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

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

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

\*\* As of December 31, 2017 since June 30, 2018 was not available.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Legal debt margin calculation for fiscal year 2018:										
Equalized valuation basis:										
2017	\$ 1,166,339,448.00									
2016	1,135,215,693.00									
2015	1,108,649,292.00									
	<u>\$ 3,410,204,433.00</u>									
Average equalized valuation of taxable property	\$ 1,136,734,811.00									
Debt limit (2 1/2% of average equalized value)*	\$ 28,418,370.28									
Total net debt applicable to limit	17,445,000.00	18,380,000.00	19,320,000.00	20,240,000.00	21,115,000.00	21,942,000.00	22,372,000.00	6,777,000.00	7,127,000.00	8,007,000.00
Legal debt margin	\$ 10,973,370.28	\$ 9,274,882.41	\$ 7,781,564.78	\$ 6,597,050.82	\$ 5,999,031.73	\$ 5,457,582.17	\$ 5,150,546.78	\$ 19,994,877.57	\$ 18,541,284.47	\$ 15,381,555.53
Total net debt applicable to the limit as a percentage of debt limit	61.39%	66.46%	71.29%	75.42%	77.87%	80.08%	81.29%	25.31%	27.77%	34.23%

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

\*Limit set by N.J.S.A. 18A:24-19 for a K-12 district; other percentage limits would be applicable for other district types.

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

Year	Population*	Personal Income**	Per Capita Personal Income***	Unemployment Rate****
2017	10,520	\$ Not Available	\$ Not Available	3.60%
2016	10,396	519,862,376.00	50,006.00	3.70%
2015	10,380	506,533,620.00	48,799.00	4.20%
2014	10,292	479,638,076.00	46,603.00	5.50%
2013	10,205	460,949,645.00	45,169.00	7.30%
2012	10,065	451,596,420.00	44,868.00	7.50%
2011	9,583	404,670,924.00	42,228.00	7.30%
2010	9,563	395,305,731.00	41,337.00	7.50%
2009	8,317	333,095,850.00	40,050.00	7.00%
2008	7,762	313,553,752.00	40,396.00	4.70%

\*Population information provided by the New Jersey Department of Labor and Workforce Development.

\*\*Personal income has been estimated based upon the municipal population and per capita personal income presented.

\*\*\*Per capita personal income by municipality estimated based upon the 2000 census published by the U.S. Bureau of Economic Analysis.

\*\*\*\*Unemployment data provided by the New Jersey Department of Labor and Workforce Development.

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

Employer	2018		2009	
	Employees	Percentage Of Total Municipal Employment	Employees	Percentage Of Total Municipal Employment
Inspira Health	1,825	15.88%	0	0.00%
Kennedy Memorial Hospital	0	0.00%	1200	10.50%
Washington Township School District	1,675	14.58%	1,594	13.95%
Rowan University	1,586	13.80%	1,300	11.37%
County of Gloucester	1,483	12.91%	1,600	14.00%
Missa Bay, L.L.C.	1,368	11.90%	750	6.56%
Monroe Township School District	950	8.27%	775	6.78%
U.S. Foodservices	814	7.08%	800	7.00%
Exxon Mobile Research and Engineering	725	6.31%	0	0.00%
Exxon Mobile Research and Engineering	540	4.70%	0	0.00%
Exxon Mobile Research and Engineering	525	4.57%	0	0.00%
Underwood Memorial Hospital	0	0.00%	1860	16.27%
Direct Group	0	0.00%	850	7.44%
US Postal Service	0	0.00%	700	6.12%
<b>Total</b>	<b>11,491</b>	<b>100.00%</b>	<b>11,429</b>	<b>100.00%</b>

Source: Gloucester County Office of Economic Development and Employer Directly.

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

N/A - Information not available



EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Full-Time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Instruction:</b>										
Regular	87.8	88.6	87.6	87.8	78.8	71.0	61.8	59.4	59.6	54.3
Special education	29.4	23.4	24.6	21.0	19.8	21.0	19.2	17.2	18.0	18.0
Other special education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adults/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Support services:</b>										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student and instruction related services	19.9	25.8	26.0	26.6	18.3	19.0	24.4	22.0	24.5	21.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	14.2	12.8	13.3	11.7	10.3	5.8	5.2	5.0	5.0	5.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	2.8	2.8	2.8	2.8
Plant operations and maintenance	9.0	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0
Playground aides	8.5	9.4	9.0	7.4	8.2	7.0	8.0	6.0	6.0	6.0
Pupil transportation	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Special schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food service	6.3	5.8	5.2	5.5	5.0	4.6	6.0	6.0	6.4	6.4
Child care	6.4	7.6	7.8	5.2	3.6	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>187.5</b>	<b>188.4</b>	<b>188.5</b>	<b>180.2</b>	<b>159.0</b>	<b>141.4</b>	<b>137.4</b>	<b>128.4</b>	<b>132.3</b>	<b>123.5</b>

Source: District personnel records.

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio		Average Daily Enrollment***	Average Daily Attendance***	Percentage Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Ratio				
2018	1,274	\$ 18,749,276.25	\$ 14,717	3.99%	117.20	10.8:1	1,270.3	1,224.2	1.09%	96.37%	
2017	1,262	17,860,288.19	14,152	4.39%	112.00	11.2:1	1,256.6	1,213.0	-0.82%	96.53%	
2016	1,268	17,191,013.20	13,558	4.31%	112.20	11.3:1	1,267.0	1,223.0	3.01%	96.53%	
2015	1,248	16,220,049.03	12,997	-7.69%	108.0	11.5:1	1,230.0	1,195.7	0.74%	97.21%	
2014	1,221	17,191,013.02	14,079	4.60%	98.6	12.5:1	1,221.0	1,175.7	1.67%	96.29%	
2013	1,205	16,220,049.03	13,461	1.99%	91.0	12.8:1	1,201.0	1,164.0	8.54%	96.92%	
2012	1,116	14,728,234.12	13,197	-1.19%	88.4	12.6:1	1,106.5	1,065.5	9.55%	96.29%	
2011	1,029	13,743,577.91	13,356	1.65%	83.2	12.3:1	1,010.0	978.3	3.73%	96.86%	
2010	963	12,653,307.17	13,139	14.60%	85.0	11.3:1	973.7	934.5	6.88%	95.97%	
2009	917	10,513,725.80	11,465	-5.62%	79.0	11.6:1	911.0	880.2	4.26%	96.62%	

Source: District's records.

N/A = Not available.

Note: Enrollment based on annual October district count.

\*Operating expenditures equal total expenditures less debt service and capital outlay.

\*\*Teaching staff includes only full-time equivalents of certified staff.

\*\*\*Average daily enrollment and average daily attendance are obtained from the school register summary.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District buildings:										
Elementary:										
Jeffrey Clark Elementary School (1972):										
Square feet	81,349	81,349	81,349	81,349	64,046	64,046	64,046	64,046	64,046	64,046
Capacity (students)	850	850	850	850	470	470	470	470	470	470
Enrollment	560	555	580	581	572	584	542	0	465	394
Samuel Mickle Elementary School (1992):										
Square feet	110,849	110,849	110,849	110,849	91,170	91,170	91,170	91,170	91,170	91,170
Capacity (students)	750	750	750	750	630	630	630	630	630	630
Enrollment	717	708	688	667	649	608	574	0	509	480
Other:										
Administration Building (1925):										
Square feet	0	0	0	0	4,518	4,518	4,518	4,518	4,518	4,518
Number of schools at June 30, 2018:										
Elementary = 2										

Source: District facilities office.

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance  
 For School Facilities  
 11-000-261-xxx

School Facilities*	Project Number	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Jeffrey Clark Building	N/A	\$ 42,194.42	\$ 36,348.12	\$ 68,383.66	\$ 34,504.46	\$ 39,506.93	\$ 35,056.31	\$ 38,757.66	\$ 46,144.35	\$ 71,825.34	\$ 46,716.41
Samuel Mickle Building	N/A	71,261.93	61,388.14	92,555.52	73,153.57	54,072.14	31,220.00	50,446.97	37,618.60	57,959.04	43,330.06
Total school facilities		<u>113,456.35</u>	<u>97,736.26</u>	<u>160,939.18</u>	<u>107,658.03</u>	<u>93,579.07</u>	<u>66,276.31</u>	<u>89,204.63</u>	<u>83,762.95</u>	<u>129,784.38</u>	<u>90,046.47</u>
Grand total		<u>\$ 113,456.35</u>	<u>\$ 97,736.26</u>	<u>\$ 160,939.18</u>	<u>\$ 107,658.03</u>	<u>\$ 93,579.07</u>	<u>\$ 66,276.31</u>	<u>\$ 89,204.63</u>	<u>\$ 83,762.95</u>	<u>\$ 129,784.38</u>	<u>\$ 90,046.47</u>

\*School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

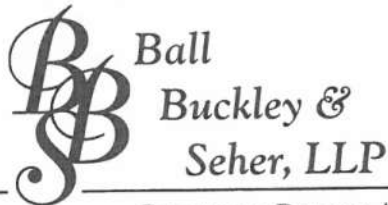
Source: District records.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2018**  
*Unaudited*

	GCSSDJIF		
	Coverage	Self Insured Retention	Deductible
School package policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property - blanket buildings and contents	\$ 150,000,000.00	\$ 250,000.00	\$ 500.00
Property valuation:			
Buildings and contents	Replacement Cost	N/A	N/A
Contractors equipment	Actual Cash Value	N/A	N/A
Automobiles	Replacement Cost	N/A	N/A
Boiler and machinery	125,000,000.00	None	1,000.00
Crime	500,000.00	250,000.00	500.00
General and automobile liability	15,000,000.00	250,000.00	None
Worker's compensation	Statutory	250,000.00	None
Educator's legal liability	15,000,000.00	100,000.00	None
Pollution legal liability	3,000,000.00	None	25,000.00
 * Excess and reinsurance carriers involved:			
Property and crime		SPELLJIF, Selective Ins. Co. of America Axis Surplus Insurance Company Westchester Surplus Lines Ins. Co. Altera Excess & Surplus Ins. Co. Ironshore Specialty Insurance Co. Steadfast Insurance Co. RSUI Indemnity Co.	
General liability and automobile liability		SPELLJIF, Selective Ins. Co. of America	
Worker's compensation		SPELLJIF, Selective Ins. Co. of America	
Educator's legal liability		SPELLJIF, Selective Ins. Co. of America	
 * Group purchase of primary insurance coverage carrier array			
Boiler and machinery		Travelers Insurance Company	
Pollution legal liability		ACE American Ins. Co.	
Cyber liability		Lloyd's of London	
Public employees' faithful performance blanket position bond - Ohio Casualty Insurance:			
Board secretary/business administrator	195,000.00	N/A	N/A
Food service director	3,000.00	N/A	N/A
Student accident insurance - Markel Insurance Company	1,000,000.00	N/A	N/A

Source: District records.

## **Single Audit Section**



CERTIFIED PUBLIC ACCOUNTANTS



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

**Independent Auditor's Report**

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

We have audited, 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 in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of East Greenwich School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of new accounting principles.

**Internal Control Over Financial Reporting**

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

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

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## Compliance and Other Matters

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

## Purpose of this Report

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

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

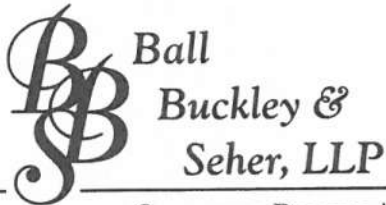
BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants  
Woodbury, New Jersey



Wayne W. Buckley  
Licensed Public School Accountant No. 240

February 25, 2019





CERTIFIED PUBLIC ACCOUNTANTS



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE  
SCHEDULE OF STATE FINANCIAL ASSISTANCE**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Program**

We have audited the Board of Education of the Township of East Greenwich School District, County of Gloucester, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of its major programs for the fiscal year ended June 30, 2018. The District's major 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 each of its major programs.

**Auditor's Responsibility**

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

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

## **Opinion of Each Major Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the fiscal year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

## **Report on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance Required by the Uniform Guidance and New Jersey OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2018 and have issued our report thereon dated February 25, 2019, 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 schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and the New Jersey OMB 15-08 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 expenditures of federal awards and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

Respectfully submitted,

*Ball, Buckley & Scher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants  
Woodbury, New Jersey



Wayne W. Buckley  
Licensed Public School Accountant No. 240

February 25, 2019

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018		
					(Accounts Receivable)	30, 2017 (Accounts Receivable)						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture														
Passed-Through State Department of Education:														
Enterprise fund:														
Food distribution program	10.550	N/A	07/01/17 - 6/30/18	\$ 18,897.21	\$ 0.00	\$ 0.00	\$ 18,897.21	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Healthy hunger-free kids	10.555	N/A	07/01/16 - 6/30/17	3,716.16	(303.96)	0.00	303.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Healthy hunger-free kids	10.555	N/A	07/01/17 - 6/30/18	3,732.60	0.00	0.00	3,444.12	3,732.60	0.00	0.00	0.00	(288.48)	0.00	0.00
National school lunch program	10.555	N/A	07/01/16 - 6/30/17	47,573.82	(3,972.52)	0.00	3,972.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
National school lunch program	10.555	N/A	07/01/17 - 6/30/18	48,555.18	0.00	0.00	44,828.38	48,555.18	0.00	0.00	0.00	(3,726.80)	0.00	0.00
					(4,276.48)	0.00	52,548.98	52,287.78	0.00	0.00	0.00	(4,015.28)	0.00	0.00
Total enterprise fund														
					(4,276.48)	0.00	71,446.19	71,184.99	0.00	0.00	0.00	(4,015.28)	0.00	0.00
U.S. Department of Education														
Passed-Through State Department of Education:														
Special revenue fund:														
Title I Part A	84.410	NCLB118017	09/01/17 - 08/31/18	74,540.00	0.00	0.00	74,540.00	74,540.00	0.08	0.00	0.00	0.00	0.00	0.00
Title II Part A	84.389	NCLB118017	09/01/17 - 08/31/18	14,308.00	0.00	0.00	11,104.00	11,104.00	0.00	0.00	0.00	0.00	0.00	0.00
I.D.E.A. Part B, basic regular	84.310	IDEA118017	09/01/17 - 08/31/18	200,585.00	0.00	0.00	200,585.00	200,585.00	0.00	0.00	0.00	0.00	0.00	0.00
I.D.E.A. Part B, preschool	84.173	IDEA118017	09/01/17 - 08/31/18	12,263.00	0.00	0.00	12,263.00	12,263.00	0.00	0.00	0.00	0.00	0.00	0.00
					0.00	0.00	212,848.00	212,848.00	0.00	0.00	0.00	0.00	0.00	0.00
Total special revenue fund					0.00	0.00	298,492.00	298,492.00	0.08	0.00	0.00	0.00	0.00	0.00
Total federal financial awards					\$ (4,276.48)	\$ 0.00	\$ 369,938.19	\$ 369,676.99	\$ 0.08	\$ 0.00	\$ 0.00	\$ (4,015.28)	\$ 0.00	\$ 0.00

See accompanying notes to schedules of financial assistance.

EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2018

State Department of Education: General fund: Equalization aid Special education categorical aid Special education categorical aid Security aid Security aid PARCC readiness aid PARCC readiness aid Per pupil growth aid Per pupil growth aid Professional learning community aid Professional learning community aid Supplemental enrollment growth aid Supplemental enrollment growth aid Extracurricular aid Extracurricular aid Under adequacy aid Under adequacy aid	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2018		Memo	Cumulative Total Expenditures
				(Accounts Receivable)					(Accounts Receivable)			
	17-495-034-5120-078	07/01/16 - 06/30/17	\$ 1,965,530.00	\$ (178,474.35)	\$ 178,474.35	\$ 0.00	\$ 0.00	\$ 0.00	\$ (197,471.30)	\$ 0.00		\$ 0.00
	18-495-034-5120-078	07/01/17 - 06/30/18	2,138,484.00	0.00	1,941,012.70	2,138,484.00	0.00	0.00	0.00	197,471.30		2,138,484.00
	17-495-034-5120-089	07/01/16 - 06/30/17	626,378.00	(56,876.21)	568,501.79	626,378.00	0.00	0.00	(57,840.82)	0.00		626,378.00
	18-495-034-5120-084	07/01/17 - 06/30/18	83,010.00	0.00	7,537.45	83,010.00	0.00	0.00	0.00	0.00		83,010.00
	17-495-034-5120-098	07/01/16 - 06/30/17	12,990.00	(1,179.51)	11,790.48	12,990.00	0.00	0.00	(1,199.52)	0.00		12,990.00
	18-495-034-5120-098	07/01/17 - 06/30/18	12,990.00	0.00	11,790.48	12,990.00	0.00	0.00	0.00	0.00		12,990.00
	17-495-034-5120-097	07/01/16 - 06/30/17	12,990.00	(1,179.51)	11,790.48	12,990.00	0.00	0.00	(1,199.52)	0.00		12,990.00
	18-495-034-5120-097	07/01/17 - 06/30/18	12,990.00	0.00	11,790.48	12,990.00	0.00	0.00	0.00	0.00		12,990.00
	17-495-034-5120-310	07/01/16 - 06/30/17	13,190.00	(1,197.67)	11,992.33	13,190.00	0.00	0.00	(1,217.99)	0.00		13,190.00
	18-495-034-5120-310	07/01/17 - 06/30/18	13,190.00	0.00	11,992.33	13,190.00	0.00	0.00	0.00	0.00		13,190.00
	17-495-034-5120-094	07/01/16 - 06/30/17	529,780.00	(49,012.96)	480,767.04	529,780.00	0.00	0.00	(49,844.21)	0.00		529,780.00
	18-495-034-5120-094	07/01/17 - 06/30/18	529,780.00	0.00	480,767.04	529,780.00	0.00	0.00	0.00	0.00		529,780.00
	17-100-034-5120-473	07/01/16 - 06/30/17	14,842.00	(14,842.00)	0.00	14,842.00	0.00	0.00	(16,787.00)	0.00		16,787.00
	18-100-034-5120-473	07/01/17 - 06/30/18	16,787.00	0.00	11,250.88	16,787.00	0.00	0.00	0.00	0.00		16,787.00
	17-495-034-5120-083	07/01/16 - 06/30/17	123,906.00	(11,250.88)	112,655.12	123,906.00	0.00	0.00	(11,441.69)	0.00		123,906.00
	18-495-034-5120-083	07/01/17 - 06/30/18	123,906.00	0.00	112,655.12	123,906.00	0.00	0.00	(344,667.34)	0.00		3,596,685.00
	17-495-034-5120-014	07/01/16 - 06/30/17	98,186.00	(8,915.46)	89,270.54	98,186.00	0.00	0.00	(9,066.66)	0.00		98,186.00
	18-495-034-5120-014	07/01/17 - 06/30/18	98,186.00	0.00	89,270.54	98,186.00	0.00	0.00	0.00	0.00		98,186.00
	17-495-034-5120-068	07/01/16 - 06/30/17	12,006.00	(12,006.00)	0.00	12,006.00	0.00	0.00	0.00	0.00		0.00
	18-495-034-5120-068	07/01/17 - 06/30/18	20,010.00	0.00	0.00	20,010.00	0.00	0.00	(20,010.00)	0.00		20,010.00
	18-495-034-5095-006	07/01/17 - 06/30/18	1,058,135.00	0.00	1,058,135.00	1,058,135.00	0.00	0.00	0.00	0.00		1,058,135.00
	18-495-034-5095-001	07/01/17 - 06/30/18	685,562.00	0.00	685,562.00	685,562.00	0.00	0.00	0.00	0.00		685,562.00
	17-495-034-5095-002	07/01/16 - 06/30/17	558,316.50	(27,026.95)	27,026.95	558,316.50	0.00	0.00	0.00	0.00		558,316.50
	18-495-034-5095-002	07/01/17 - 06/30/18	570,950.59	0.00	527,826.02	570,950.59	0.00	0.00	(43,124.57)	0.00		570,950.59
	Total general fund											
	17-100-010-3350-023	07/01/16 - 06/30/17	2,652.81	(215.72)	215.72	2,652.81	0.00	0.00	0.00	0.00		2,652.81
	18-100-010-3350-023	07/01/17 - 06/30/18	3,162.50	0.00	2,918.12	3,162.50	0.00	0.00	(244.38)	0.00		3,162.50
	Total enterprise fund											
	Total state financial assistance											

See accompanying notes to schedules of financial assistance.



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2018**

**NOTE 1 - BASIS OF PRESENTATION**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - INDIRECT COST RATE**

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

**NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2018**

**NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Concluded)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$21,323.00) for the general fund, \$0.00 for the special revenue fund, and \$0.00 in the capital projects fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund.

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

	Federal	State	Total
General fund	\$ -	\$ 5,980,035.59	\$ 5,980,035.59
Special revenue fund	298,492.00	-	298,492.00
Food service fund	71,166.99	3,162.50	74,329.49
 Total awards and financial assistance	 \$ 369,658.99	 \$ 5,983,198.09	 \$ 6,352,857.08

**NOTE 5 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 - ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent rounding adjustments.

**NOTE 7 - REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2018, the District was the recipient of federal and state assistance that represented either a reimbursement to the District or payments made on-behalf of the District. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively, of American-Grown United States Department of Agriculture foods utilized in the District's food service program. TPAF social security contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, long-term disability insurance, and post-retirement medical costs related to TPAF members.

**NOTE 8 - MAJOR PROGRAMS**

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

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:	<u>Unmodified Opinion</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Significant deficiencies identified?	_____ yes <u>  X  </u> none reported
Noncompliance material to basic financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards - No Federal Single Audit**

Internal Control over compliance:	
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:	_____
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance)?	_____ yes _____ no

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs? \_\_\_\_\_

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



**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

*Section I - Summary of Auditor's Results (Concluded)*

**State Awards**

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

\$750,000.00

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes  no \_\_\_\_\_ N/A

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

Unmodified Opinion

Internal Control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ yes  no

2) Significant deficiencies identified that were not considered to be material weaknesses?

\_\_\_\_\_ yes  none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?

\_\_\_\_\_ yes  no

Identification of major programs:

<u>GMIS Numbers(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization aid
495-034-5120-089	Special education categorical aid
495-034-5120-084	Security aid
495-034-5120-094	Supplemental enrollment growth aid
495-034-5095-002	Reimbursed TPAF social security contributions
495-034-5120-098	PARCC readiness aid
495-034-5095-097	Per pupil growth aid
495-034-5120-473	Extraordinary aid

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

*Section II - Financial Statement Findings*

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

**Finding 18-0**

No Current Year Findings.

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08.

**Federal and State Awards**

**Finding 18-0**

No Current Year Findings or Questioned Costs.

**EAST GREENWICH TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
JUNE 30, 2018**

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

**Status of Prior Year Findings**

**Finding 17-0**

There were no prior year audit findings.