

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

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

East Windsor Regional School District

Hightstown, New Jersey

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

Prepared by

Business Office

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Introductory Section

"PRIDE IN PERFORMANCE"

East Windsor Regional School District

February 7, 2019

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

Dear Board Members and Constituents:

We are pleased to submit the Comprehensive Annual Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2018. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,129 students enrolled on October 13, 2017. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including

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

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2008-09	5,025	+1.07%
2009-10	5,029	+0.08%
2010-11	5,075	+0.91%
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%
2016-17	5,221	+0.15%
2017-18	5,129	-0.17%

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

3) MAJOR INITIATIVES: Expenditures made during the 2017-2018 school year were designed to support the District's mission, goals and instructional action plans as well as the state's core curriculum standards. The 2017-18 goals were:

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

Examples of additional resources acquired and services provided:

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

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

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

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

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

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

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

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and government-wide financial statements. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. CASH MANAGEMENT: The investment policy of the District is regulated by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash

management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGEMENTS:

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

Respectfully submitted,



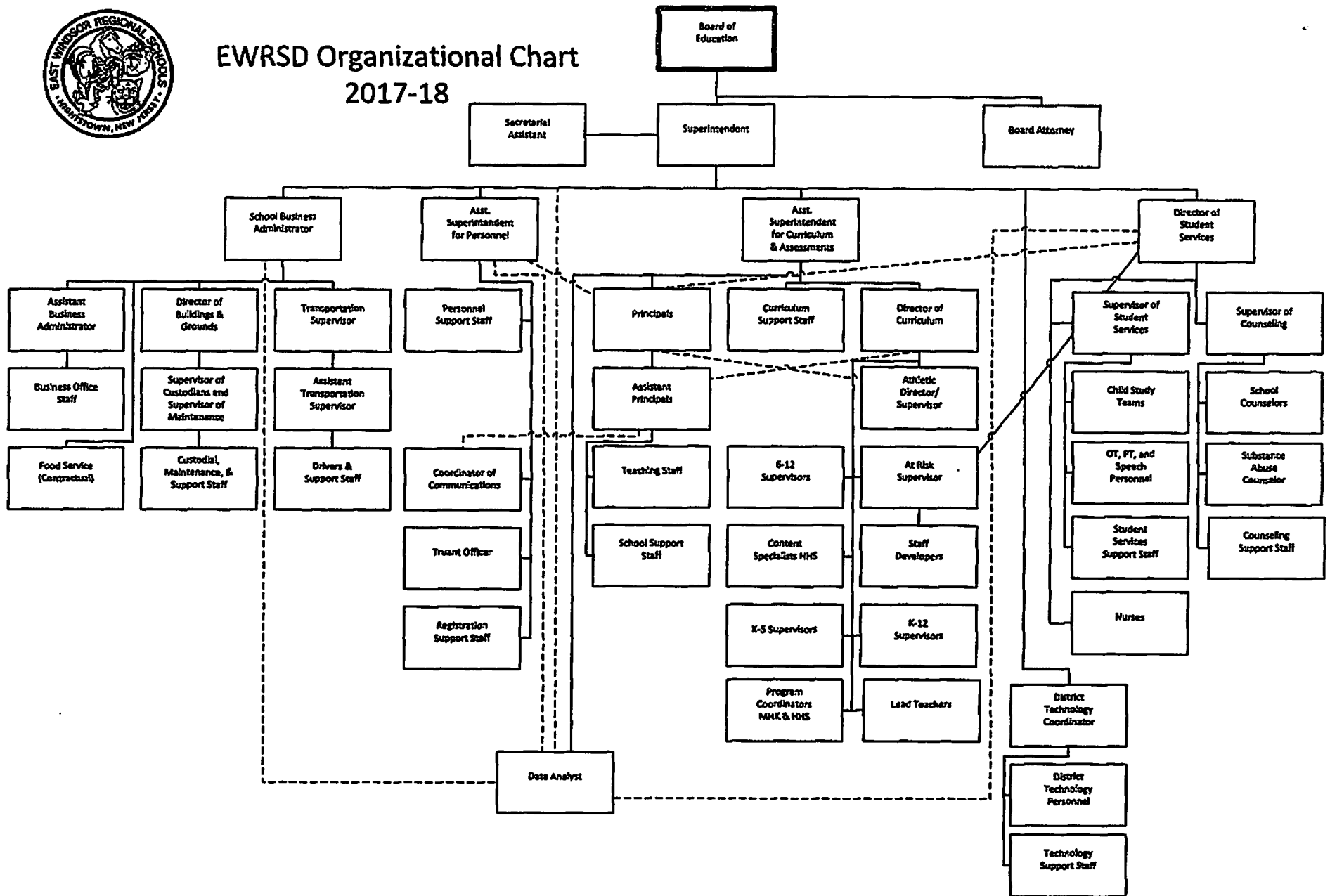
Superintendent



Board Secretary/Business Administrator



EWRSD Organizational Chart 2017-18



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

Roster of Officials

June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alice Weisman, President	2018
Paul Connolly, Vice President	2018
Peter Bussone	2020
Erica DiRaimondo	2020
Jenna Drake	2018
Christine Harrington	2019
Nicole Larusso	2019
Robert Lavery	2018
Ram Ramachandran	2019

Other Officials

Richard Katz, Ed.D., Superintendent
Paul Todd, Business Administrator / Board Secretary
Andrew Polo, Assistant Business Administrator
John Calavano, Treasurer of School Monies
David Coates, Esq., Solicitor

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

Independent Auditors and Advisors

Attorney

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

Independent Auditors

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

Official Depository

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

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 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.

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 7, 2019
Livingston, New Jersey

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

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

**Management's Discussion and Analysis
Year Ended June 30, 2018**

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2018. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

Financial Highlights

Key financial highlights for fiscal 2018 are as follows:

- Total net position of the governmental activities and business-type activities is \$61,999,006 at June 30, 2018. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$120,363,313 of total revenue or 98 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,831,661 or 2 percent of total revenues of \$123,194,974 (Schedule A-2).
- The District had \$101,680,497 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$96,204,998, including \$11,644,610 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures in the special revenue fund totaled \$2,277,674. Business-type activities expenses were \$2,421,668.
- The District implemented GASB No. 75 during the 2018 fiscal year resulting in the recording of additional revenue and expense in the amount of \$10,525,753 related to post-employment health benefits.
- The District maintains an internal service fund to provide service and fuel for the District's vehicles. This fund had \$451,343 in service charges and \$404,452 in expenses for supplies, fuel costs, and depreciation.
- The District transferred unrestricted funds during the year into restricted capital reserve in the amount of \$2,375,670 to fund future capital projects.

Using this Comprehensive Annual Financial Report (CAFR)

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-69 of this report.

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 70-95 of this report.

The School District as a Whole

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

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

The following table provides a summary of net position relating to the District's governmental and business-type activities as of June 30, 2018 and 2017:

**East Windsor Regional School District
Net Position
June 30,**

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 6,513,673	\$ 2,066,203	\$ 8,579,876	\$ 7,389,576	\$ 1,827,792	\$ 9,217,368
Restricted cash	9,617,058		9,617,058	9,686,444		9,686,444
Capital assets, net	100,081,283	216,040	100,297,323	102,240,794	255,267	102,496,061
Total assets	116,212,014	2,282,243	118,494,257	119,316,814	2,083,059	121,399,873
Deferred Outflows of Resources:						
Deferred loss on refunding of debt	915,199		915,199	1,010,142		1,010,142
Pension deferrals	7,791,654		7,791,654	10,933,924		10,933,924
Total deferred outflows	8,706,853	-	8,706,853	11,944,066		11,944,066
Liabilities:						
Current liabilities	6,129,612	340	6,129,952	3,673,418	511	3,673,929
Net pension liability	26,631,576		26,631,576	35,162,975		35,162,975
Unearned revenue	43,893	72,129	116,022	19,283	32,288	51,571
Long-term liabilities outstanding	26,171,759		26,171,759	32,495,584		32,495,584
Total liabilities	58,976,840	72,469	59,049,309	71,351,260	32,799	71,384,059
Deferred inflow of resources:						
Pension deferrals	6,152,795		6,152,795	50,691		50,691
Net position:						
Net investment in capital assets	72,810,331	216,040	73,026,371	72,406,375	255,267	72,661,642
Restricted	11,757,639		11,757,639	11,385,023		11,385,023
Unrestricted (deficit)	(24,778,738)	1,993,734	(22,785,004)	(23,932,469)	1,794,993	(22,137,476)
Total net position	\$ 59,789,232	\$ 2,209,774	\$ 61,999,006	\$ 59,858,929	\$ 2,050,260	\$ 61,909,189

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and capital leases) used to acquire those assets that are still outstanding, which amounts to \$73,026,371. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The decrease in the District's long-term liabilities is the result of the District paying off debt in the current year in the amount of \$2,105,000.

The net pension liability recorded as of June 30, 2018 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The decrease of \$8,531,399 from the

prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

Capital assets decreased due to current year depreciation exceeding expenditures that were capitalized relating to various capital projects.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$11,757,639 at June 30, 2018. Restricted net position is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$6,371,159 and \$3,245,899, respectively at June 30, 2018. Furthermore, \$1,050,464 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$804,922 was recognized as current year excess surplus to be utilized in the 2019-2020 budget. Lastly, \$285,195 is restricted for capital projects within the Capital Projects fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business-type assets increased by approximately \$200,000 resulting from increases from the prior year in the cash balances and accounts receivable in the food service enterprise fund and the Kid Care enterprise fund in the amounts of \$201,152 and \$37,094, respectively. The increases in cash were directly correlated to increased participation from the prior year in the food service enterprise fund federal reimbursable school lunch program and the reduction of expenses in the Kid Care enterprise fund after school program.

Overall the activity within the business-type activities increased approximately \$160,000. The increase in net position in the food service enterprise fund pertained to increased revenue from the prior year. The increase in net position in the Kid Care enterprise fund was directly related to the District's reduction in expenses for the year ended June 30, 2018.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2018 and 2017 are as follows:

**East Windsor Regional School District
Net Position
Year Ended June 30,**

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 553,987	\$ 1,424,786	\$ 1,978,773	\$ 618,167	\$ 1,420,165	\$ 2,038,332
Operating and capital grants and contributions	2,277,674	1,156,396	3,434,070	3,017,248	1,259,344	4,276,592
General revenues:						
Property taxes	66,772,528		66,772,528	65,838,240		65,838,240
Grants and contributions not restricted to specific programs	53,216,994		53,216,994	46,732,774		46,732,774
Other	373,791		373,791	998,930		998,930
Total Revenues	123,194,974	2,581,182	125,776,156	117,205,359	2,679,509	119,884,868
Expenses:						
Instructional services	77,106,305		77,106,305	73,723,650		73,723,650
Support services	45,123,388		45,123,388	42,336,911		42,336,911
Special schools	108,738		108,738	115,976		115,976
Interest and other charges on long-term debt	926,240		926,240	1,005,821		1,005,821
Food Service Expenses		1,855,771	1,855,771		1,858,803	1,858,803
Kid Care Expenses		565,897	565,897		526,130	526,130
Total Expenses	123,264,671	2,421,668	125,686,339	117,182,358	2,384,933	119,567,291
Change in net position	(69,697)	159,514	89,817	23,001	294,576	317,577
Net position-beginning of year	59,858,929	2,050,260	61,909,189	59,835,928	1,755,684	61,591,612
Net position-end of year	\$ 59,789,232	\$ 2,209,774	\$ 61,999,006	\$ 59,858,929	\$ 2,050,260	\$ 61,909,189

The increase in governmental activities revenues of approximately \$5.9 million is attributed to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record \$10.5 million in revenues, which were contributions made on behalf of the District by the State for post-employment benefits. This increase is offset by the decrease in the TPAF adjustment in regards to GASB 68 of \$3.5 million, an increase in the state aid increase in the TPAF pension contributions made by the State of New Jersey by approximately \$1.2 million and by increases in the tax levy from the 2016/17 fiscal year of approximately \$934 thousand.

The increase in instructional services expenses is mainly the result of the revenues related to the implementation of GASB 75, offset by several factors, including the decreased allocation of TPAF Social Security and Pension expenses due to the GASB 68 valuation, and the increase in certain expenses due to the District receiving increases in state aid awarded to the District (Equalization Aid and Extraordinary Aid). The increase in support services expenses is mainly the result of increases in depreciation expense, compensated absence expenses, as well as the implementation of GASB 75.

The activity in the business-type funds improved during the 2018 fiscal year.

Financial Analysis of the District's Funds

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2018, and the increases in relation to the prior year:

Revenues				
Year Ended June 30, 2018				
Revenue	Amount	Percent of Total	Increase from 2017	Percent of Increase
Local sources	\$ 67,713,565	66.2%	\$ 204,530	0.32%
State sources	32,281,368	31.5%	2,882,227	9.76%
Federal sources	2,329,762	2.3%	153,072	7.03%
Total	\$102,324,695	100.0%	\$ 3,239,829	3.27%

The increase in local sources is mainly related to the increase in the 2018 tax levy.

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

The increase in federal sources is mainly due to the District receiving an increase in IDEA funds during the year ended June 30, 2018.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018 and the increases and decreases in relation to the prior year:

Expenditures				
Year Ended June 30, 2018				
Expenditures	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 38,375,090	37.8%	\$ 939,280	2.5%
Support services	56,677,194	55.7%	2,138,388	3.9%
Capital outlay	3,430,388	3.4%	356,963	11.6%
Debt service	3,197,825	3.1%	(43,300)	(1.3)%
Total	\$101,680,497	100.0%	\$ 3,391,331	3.5 %

The increase in capital outlay expenditures resulted from the District utilizing more funds in the current year to close out several projects. All other fluctuations less than 10% are considered immaterial.

General Fund Budgeting Highlights (Schedule C-1)

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

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

- Regular Programs – Undistributed Instruction – Purchased Professional-Educational Services – Due to an increase in the need for long-term replacement teachers and substitutes, the District transferred in approximately \$613,000 from this account.
- Unallocated benefits – Health insurance- Due to more favorable premium costs from State Health Benefits, the District transferred out \$722,395 from the health insurance account.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – Due to increased construction projects activity in the current year, the District transferred approximately \$1,247,705 to this account.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2018, the District’s governmental activities and business-type activities had capital assets of \$100,303,463 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, site and site improvements, machinery, equipment and vehicles.

The District’s governmental activities and business-type activities capital assets, net of accumulated depreciation consisted of the following at June 30, 2018 and 2017:

	June 30	
	2018	2017
Land	\$ 149,550	\$ 149,550
Construction in progress	596,865	88,338
Buildings and improvements	93,207,989	96,331,702
Site and site improvements	3,242,797	2,820,134
Machinery, equipment and vehicles	2,884,082	2,851,070
Business-type	222,180	255,267
Total capital assets, net	\$ 100,303,463	\$ 102,496,091

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

Debt Administration and Long-term Liabilities. During the 2018 fiscal year, the District’s governmental activities had outstanding long-term liabilities of \$56,100,018, of which \$3,296,683 was classified as the current portion.

At June 30, 2018 and 2017, the District's long-term liabilities consisted of:

	June 30	
	2018	2017
Bonds payable	\$24,200,000	\$26,305,000
Lease obligations payable	1,745,534	2,595,703
Compensated absences payable	1,282,291	1,131,841
Unamortized bond premium	2,240,617	2,463,040
Total long-term liabilities	\$29,468,442	\$32,495,584

The District's net pension liability as of June 30, 2018 and 2017 was \$26,631,576 and \$35,162,975, respectively.

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

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2018.

East Windsor Regional School District

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 5,008,930	\$ 1,879,290	\$ 6,888,220
Accounts receivable	1,460,601	155,962	1,616,563
Inventories	44,142	30,951	75,093
Restricted assets:			
Cash and cash equivalents	9,617,058		9,617,058
Capital assets, non-depreciable	746,416		746,416
Capital assets, depreciable, net	99,334,867	216,040	99,550,907
Total assets	<u>116,212,014</u>	<u>2,282,243</u>	<u>118,494,257</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	915,199		915,199
Pension deferrals	7,791,654		7,791,654
Total deferred outflows of resources	<u>8,706,853</u>		<u>8,706,853</u>
Liabilities			
Accounts payable and accrued expenses	2,461,954	340	2,462,294
Accrued interest payable	370,955		370,955
Other liabilities	20		20
Unearned revenue	43,893	72,129	116,022
Net pension liability	26,631,576		26,631,576
Current portion of long-term obligations	3,296,683		3,296,683
Noncurrent portion of long-term obligations	26,171,759		26,171,759
Total liabilities	<u>58,976,840</u>	<u>72,469</u>	<u>59,049,309</u>
Deferred Inflow of Resources			
Pension deferrals	6,152,795		6,152,795
Net Position			
Net investment in capital assets	72,810,331	216,040	73,026,371
Restricted for:			
Capital projects	285,195		285,195
Capital reserve	6,371,159		6,371,159
Maintenance reserve	3,245,899		3,245,899
Excess surplus	1,855,386		1,855,386
Unrestricted (deficit)	(24,778,738)	1,993,734	(22,785,004)
Total net position	<u>\$ 59,789,232</u>	<u>\$ 2,209,774</u>	<u>\$ 61,999,006</u>

East Windsor Regional School District

Statement of Activities

Year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 49,708,064	\$ 442,527	\$ 472,426	\$ (48,793,111)		\$ (48,793,111)
Special Education Instruction	18,895,740		1,364,747	(17,530,993)		(17,530,993)
Other Special Education Instruction	6,359,575			(6,359,575)		(6,359,575)
Other Instruction	2,139,453			(2,139,453)		(2,139,453)
Community Svc. Program / Operations	3,473			(3,473)		(3,473)
Support Services						
Student and Instruction Related Services	17,371,718		440,501	(16,931,217)		(16,931,217)
School Administration	6,823,317			(6,823,317)		(6,823,317)
Other Administration Services	3,664,616			(3,664,616)		(3,664,616)
Plant Operation and Maintenance	10,937,635			(10,937,635)		(10,937,635)
Pupil Transportation	6,266,659	111,460		(6,155,199)		(6,155,199)
Charter Schools	59,443			(59,443)		(59,443)
Special Schools	108,738			(108,738)		(108,738)
Interest on long-term debt	926,240			(926,240)		(926,240)
Total governmental activities	<u>123,264,671</u>	<u>553,987</u>	<u>2,277,674</u>	<u>(120,433,010)</u>		<u>(120,433,010)</u>
Business-type activities						
Food service	1,855,771	821,284	1,156,396		\$ 121,909	121,909
Kid Care	565,897	603,502			37,605	37,605
Total business-type activities	<u>2,421,668</u>	<u>1,424,786</u>	<u>1,156,396</u>		<u>159,514</u>	<u>159,514</u>
Total primary government	<u>\$ 125,686,339</u>	<u>\$ 1,978,773</u>	<u>\$ 3,434,070</u>	<u>(120,433,010)</u>	<u>159,514</u>	<u>(120,273,496)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				63,717,633		63,717,633
Property taxes, levied for debt service				3,054,895		3,054,895
Federal sources				74,469		74,469
State sources—unrestricted				53,142,525		53,142,525
Investment income				108,526		108,526
Miscellaneous				265,265		265,265
Total general revenues				<u>120,363,313</u>		<u>120,363,313</u>
Change in net position				(69,697)	159,514	89,817
Net Position—beginning				59,858,929	2,050,260	61,909,189
Net Position—ending				<u>\$ 59,789,232</u>	<u>\$ 2,209,774</u>	<u>\$ 61,999,006</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

**East Windsor Regional School District
Governmental Funds**

Balance Sheet

June 30, 2018

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 4,937,371		\$ 71,559	\$ 5,008,930
Accounts receivable:				
State	558,152	\$ 580	213,636	772,368
Federal		557,677		557,677
Other	51,160			51,160
Interfund	448,700			448,700
Restricted assets:				
Cash and cash equivalents	9,617,058			9,617,058
Total assets	<u>\$ 15,612,441</u>	<u>\$ 558,257</u>	<u>\$ 285,195</u>	<u>\$ 16,455,893</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,118,847	\$ 141,179		\$ 1,260,026
Intergovernmental payables:				
State		19,036		19,036
Other liabilities	20			20
Interfunds payable		355,349		355,349
Unearned revenue	1,200	42,693		43,893
Total liabilities	<u>1,120,067</u>	<u>558,257</u>		<u>1,678,324</u>
Fund balances:				
Restricted for:				
Excess surplus - current year	804,922			804,922
Excess surplus - prior year - designated for subsequent year's expenditures	1,050,464			1,050,464
Capital reserve	6,371,159			6,371,159
Maintenance reserve	3,245,899			3,245,899
Capital projects			\$ 285,195	285,195
Assigned to:				
Designated for subsequent year's expenditures	98,988			98,988
Other purposes	2,677,596			2,677,596
Unassigned:				
General fund	243,346			243,346
Total fund balances	<u>14,492,374</u>	<u>-</u>	<u>285,195</u>	<u>14,777,569</u>
Total liabilities and fund balances	<u>\$ 15,612,441</u>	<u>\$ 558,257</u>	<u>\$ 285,195</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$167,015,370 and the accumulated depreciation is \$66,934,087.	100,081,283
Internal service funds are used by the District to charge the costs of the District's fuel facility fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	30,187
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(370,955)
Deferred loss on bond refunding	915,199
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	1,638,859
Accrued pension contributions for the June 30, 2018 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,182,892)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(26,631,576)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(29,468,442)</u>
Net position of governmental activities	<u>\$ 59,789,232</u>

East Windsor Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 63,717,633			\$ 3,054,895	\$ 66,772,528
Transportation fees	111,460				111,460
Tuition	442,527				442,527
Rents and royalties	66,758				66,758
Interest on investments	108,526				108,526
Miscellaneous	198,507	\$ 13,259			211,766
Total local sources	64,645,411	13,259		3,054,895	67,713,565
State sources	32,155,283	9,122	\$ (377)	116,963	32,280,991
Federal sources	74,469	2,255,293			2,329,762
Total revenues	96,875,163	2,277,674	(377)	3,171,858	102,324,318
Expenditures					
Instruction:					
Regular instruction	25,786,594	472,426			26,259,020
Special education instruction	6,415,317	1,364,747			7,780,064
Other special instruction	3,195,190				3,195,190
Other instruction	1,137,566				1,137,566
Community Svc Program/Operations	3,250				3,250
Support services:					
Tuition	5,495,412				5,495,412
Student and instruction related services	8,582,551	440,501			9,023,052
School administration services	3,502,028				3,502,028
Other admin services	2,324,464				2,324,464
Plant operations and maintenance	6,650,372				6,650,372
Pupil transportation	3,797,700				3,797,700
Employee benefits and on-behalf TPAF social security and pension contributions	25,768,632				25,768,632
Capital outlay	3,430,388				3,430,388
Special schools	56,091				56,091
Debt service:					
Principal				2,105,000	2,105,000
Interest				1,092,825	1,092,825
Contribution to charter schools	59,443				59,443
Total expenditures	96,204,998	2,277,674	-	3,197,825	101,680,497
Excess (deficiency) of revenues over (under) expenditures	670,165	-	(377)	(25,967)	643,821
Other financing sources (uses):					
Transfers in	251,057				251,057
Transfers out			(251,057)		(251,057)
Total other financing sources (uses)	251,057	-	(251,057)	-	-
Net change in fund balances	921,222	-	(251,434)	(25,967)	643,821
Fund balances, July 1	13,571,152	-	536,629	25,967	14,133,748
Fund balances, June 30	\$ 14,492,374	\$ -	\$ 285,195	\$ -	\$ 14,777,569

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

**East Windsor Regional School District
Governmental Funds**

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

Year Ended June 30, 2018

Total net change in fund balances - governmental funds (from B-2)	\$	643,821
 Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the period.		
	Depreciation expense	\$ (4,373,150)
	Capital asset additions	<u>2,291,201</u>
		(2,081,949)
Loss on disposal of capital assets		(77,562)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. This represents the change from the prior year.		39,105
Governmental Funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
	Amortization of premium on bonds	222,423
	Amortization of deferred loss on defeasance	<u>(94,943)</u>
		127,480
The Internal Service Fund is used by the District to service and charge the cost of fuel to other funds. The activity of this fund is included in the Statement of Activities.		
	Change in net position	46,891
	Depreciation, included above	1,183
	Capital asset additions, included above	<u>(37,355)</u>
		10,719
The obligations of capital leases and the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position.		
	Repayment of long-term debt	2,105,000
	Purchases made through capital lease included as long term debt in prior year	(700,000)
	Payments on capital leases	<u>850,169</u>
		2,255,169
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		(150,450)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
	Pension expense	<u>(836,030)</u>
Change in net position of governmental activities (A-2)	\$	<u>(69,697)</u>

Proprietary Funds

**East Windsor Regional School District
Proprietary Funds**

Statement of Net Position

June 30, 2018

	Major Funds			
	Business Type Activities - Enterprise Funds			Governmental Activities
	Food Service	Kid Care	Totals	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 823,402	\$ 1,055,888	\$ 1,879,290	
Accounts receivable:				
State	3,968		3,968	
Federal	151,994		151,994	
Other				\$ 79,396
Inventory	30,951		30,951	44,142
Total current assets	1,010,315	1,055,888	2,066,203	123,538
Noncurrent assets:				
Equipment	1,123,626		1,123,626	67,380
Accumulated depreciation	(907,586)		(907,586)	(31,208)
Total capital assets, net	216,040	-	216,040	36,172
Total assets	1,226,355	1,055,888	2,282,243	159,710
Liabilities				
Current liabilities:				
Accounts payable	340		340	
Interfund payable				93,351
Unearned revenue	72,129		72,129	
Total current liabilities	72,469	-	72,469	93,351
Total liabilities	72,469	-	72,469	93,351
Net Position				
Investment in capital assets	216,040		216,040	36,172
Unrestricted	937,846	1,055,888	1,993,734	30,187
Total net position	\$ 1,153,886	\$ 1,055,888	\$ 2,209,774	\$ 66,359

East Windsor Regional School District
Proprietary Funds

Statements of Revenues, Expenditures and Changes in Net Position

Year Ended June 30, 2018

	Major Funds			
	Business Type Activities - Enterprise Funds			Governmental Activities
	Food Service	Kid Care	Totals	Internal Service Fund
Operating revenues:				
Local sources:				
Daily sales reimbursable programs	\$ 509,377		\$ 509,377	
Daily sales non-reimbursable programs	311,907		311,907	
Tuition		\$ 603,502	603,502	
Charges for services				\$ 451,343
Total operating revenues	821,284	603,502	1,424,786	451,343
Operating expenses				
Salaries	590,672	453,093	1,043,765	
Employee benefits	180,188	57,552	237,740	
Purchased professional services		25,738	25,738	8,405
Management and admin services	156,472		156,472	
Supplies and materials	96,349	29,514	125,863	394,864
Depreciation	39,227		39,227	1,183
Cost of sales - non-reimbursable programs	90,453		90,453	
Cost of sales - reimbursable programs	652,525		652,525	
Miscellaneous	49,885		49,885	
Total operating expenses	1,855,771	565,897	2,421,668	404,452
Operating (loss) income	(1,034,487)	37,605	(996,882)	46,891
Non-operating revenues:				
Interest and investment revenue	10		10	
State sources:				
State school lunch program	21,576		21,576	
Federal sources:				
School breakfast program	129,446		129,446	
National school lunch program	826,752		826,752	
HHFKA	24,425		24,425	
Food donation program	154,187		154,187	
Total nonoperating revenues	1,156,396		1,156,396	
Change in net position	121,909	37,605	159,514	46,891
Total net position-beginning	1,031,977	1,018,283	2,050,260	19,468
Total net position-ending	\$ 1,153,886	\$ 1,055,888	\$ 2,209,774	\$ 66,359

**East Windsor Regional School District
Proprietary Funds**

Statement of Cash Flows

Year Ended June 30, 2018

	Major Funds			Governmental Activities Internal Service Fund
	Business Type Activities - Enterprise Funds			
	Food Service	Kid Care	Total	
Cash flows from operating activities				
Receipts from customers	\$ 816,314	\$ 603,502	\$ 1,419,816	\$ 413,768
Payments to employees	(590,672)	(453,093)	(1,043,765)	
Payments for benefits	(180,188)	(57,552)	(237,740)	
Payments to suppliers	(1,045,509)	(55,763)	(1,101,272)	(411,919)
Net cash (used in) provided by operating activities	(1,000,055)	37,094	(962,961)	1,849
Cash flows from noncapital financing activities				
Cash received from state and federal sources	19,160		19,160	
Transfer from other funds	1,106,834			35,506
Net cash provided by noncapital financing activities	1,125,994		19,160	35,506
Cash flows from capital and related financing activities				
Purchase of capital assets			-	(37,355)
Net cash (used in) capital and related financing activities	-		-	(37,355)
Cash flows from investing activities				
Interest received	10		10	
Net cash provided by investing activities	10		10	
Net increase in cash and cash equivalents	125,949	37,094	163,043	-
Cash and cash equivalents, beginning of year	697,453	1,018,794	1,716,247	
Cash and cash equivalents, end of year	<u>\$ 823,402</u>	<u>\$ 1,055,888</u>	<u>\$ 1,879,290</u>	<u>\$ -</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (1,034,487)	\$ 37,605	\$ (996,882)	\$ 46,891
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	39,227		39,227	1,183
Change in assets and liabilities:				
Decrease (increase) in other accounts receivable	340		340	(37,575)
Increase in inventory	(165)		(165)	(8,650)
Decrease in accounts payable		(511)	(511)	
Decrease in unearned revenue	(4,970)		(4,970)	
Net cash (used in) provided by operating activities	<u>\$ (1,000,055)</u>	<u>\$ 37,094</u>	<u>\$ (962,961)</u>	<u>\$ 1,849</u>

Noncash noncapital financing activities:

The District received \$152,127 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2018.

Fiduciary Funds

**East Windsor Regional School District
Fiduciary Funds**

Statement of Fiduciary Net Position

June 30, 2018

	Private-Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund	Agency Fund
Assets			
Cash and cash equivalents	\$ 13,087	\$ 1,379,559	\$ 349,136
Investments	35,779		
Total assets	48,866	1,379,559	349,136
Liabilities			
Accounts payable		8,844	
Payroll deductions payable			\$ 27,190
Due to student groups			321,946
Total liabilities		8,844	\$ 349,136
Net position			
Held in trust for unemployment claims		\$ 1,370,715	
Held in trust for scholarships	\$ 48,866		

**East Windsor Regional School District
Fiduciary Funds**

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2018

	Private-Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund
Additions		
Interest income	\$ 168	\$ 7,597
Employee contributions	27,027	119,659
Change in investment value	922	
Total additions	28,117	127,256
Deductions		
Scholarship payments	26,853	
Miscellaneous	150	
Unemployment payments		179,243
Total deductions	27,003	179,243
Change in net position	1,114	(51,987)
Net position-beginning	47,752	1,422,702
Net position-ending	\$ 48,866	\$ 1,370,715

East Windsor Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2018

1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

The District has reported the following major governmental funds:

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

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

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

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

The District reports the following major proprietary funds:

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

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

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

Additionally, the District reports the following fund types:

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

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

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

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

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

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

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

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

D. Budgets/Budgetary Control

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

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

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

E. Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with the GASB. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

F. Interfund Receivables/Payables

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

G. Inventories

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

Proprietary funds inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2018, the unused Food Donation Program commodities of \$4,673 are reported as unearned revenue in the food service enterprise fund.

H. Capital Assets

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

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

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

I. Compensated Absences

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,282,291 and no liability existed for compensated absences in the proprietary fund types.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. Currently, the District has two items that qualify for reporting in this category, including deferred loss from the refunding of debt and deferred amounts related to pensions.

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

K. Long-Term Obligations

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

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

L. Deferred Loss on Defeasance of Debt

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2018, the District has recorded an unamortized balance of \$915,199 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2018 was \$94,943.

M. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period and an over-claim received of federal reimbursements related to its school breakfast program. Unearned revenue in the general fund represents cash which has been received but not yet earned.

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

N. Net Position

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

O. Fund Balances

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

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$14,492,374 of fund balances in the General Fund, \$2,677,596 of encumbrances is assigned to other purposes, \$1,050,464 has been classified as restricted excess surplus – prior year- designated for subsequent years expenditures, \$804,922 has been classified as restricted excess surplus – current year, \$9,617,058 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$3,245,899 and \$6,371,159, respectively, \$98,888 is assigned to designated for subsequent year's expenditures, and \$243,346 is classified as unassigned.

All of the fund balance in the Capital Projects Fund of \$285,195 is restricted for capital projects.

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$13,806,819 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

R. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the General Fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance at June 30, 2018 in the amount of \$1,855,386. Of this amount, \$1,050,464 has been appropriated in the 2018/19 budget and the remaining \$804,922, which was generated during the 2018 fiscal year, is required to be appropriated in the 2019/20 budget.

S. GASB Pronouncements

GASBS Implemented in the 2018 Fiscal Year

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The District has adopted GASB Statement No. 75 during the year ended June 30, 2018, which resulted in an increase in full accrual revenues and expenses and additional financial statement disclosures.

In March, 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for periods beginning after June 15, 2017. The District has adopted GASB Statement No. 85 during the year ended June 30, 2018 and it did not have a significant impact on the financial statements.

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

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

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 7, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

The details of this \$29,468,442 difference are as follows:

Bonds payable	\$	24,200,000
Premium on bonds		2,240,617
Obligations under capital leases		1,745,534
Compensated absences payable		1,282,291
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	29,468,442

3. Deposits and Investments

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

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

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

Year ended June 30, 2018

3. Deposits and Investments (continued)

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.

Deposits

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

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

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

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

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

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

At June 30, 2018 the carrying amount of the District's deposits was \$18,247,060 and the bank balance was \$21,204,929. Of the bank balance, \$251,869 of the District's cash deposits on June 30, 2018 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$20,754,664. \$198,396 held in the District's agency accounts are not covered by GUDPA.

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

Year ended June 30, 2018

3. Deposits and Investments (continued)

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

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

Investments

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

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

The following presents the investments held at June 30, 2018:

Investment Type	Fair Value	Investment Maturities Less than 1 year
Mutual Funds	\$35,779	\$35,779
Total investments	\$35,779	\$35,779

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

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

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

Year ended June 30, 2018

3. Deposits and Investments (continued)

The following table set forth by level, with fair value hierarchy the investment assets at fair value as of June 30, 2018:

Assets at Fair Value As of June 30, 2018		
	Level 1	Total
Mutual Funds	\$35,779	\$35,779
	\$35,779	\$35,779

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

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2018, no more than 5% of the District's investments were in any one security.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2018:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$149,550			\$149,550
Construction in progress	88,338	\$596,866	\$ (88,338)	596,866
Total capital assets, not being depreciated	237,888	596,866	(88,338)	746,416
Capital assets, being depreciated				
Site and site improvements	5,155,359	740,191	11,130	5,906,680
Buildings and building improvements	147,956,539	384,406	77,208	148,418,153
Machinery, equipment, and vehicles	12,119,987	532,383	(775,629)	11,876,741
Machinery, equipment - Internal Service	30,025	37,355		67,380
Total capital assets being depreciated	165,261,910	1,694,335	(687,291)	166,268,954
Less accumulated depreciation for:				
Site and site improvements	2,335,225	328,659		2,663,884
Buildings and building improvements	51,624,837	3,585,327		55,210,164
Machinery, equipment, and vehicles	9,268,917	457,981	(698,067)	9,028,831
Machinery, equipment - Internal Service	30,025	1,183		31,208
Total accumulated depreciation	63,259,004	4,373,150	(698,067)	66,934,087
Total capital assets being depreciated, net	102,002,906	(2,678,815)	10,776	99,334,867
Governmental activities capital assets, net	\$102,240,794	\$ (2,081,949)	\$ (77,562)	\$100,081,283

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

Year ended June 30, 2018

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	1,803,530
Special Education Instruction		534,350
Other Special Instruction		219,452
Other Instruction		78,130
Community Svc Program/Operations		223
Student and Instruction Related Services		619,695
School Administration Services		240,526
Other Admin Services		159,649
Plant Operations and Maintenance		456,761
Pupil Transportation		260,834
	<u>\$</u>	<u>4,373,150</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 1,123,626	\$ -	\$ 1,123,626
Less accumulated depreciation for:			
Equipment	868,359	39,227	907,586
Total business-type activities			
capital assets, net	<u>\$ 255,267</u>	<u>\$ (39,227)</u>	<u>\$ 216,040</u>

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

Year ended June 30, 2018

5. Long-Term Liabilities

During the fiscal year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,131,841	\$ 372,719	\$ 222,269	\$ 1,282,291	\$ 64,115
Bonds payable	26,305,000		2,105,000	24,200,000	2,145,000
Premium on bonds	2,463,040		222,423	2,240,617	222,423
Obligations under capital leases	2,595,703		850,169	1,745,534	865,145
Subtotal	32,495,584	372,719	3,399,861	29,468,442	3,296,683
Net pension liability	35,162,975		8,531,399	26,631,576	
Total governmental activities long-term liabilities	<u>\$ 67,658,559</u>	<u>\$ 372,719</u>	<u>\$ 11,931,260</u>	<u>\$ 56,100,018</u>	<u>\$ 3,296,683</u>

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

Bonds Payable

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

Bonds payable at June 30, 2018 are comprised of the following issues:

\$29,900,000, 2012 refunding bonds, due in annual installments ranging from \$1,730,000 to \$2,115,000 through March 1, 2029 at interest rates ranging from 4.00% to 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2018, \$0 of this defeased debt remains outstanding.

\$3,280,000, 2015 refunding bonds, due in annual installments ranging from \$375,000 to \$415,000 through July 15, 2023 at an interest rate of 3.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2018, \$0 of this defeased debt remains outstanding.

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

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2018 are as follows:

Fiscal year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,145,000	\$ 1,013,025	\$ 3,158,025
2020	2,180,000	931,450	3,111,450
2021	2,230,000	830,800	3,060,800
2022	2,285,000	727,375	3,012,375
2023	2,410,000	621,100	3,031,100
2024-2028	10,870,000	1,681,625	12,551,625
2029	2,080,000	83,200	2,163,200
	<u>\$ 24,200,000</u>	<u>\$ 5,888,575</u>	<u>\$ 30,088,575</u>

Bonds Authorized But Not Issued

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

Other Capital Leases

Governmental Funds

The District has a capital lease outstanding for the science lab and classroom renovations for the high school with an interest rate of 1.64% and a capital lease outstanding for equipment with an interest rate of 2.25%. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net future minimum lease payments at June 30, 2018:

<u>Fiscal Year</u>	<u>Amounts</u>
Year Ending June 30:	
2019	\$ 895,906
2020	895,906
Total minimum lease payment	<u>1,791,812</u>
Less amount representing interest	<u>(46,278)</u>
Present value of net future minimum lease payments	<u>\$ 1,745,534</u>

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

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

The assets acquired through capital leases are as follows at June 30, 2018:

Asset:		
Building and building improvements	\$	3,419,534
Less accumulated depreciation		(191,187)
Total	\$	<u>3,228,347</u>

6. Pension Plans

Description of Systems

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

Teachers’ Pension and Annuity Fund

The Teachers’ Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years’ compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years’ compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier’s retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

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

During the year ended June 30, 2018, the State of New Jersey contributed \$8,832,212 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,812,399 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

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

Year ended June 30, 2018

6. Pension Plans (continued)

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2018, 2017, and 2016 was \$1,059,837, \$1,054,737, and \$1,021,477, respectively, equal to the required contributions for each year.

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

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

Public Employee's Retirement System (PERS)

At June 30, 2018, the District reported a liability of \$26,631,576 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 July 1, 2016, which was rolled forward to 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 school districts, actuarially determined. At June 30, 2017, the District's proportion was 0.1144046609 percent, which was a decrease of 0.0043204581 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized full accrual pension expense of \$1,895,867 in the government-wide financial statements. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

Year ended June 30, 2018

6. Pension Plans (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 5,365,345	\$ 5,345,675
Difference between expected and actual experience	627,082	
Net difference between projected and actual earnings on pension plan investments	181,343	
Changes in proportion and differences between District contributions and proportionate share of contributions	434,992	807,120
District contributions subsequent to the measurement date	1,182,892	
	<u>\$ 7,791,654</u>	<u>\$ 6,152,795</u>

\$1,182,892 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability for the 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:

Year ended June 30:		
2019	\$	617,858
2020		947,156
2021		498,273
2022		(945,357)
2023		(661,963)
	<u>\$</u>	<u>455,967</u>

Additional Information

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Year ended June 30, 2018

6. Pension Plans (continued)

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Year ended June 30, 2018

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2017 calculated using the discount rate as disclosed on the previous page as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
State's proportionate share of the net pension liability associated with the District	\$ 33,038,277	\$ 26,631,576	\$ 21,294,000

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the local group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 6,424,455,842
Deferred inflows of resources	\$ 5,700,625,981
Net pension liability	\$ 23,278,401,588
District's Proportion	0.1144046609%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,694,305,613.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined July 1, 2017, 2016, 2015, and 2014 is 5.48, 5.57, 5.72, and 6.44 years, respectively.

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

Year ended June 30, 2018

6. Pension Plans (continued)

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2017 was \$249,276,021. The District's proportionate share was \$0.

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, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3697162402 percent, which was an increase of 0.0080750835 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$17,268,580 for contributions incurred by the State.

Actuarial assumptions

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

Inflation rate	2.25%
Salary increases:	Varies based
2012-2021	on experience
Thereafter	Varies based
	on experience
Investment rate of return	7.00%

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

Year ended June 30, 2018

6. Pension Plans (continued)

Mortality Rates

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Divisions of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Year ended June 30, 2018

6. Pension Plans (continued)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	At 1% decrease (3.25%)	At current discount rate (4.25%)	At 1% increase (5.25%)
State's proportionate share of the net pension liability associated with the District	\$ 296,147,732	\$ 249,276,021	\$ 210,662,902

Pension plan fiduciary net position

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

Additional Information

Collective balances of the local group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 14,251,854,934
Deferred inflows of resources	\$ 11,807,238,433
Net pension liability	\$ 67,423,605,859
District's Proportion	0.3697162402%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2017 is \$4,682,493,081.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2017, 2016, 2015, and 2014 is 8.3, 8.3, 8.3, and 8.5 years, respectively.

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

Year ended June 30, 2018

7. Post-Retirement Benefits

Plan descriptions and benefits provided

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

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2018, 2017 and 2016 were \$3,461,761, \$3,465,043, and \$3,447,668 respectively, which equaled the required contributions for each year.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

Total OPEB Liability

The net OPEB liability from New Jersey's plan is \$53,639,841,858.

Changes in the Total OPEB Liability

Below represents the changes in the State's portion of the OPEB liability associated with the District for the year ended June 30, 2017:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2016	\$ 206,215,591
Changes for the year:	
Service cost	7,223,585
Interest	6,022,931
Changes in assumptions or other inputs	(24,873,787)
Member contributions	162,340
Benefit payments	(4,408,723)
Net changes	(15,873,654)
Ending Total OPEB Liability, June 30, 2017	\$ 190,341,937

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education	June 30, 2017
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,078

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA 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, 2017 was \$190,341,937. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

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

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increase through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actual experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

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.

Mortality Rates

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality table for males or females, as appropriate, with adjustments for mortality improvements based on MP- 2017 scale. Postretirement 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.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine 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

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

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight 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.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	At 1% decrease (2.58%)	At current discount rate (3.58%)	At 1% increase (4.58%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 225,949,612	\$ 190,341,937	\$ 162,097,591

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% decrease	Healthcare Cost Trend Rates	1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 156,537,843	\$ 190,341,937	\$ 235,233,376

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$10,525,753 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 99,843,255
Deferred inflows of resources	\$ 6,443,612,287
Collective OPEB Expense	\$ 3,348,490,523

District's Proportion 0.35%

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

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2018 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 448,700	
Special Revenue Fund		\$ 355,349
Internal Service Fund - Fueling Facility		93,351
	\$ 448,700	\$ 448,700

The interfund receivable in the General Fund of \$448,700 is comprised of an interfund payable from the special revenue fund in the amount of \$355,349 and internal service fund – fueling facility in the amount of \$93,351 which represent short-term loans to provide on funds with sufficient cash flow until cash is received for accounts receivable. All interfunds are expected to be repaid within one year.

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2018 may be impaired. In addition, the District received funding from the New Jersey Schools Development Authority (NJSDA), in connection with certain approved projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not

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

Year ended June 30, 2018

10. Contingent Liabilities (continued)

complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirement, refunds of any money received may be required.

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

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

11. Risk Management

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

Property and Liability Insurance

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

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

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

New Jersey Unemployment Compensation Insurance

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

12. Deferred Compensation Plans

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

12. Deferred Compensation Plans (continued)

defer a portion of their salary until future years. Amounts unearned under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

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

13. Restricted Assets

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

14. Maintenance Reserve Account

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

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

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

Year ended June 30, 2018

14. Maintenance Reserve Account (continued)

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

Beginning balance July 1, 2017	\$ 4,195,799
Withdrawals:	
Approved by a resolution of the Board of Education	(950,000)
Deposits:	
Interest earned on maintenance reserve funds	<u>100</u>
Ending balance, June 30, 2018	<u>\$ 3,245,899</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2018. The District has budgeted \$200,000 of the June 30, 2018 maintenance reserve balance in its 2018-19 fiscal year budget.

15. Capital Reserve Account

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

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

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

Year ended June 30, 2018

15. Capital Reserve Account (continued)

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

Beginning balance July 1, 2017	\$ 4,790,645
Withdrawals:	
Capital Outlay – Budgeted Withdrawal	(1,046,313)
Deposits:	
Unspent capital outlay funds not utilized in 2017-18	251,057
Interest earned on capital reserve funds	100
Deposit into Capital Reserve (June 2018 Board Resolution)	2,375,670
Ending balance, June 30, 2018	\$ 6,371,159

The June 30, 2018 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve. The District did not budget any of its capital reserve balance in its 2018-19 fiscal year budget.

16. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2018. These encumbrances, in the amount of \$2,677,596, are recorded as assigned to other purposes on the general fund balance sheet.

17. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$72,810,331 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 100,081,283
Bonds payable (used to build or acquire capital assets)	(24,200,000)
Unamortized premium	(2,240,617)
Deferred loss on defeasance of debt	915,199
Capital lease	(1,745,534)
Total net investment in capital assets	\$ 72,810,331

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

18. Tax Abatements

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

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

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

East Windsor Township recognized revenue of \$160,619 from the annual service charge in lieu of payment of taxes in 2017 and taxes in 2017 that otherwise would have been due on these long-term tax exemptions amount to \$513,280, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$352,661 abatement would have been allocated to the District. Hightstown Borough does not currently have any such long-term tax exemptions in place.

19. Transfers

The following presents a reconciliation of transfers during the 2018 fiscal year:

	Transfers In	Transfers Out
General Fund	\$ 251,057	
Capital Projects Fund		\$ 251,057
	<u>\$ 251,057</u>	<u>\$ 251,057</u>

The transfer out of the capital projects fund to the general fund relates to a transfer of capital reserve in the amount of \$251,057 related to the unspent portion of local funds that were transferred to the capital projects fund for capital projects that were partially funded by capital reserve funds.

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for
Pensions (GASB 68) and Other Post-Employment Benefits
Other Than Pensions (GASB 75)**

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - Local Group	0.1144046609%	0.1187251190%	0.1176478520%	0.1180527689%	0.1139395185%	n/a	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 26,631,576	\$ 35,162,975	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106	n/a	n/a	n/a	n/a	n/a
District's covered-employee payroll	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842	\$ 7,995,582	\$ 8,075,882
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	330.95%	445.10%	325.78%	273.72%	274.97%	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	48.10%	40.14%	47.93%	52.08%	48.72%	n/a	n/a	n/a	n/a	n/a

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

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,182,892	\$ 1,059,837	\$ 1,054,733	\$ 1,021,477	\$ 983,231	\$ 868,532	\$ 934,611	\$ 837,121	\$ 629,897	\$ 753,376
Contributions in relation to the contractually required contribution	(1,182,892)	(1,059,837)	(1,054,733)	(1,021,477)	(983,231)	(868,532)	(934,611)	(837,121)	(629,897)	(753,376)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842	\$ 7,995,582
Contributions as a percentage of covered-employee payroll	14.27%	13.17%	13.35%	12.60%	12.18%	10.97%	12.19%	11.08%	7.63%	9.42%

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

Last Ten Fiscal Years*

	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3697162402%	0.3616411567%	0.3588673050%	0.3524449084%	0.3442334350%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 249,276,021	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 249,276,021</u>	<u>\$ 284,489,960</u>	<u>\$ 226,819,461</u>	<u>\$ 188,370,333</u>	<u>\$ 173,972,871</u>
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

East Windsor Regional School District
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.35%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 190,341,937	\$ 206,215,591
Total proportionate share of the net OPEB liability (asset) associated with the District	\$ 190,341,937	\$ 206,215,591
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%	0.00%

	2018	2017**
Total OPEB Liability		
Service cost	\$ 7,223,585	
Interest cost	6,022,931	
Changes of assumptions	(24,873,787)	
Member contributions	162,340	
Gross benefit changes	(4,408,723)	
Net change in total OPEB liability	(15,873,654)	
Total OPEB liability - beginning	206,215,591	
Total OPEB liability - ending	\$ 190,341,937	
Covered-employee payroll	\$ 45,239,473	
Total OPEB liability as a percentage of covered-employee payroll	420.74%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

** information not available.

East Windsor Regional School District

Notes to Required Supplementary Information
Year Ended June 30, 2018

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017.

2. PENSION – TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information – Part III

Budgetary Comparison Schedules

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 63,967,633	\$ (250,000)	\$ 63,717,633	\$ 63,717,633	
Tuition from other LEAs within the State	371,415		371,415	442,527	\$ 71,112
Transportation fees from other LEAs within the State	60,000		60,000	111,460	51,460
Rents and Royalties	35,000		35,000	66,758	31,758
Interest Earned on Investments				108,526	108,526
Miscellaneous	278,849		278,849	198,506	(80,343)
Total - Local Sources	64,712,897	(250,000)	64,462,897	64,645,410	182,513
State Sources:					
Equalization Aid	14,555,021	250,000	14,805,021	16,002,840	1,197,819
Categorical Special Education Aid	2,987,642		2,987,642	2,987,642	
Transportation Aid	464,451		464,451	464,451	
Security Aid	524,828		524,828	524,828	
PARCC Readiness Aid	49,945		49,945	49,945	
Per Pupil Growth Aid	49,945		49,945	49,945	
Professional Learning Community Aid	49,970		49,970	49,970	
Additional Non-Public Transportation Aid				31,320	31,320
Extraordinary Aid	210,000		210,000	387,720	177,720
Reimbursed Lead Testing				14,275	14,275
TPAF Pension (On-Behalf - Non-Budgeted)				5,359,770	5,359,770
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				3,461,761	3,461,761
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)				10,681	10,681
TPAF Social Security (Reimbursed - Non-Budgeted)				2,812,399	2,812,399
Total - State Sources	18,891,802	250,000	19,141,802	32,207,547	13,065,745
Federal Sources:					
Medical Assistance Program	88,566		88,566	74,469	(14,097)
Total - Federal Sources	88,566		88,566	74,469	(14,097)
Total Revenues	83,693,265	-	83,693,265	96,927,426	13,234,161
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,109,700	(148,846)	960,854	933,604	27,250
Grades 1-5 - Salaries of Teachers	8,240,180	233,888	8,474,068	8,452,549	21,519
Grades 6-8 - Salaries of Teachers	5,468,980	(91,391)	5,377,589	5,323,834	53,755
Grades 9-12 - Salaries of Teachers	7,752,330	(86,209)	7,666,121	7,592,784	73,337
Regular Programs - Home Instruction					
Salaries of Teachers	50,000	2,929	52,929	41,378	11,551
Purchased Professional-Educational Services	102,000	(4,595)	97,405	69,834	27,571
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	605,119	612,500	1,217,619	1,103,605	114,014
Purchased Technical Services	188,645	22,199	210,844	165,339	45,505
Other Purchased Services	3,250	(2,624)	626		626
General Supplies	2,448,798	118,907	2,567,705	1,819,291	748,414
Textbooks	628,400	(196,302)	432,098	279,524	152,574
Other Objects	8,250	(2,633)	5,617	4,852	765
TOTAL REGULAR PROGRAMS - INSTRUCTION	26,605,652	457,823	27,063,475	25,786,594	1,276,881
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Purchased Professional-Educational Services	7,501	(5,330)	2,171	119	2,052
Total Cognitive - Mild	7,501	(5,330)	2,171	119	2,052
Learning and/or Language Disabilities					
Salaries of Teachers	545,960	(139,666)	406,294	394,785	11,509
Other Salaries for Instruction	204,738	8,629	213,367	213,367	
General Supplies	3,700		3,700	3,683	17
Total Learning and/or Language Disabilities	754,398	(131,037)	623,361	611,835	11,526
Multiple Disabilities					
Salaries of Teachers	200,232	15,143	215,375	215,375	
Other Salaries for Instruction	32,179		32,179	32,179	
Purchased Professional-Educational Services	7,500	(7,500)			
General Supplies	5,225		5,225	5,218	7
Other Objects		360	360	330	30
Total Multiple Disabilities	245,136	8,003	253,139	253,102	37

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,296,658	\$ (144,678)	\$ 4,151,980	\$ 4,135,817	\$ 16,163
Other Salaries for Instruction	232,707		232,707	182,124	50,583
Purchased Professional-Educational Services	85,000	152,484	237,484	226,768	10,716
General Supplies		13,977	13,977	13,977	
Total Resource Room/Resource Center	4,614,365	21,783	4,636,148	4,558,686	77,462
Autism					
Salaries of Teachers	294,190	12,000	306,190	305,570	620
Other Salaries for Instruction	117,627	57,666	175,293	174,704	589
Purchased Professional-Educational Services	5,000	(5,000)			
General Supplies	8,100	(6,977)	1,123	1,123	
Total Autism	424,917	57,689	482,606	481,397	1,209
Preschool Disabilities - Part-Time					
Salaries of Teachers	320,350		320,350	300,075	20,275
Other Salaries for Instruction	159,699	45,001	204,700	201,688	3,012
Purchased Professional-Educational Services	7,500		7,500	5,414	2,086
General Supplies	4,000	(999)	3,001	3,001	
Total Preschool Disabilities - Part-Time	491,549	44,002	535,551	510,178	25,373
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,537,866	(4,890)	6,532,976	6,415,317	117,659
Basic Skills/Remedial - Instruction					
Salaries of Teachers	908,840	(75,000)	833,840	801,374	32,466
Purchased Professional-Educational Services	20,000	(20,000)			
Total Basic Skills/Remedial - Instruction	928,840	(95,000)	833,840	801,374	32,466
Bilingual Education - Instruction					
Salaries of Teachers	2,243,530	62,705	2,306,235	2,304,005	2,230
Other Salaries for Instruction	64,358		64,358	32,179	32,179
Purchased Professional-Educational Services	15,000	(15,000)			
General Supplies	32,566	(19,313)	13,253	13,060	193
Textbooks	6,354	38,348	44,702	44,572	130
Total Bilingual Education - Instruction	2,361,808	66,740	2,428,548	2,393,816	34,732
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	288,290	52,821	341,111	339,850	1,261
Purchased Services	5,500	(1,946)	3,554	2,398	1,156
Supplies and Materials	1,250	(470)	780	780	
Other Objects	35,200	(20,036)	15,164	14,856	308
Total School-Spon. Cocurricular Actvts. - Inst.	330,240	30,369	360,609	357,884	2,725
School-Spon. Athletics					
Salaries	611,890	11,464	623,354	614,155	9,199
Purchased Services	88,475	(12,800)	75,675	74,226	1,449
Supplies and Materials	58,110	24,640	82,750	72,573	10,177
Other Objects	11,420		11,420	8,615	2,805
Total School-Spon. Athletics	769,895	23,304	793,199	769,569	23,630
Other Supplementary/At-Risk Program- Instruction					
Salaries of Teachers		8,547	8,547	8,547	
Other Salaries for Instruction		1,566	1,566	1,566	
Total Other Supplementary/At-Risk Program- Instruction		10,113	10,113	10,113	
Total Other Supplementary/At-Risk Program		10,113	10,113	10,113	
Community Services Programs/Operations					
Purchased Services		3,250	3,250	3,250	
Total Community Services Programs/Operations		3,250	3,250	3,250	
TOTAL INSTRUCTION	37,534,301	491,709	38,026,010	36,537,917	1,488,093

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Special	\$ 19,830	\$ (1,921)	\$ 17,909	\$ 17,909	\$ 17,909
Tuition to County Voc. School Dist. - Regular	680,148	9,325	689,473	673,023	16,450
Tuition to CSSD & Regional Day Schools	3,926,869	(260,823)	3,666,046	3,605,273	60,773
Tuition to Private Schools for the Disabled - Within State	688,465	296,030	984,495	889,888	94,607
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S		34,219	34,219	34,219	
Tuition - State Facilities	164,760	123,957	288,717	274,180	14,537
Tuition - Other	112,736	(79,498)	33,238	18,828	14,410
Total Undistributed Expenditures - Instruction	5,592,808	121,289	5,714,097	5,495,411	218,686
Undistributed Expend. - Attend. & Social Work					
Salaries	103,561	(2,082)	101,479	100,078	1,401
Purchased Professional and Technical Services	3,800	1,250	5,050	4,965	85
Other Purchased Services	250	500	750	750	
Supplies and Materials	3,000		3,000	2,390	610
Total Undistributed Expend. - Attend. & Social Work	110,611	(332)	110,279	107,433	2,846
Undist. Expend. - Health Services					
Salaries	926,311	(161,811)	764,500	715,814	48,686
Purchased Professional and Technical Services	45,615	5,244	50,859	40,851	10,008
Supplies and Materials	17,350	(642)	16,708	13,436	3,272
Total Undistributed Expenditures - Health Services	989,276	(157,209)	832,067	770,101	61,966
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	715,222	(31,120)	684,102	651,493	32,609
Purchased Professional - Educational Services	9,880	(380)	9,500	9,500	
Supplies and Materials	5,000	(539)	4,461	4,403	58
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	730,102	(32,039)	698,063	665,396	32,667
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Other Salaries for Instruction	438,811		438,811	369,551	69,260
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	438,811		438,811	369,551	69,260
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,502,080	3,651	1,505,731	1,501,151	4,580
Salaries of Secretarial and Clerical Assistants	85,118		85,118	72,812	12,306
Purchased Professional - Educational Services	2,000		2,000	830	1,170
Other Purchased Prof. and Tech. Services	26,692	(9,910)	16,782	16,782	
Other Purchased Services	2,900	3,509	6,409	3,699	2,710
Supplies and Materials	43,345	2,445	45,790	42,393	3,397
Other Objects	2,400	(1,200)	1,200		1,200
Total Undist. Expend. - Guidance	1,664,535	(1,505)	1,663,030	1,637,667	25,363
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	1,822,402	(29,755)	1,792,647	1,752,336	40,311
Salaries of Secretarial and Clerical Assistants	159,717		159,717	159,498	219
Purchased Prof. - Educational Services	302,000	44,206	346,206	321,974	24,232
Other Purchased Prof. and Tech. Services	58,812	6,417	65,229	48,164	17,065
Miscellaneous Purchased Services	65,500	(53,056)	12,444	11,708	736
Supplies and Materials	44,758	16,594	61,352	48,513	12,839
Other Objects	4,279	300	4,579	4,509	70
Total Undist. Expend. - Child Study Team	2,457,468	(15,294)	2,442,174	2,346,702	95,472
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	1,013,047	(30,000)	983,047	946,422	36,625
Salaries of Secretarial and Clerical Assistants	57,680		57,680	57,512	168
Other Salaries	30,000	6,081	36,081	34,854	1,227
Purchased Prof. - Educational Services	146,078	(7,126)	138,952	52,112	86,840
Other Purchased Prof. and Tech. Services	20,000	(4,910)	15,090	1,090	14,000
Supplies and Materials	22,000	2,558	24,558	5,491	19,067
Other Objects	12,905		12,905	10,187	2,718
Total Undist. Expend. - Improvement of Inst. Serv.	1,301,710	(33,397)	1,268,313	1,107,668	160,645

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 1,110,427	\$ (95,204)	\$ 1,015,223	\$ 919,520	\$ 95,703
Purchased Professional & Technical Services	282,025	37,506	319,531	304,483	15,048
Supplies and Materials	40,450	(4,409)	36,041	34,440	1,601
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,432,902	(62,107)	1,370,795	1,258,443	112,352
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	201,797	6,291	208,088	208,088	
Purchased Professional - Educational Services	9,000	25,699	34,699	34,289	410
Other Purchased Services	192,900	(94,380)	98,520	77,213	21,307
Total Undist. Expend. - Instructional Staff Training Serv.	403,697	(62,390)	341,307	319,590	21,717
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	276,211	18,581	294,792	292,976	1,816
Legal Services	115,000	(13,742)	101,258	85,121	16,137
Audit Fees	65,000		65,000	65,000	
Architectural/Engineering Services	50,000	(14,475)	35,525	26	35,499
Other Purchased Professional Services	27,500	8,985	36,485	23,847	12,638
Communications/Telephone	249,000	18,176	267,176	250,455	16,721
Board of Education Other Purchased Services	4,000	2,000	6,000	2,749	3,251
Miscellaneous Purchased Services	235,028	9,064	244,092	239,324	4,768
General Supplies	2,550	2,200	4,750	2,755	1,995
Miscellaneous Expenditures	17,050	900	17,950	7,882	10,068
Board of Education Dues and Fees	26,663		26,663	26,663	
Total Undist. Expend. - Supp. Serv. - General Admin.	1,068,002	31,689	1,099,691	996,798	102,893
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	2,339,965	(1,116)	2,338,849	2,336,521	2,328
Salaries - Other Professional Staff	122,570		122,570	44,396	78,174
Salaries of Secretarial and Clerical Assistants	914,731	2,130	916,861	901,356	15,505
Unused Vacation Payment to Terminated/Retired Staff		71,647	71,647	71,647	
Purchased Prof. and Tech. Services	60,000	20,888	80,888	73,679	7,209
Other Purchased Services	16,650	(11,087)	5,563	563	5,000
Supplies and Materials	24,500	10,739	35,239	30,570	4,669
Other Objects	59,206	(14,759)	44,447	43,296	1,151
Total Undist. Expend. - Support Serv. - School Admin.	3,537,622	78,442	3,616,064	3,502,028	114,036
Undist. Expend. - Central Services					
Salaries	767,938	39,708	807,646	805,665	1,981
Purchased Professional Services	36,300	(10,733)	25,567	21,332	4,235
Purchased Technical Services	137,000	(19,764)	117,236	104,346	12,890
Misc Purchased Services	19,000		19,000	11,609	7,391
Supplies and Materials	49,310	23,491	72,801	49,309	23,492
Sales/Leaseback Payments	34,055	9,469	43,524	43,524	
Miscellaneous Expenditures	3,681	2,110	5,791	3,768	2,023
Total Undist. Expend. - Central Services	1,047,284	44,281	1,091,565	1,039,553	52,012
Undist. Expend. - Technology Admin.					
Salaries	159,408		159,408	159,078	330
Purchased Professional Services		31,678	31,678	18,726	12,952
Purchased Technical Services	10,000	(10,000)			
Other Purchased Services	2,258		2,258	2,227	31
Supplies and Materials	112,242	8,871	121,113	108,082	13,031
Total Undist. Expend. - Technology Admin.	283,908	30,549	314,457	288,113	26,344
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	1,352,621	34,578	1,387,199	1,378,336	8,863
Cleaning, Repair and Maintenance Services	292,851	95,476	388,327	303,275	85,052
General Supplies	203,720	127,095	330,815	274,661	56,154
Other Objects	14,200	(2,935)	11,265	11,234	31
Total Undist. Expend. - Required Maint. for Sch. Facil.	1,863,392	254,214	2,117,606	1,967,506	150,100

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 2,002,073	\$ (122,472)	\$ 1,879,601	\$ 1,854,789	\$ 24,812
Unused Vacation Payment to Terminated/Retired Staff		11,135	11,135	11,135	
Purchased Professional - Technical Services	100,000	81,886	181,886	181,775	111
Cleaning, Repair and Maintenance Services	14,500	(2,229)	12,271	8,745	3,526
Other Purchased Property Services	86,000	12,088	98,088	82,575	15,513
Insurance	386,507	(30,464)	356,043	355,963	80
Travel	1,300	1,000	2,300	1,300	1,000
General Supplies	281,073	26,918	307,991	258,526	49,465
Natural Gas	350,000		350,000	301,551	48,449
Electricity	1,150,000	(21,134)	1,128,866	1,074,522	54,344
Gasoline	70,000	(45,000)	25,000	17,533	7,467
Total Undist. Expend. - Custodial Services	4,441,453	(88,272)	4,353,181	4,148,414	204,767
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	46,325	(15,000)	31,325	22,974	8,351
General Supplies	30,950	459	31,409	30,275	1,134
Total Undist. Expend. - Care and Upkeep of Grounds	77,275	(14,541)	62,734	53,249	9,485
Undist. Expend. - Security					
Salaries	486,745	1,000	487,745	468,688	19,057
Purchased Professional & Technical Services	7,500	7,000	14,500	12,515	1,985
Total Undist. Expend. - Security	494,245	8,000	502,245	481,203	21,042
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	184,277	3,304	187,581	167,032	20,549
Salaries for Pupil Trans. (Between Home & School) - Regular	1,671,074	(195,111)	1,475,963	1,420,959	55,004
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	281,869	38,256	320,125	312,447	7,678
Salaries for Pupil Trans. Other than Between Home & School	397,583	55,610	453,193	452,119	1,074
Unused Vacation Payment to Terminated/Retired Staff		16,890	16,890	16,890	
Other Purchased Professional and Technical Services	39,500	(14,626)	24,874	24,665	209
Cleaning, Repair & Maintenance Services	30,750	11,335	42,085	37,088	4,997
Contracted Services Aid In Lieu of Payment for Non-public School Students	140,000		140,000	118,034	21,966
Contracted Services (Between Home and School) - Vendors	30,000	(14,500)	15,500	3,205	12,295
Contracted Services (Sp. Ed.) - Joint Agreements	550,000	310,000	860,000	843,816	16,184
Travel	5,000	(3,000)	2,000	700	1,300
Miscellaneous Purchased Services - Transportation	80,000		80,000	78,774	1,226
General Supplies	209,300	(31,227)	178,073	174,933	3,140
Transportation Supplies	143,000	(5,264)	137,736	137,557	179
Other Objects	15,100	(5,500)	9,600	9,481	119
Total Undist. Expend. - Student Transportation Serv.	3,777,453	166,167	3,943,620	3,797,700	145,920
Unallocated Benefits					
Group Insurance	4,000		4,000	3,988	12
Social Security Contributions	1,000,000	(70,606)	929,394	929,394	
TPAF Contributions ERIP	20,000		20,000	4,494	15,506
Other Retirement Contributions - PERS	1,171,800	(55,457)	1,116,343	1,116,343	
Other Retirement Contributions - ERIP	10,000	(5,724)	4,276	2,916	1,360
Other Retirement Contributions - Regular	60,000	1,853	61,853	53,337	8,516
Workmen's Compensation	448,158		448,158	447,333	825
Health Benefits	12,087,018	(722,395)	11,364,623	11,354,543	10,080
Tuition Reimbursement	170,000	8,002	178,002	57,353	120,649
Other Employee Benefits	268,000	(33,078)	234,922	154,321	80,601
Total Unallocated Benefits	15,238,976	(877,405)	14,361,571	14,124,022	237,549
On-behalf Contributions					
TPAF Pension Contributions (On-behalf - Non-Budgeted)				5,359,770	(5,359,770)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,461,761	(3,461,761)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				10,681	(10,681)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,812,399	(2,812,399)
Total On-behalf Contributions				11,644,611	(11,644,611)
TOTAL UNDISTRIBUTED EXPENDITURES	46,951,530	(609,860)	46,341,670	56,121,159	(9,779,489)
TOTAL GENERAL CURRENT EXPENSE	84,485,831	(118,151)	84,367,680	92,659,076	(8,291,396)

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction:					
Grades 1-5	\$ 25,000	\$ (19,000)	\$ 6,000		\$ 6,000
Grades 6-8	6,500	(6,500)			
Grades 9-12	75,000	326,627	401,627	\$ 315,268	86,359
Special Education-Instruction:					
School- Spons. & Other Instructional Programs		41,636	41,636	23,261	18,375
Undistributed Expenditures:					
Support Services - Child Study Teams	10,000	8,056	18,056	18,056	
Req. Maint. of School Facilities		89,721	89,721	12,939	76,782
Custodial Services		22,259	22,259	18,760	3,499
Undistributed Exp.-Care and Upkeep of Grounds		25,500	25,500		25,500
Non-Instructional Equipment	15,000	51,652	66,652	31,466	35,186
School buses-regular	400,000	204,673	604,673	250,530	354,143
Total Equipment	531,500	744,624	1,276,124	670,280	605,844
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		200,624	200,624	113,261	87,363
Construction Services	1,796,313	1,247,705	3,044,018	1,591,946	1,452,072
Lease purchase agreements-principal	680,950	170,311	851,261	851,256	5
Other Objects - Debt Service Assessment	203,645		203,645	203,645	
Total Facilities Acquisition and Construction Services	2,680,908	1,618,640	4,299,548	2,760,108	1,539,440
TOTAL CAPITAL OUTLAY	3,212,408	2,363,264	5,575,672	3,430,388	2,145,284
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	42,000		42,000	41,055	945
Other Salaries of Instruction	10,500	4,536	15,036	15,036	
Total Summer School Instruction	52,500	4,536	57,036	56,091	945
TOTAL SPECIAL SCHOOLS	52,500	4,536	57,036	56,091	945
Contribution to Charter Schools	59,443		59,443	59,443	
TOTAL EXPENDITURES	87,810,182	2,249,649	90,059,831	96,204,998	(6,145,167)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(4,116,917)	(2,249,649)	(6,366,566)	722,428	7,088,994
Other Financing Sources:					
Transfer In				251,057	251,057
Total Other Financing Sources				251,057	251,057
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources	(4,116,917)	(2,249,649)	(6,366,566)	973,485	7,340,051
Fund Balance, July 1	15,175,791		15,175,791	15,175,791	
Fund Balance, June 30	\$ 11,058,874	\$ (2,249,649)	\$ 8,809,225	\$ 16,149,276	\$ 7,340,051
Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (922,985)		\$ (922,985)	\$ 4,029,130	\$ 4,952,115
Adjustment for Prior Year Encumbrances, net cancellations		\$ (2,356,702)	(2,356,702)	(2,356,702)	
Withdrawal Maintenance Reserve	(950,000)		(950,000)	(950,000)	
Decrease in Capital Reserve	(2,243,932)	107,053	(2,136,879)	251,057	2,387,936
Total	\$ (4,116,917)	\$ (2,249,649)	\$ (6,366,566)	\$ 973,485	\$ 7,340,051
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 1,050,464	
Excess Surplus-current year				804,922	
Capital Reserve				6,371,159	
Maintenance Reserve				3,245,899	
Assigned to:					
Designated for Subsequent Year's Expenditures				98,988	
Year End Encumbrances				2,677,596	
Unassigned Fund Balance				1,900,248	
				16,149,276	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(1,656,902)	
Fund balance per Government Funds (GAAP)				\$ 14,492,374	

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

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 2,636,195	\$ 10,000	\$ 2,646,195	\$ 2,301,639	\$ 344,556
State sources	24,324	63	24,387	9,122	15,265
Local sources	1,000	54,952	55,952	13,259	42,693
Total revenues	<u>2,661,519</u>	<u>65,015</u>	<u>2,726,534</u>	<u>2,324,020</u>	<u>402,514</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	371,669	(24,809)	346,860	315,413	31,447
Purchased professional services	162,955	5,000	167,955	29,772	138,183
Other purchased services	1,275,763	3,200	1,278,963	1,266,424	12,539
General supplies	254,590	34,169	288,759	268,691	20,068
Total instruction	<u>2,065,689</u>	<u>17,560</u>	<u>2,083,249</u>	<u>1,880,300</u>	<u>202,949</u>
Support services:					
Salaries	251,830	(1,043)	250,787	235,973	14,814
Personal services—employee benefits	133,490	16,149	149,639	139,816	9,823
Purchased professional services	124,878		124,878	33,016	91,862
Other purchased professional services	67,043	29,603	96,646	21,598	75,048
Supplies and materials	18,589	(2,654)	15,935	9,929	6,006
Other objects		3,400	3,400	3,388	12
Total support services	<u>595,830</u>	<u>45,455</u>	<u>641,285</u>	<u>443,720</u>	<u>197,565</u>
Capital outlay:					
Noninstructional equipment	-	2,000	2,000	-	2,000
Total capital outlay	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,661,519</u>	<u>65,015</u>	<u>2,726,534</u>	<u>2,324,020</u>	<u>402,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Windsor Regional School District
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2018

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 96,927,426	\$ 2,324,020
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		57,159
Current year (net of prior year cancellations)		(103,505)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,604,639	
Current year	(1,656,902)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 96,875,163	\$ 2,277,674
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 96,204,998	\$ 2,324,020
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		57,159
Current year (net of prior year cancellations)		(103,505)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 96,204,998	\$ 2,277,674

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2018

	E.S.E.A.				Carl D. Perkins Secondary	I.D.E.A.		
	Title I Part A	Title II A	Title III Immigrant	Title III Immigrant		Part B Basic	Preschool	Impact Aid
Revenues:								
State sources								
Federal sources	\$ 575,812	\$ 122,199	\$ 61,553	\$ 23,000	\$ 21,651	\$ 1,371,004	\$ 99,170	\$ 27,250
Local sources								
Total revenues	\$ 575,812	\$ 122,199	\$ 61,553	\$ 23,000	\$ 21,651	\$ 1,371,004	\$ 99,170	\$ 27,250
Expenditures:								
Instruction:								
Salaries of teachers	\$ 228,633				\$ 4,015	\$ 82,765		
Purchased professional services	1,853					15,558		
Other purchased services						1,167,254	\$ 99,170	
General supplies	152,128		\$ 39,918	\$ 23,000	17,636			\$ 27,250
Total instruction	382,614		39,918	23,000	21,651	1,265,577	99,170	27,250
Undistributed:								
Support services:								
Salaries	101,298	\$ 79,389	5,862			49,424		
Personal services—employee benefits	82,670	25,259				31,887		
Purchased professional services		8,899	56			22,800		
Other purchased professional services	8,744		11,538			1,316		
Supplies and materials	486	8,652	791					
Other objects			3,388					
Total support services	193,198	122,199	21,635			105,427		
Total expenditures	\$ 575,812	\$ 122,199	\$ 61,553	\$ 23,000	\$ 21,651	\$ 1,371,004	\$ 99,170	\$ 27,250

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2018

	Nonpublic Aid		Other Local	Totals
	Nursing	Handicapped		
Revenues:				
State sources	\$ 1,261	\$ 7,861		\$ 9,122
Federal sources				2,301,639
Local sources			\$ 13,259	13,259
Total revenues	\$ 1,261	\$ 7,861	\$ 13,259	\$ 2,324,020
Expenditures:				
Instruction:				
Salaries of teachers				\$ 315,413
Purchased professional services		\$ 7,861	\$ 4,500	29,772
Other purchased services				1,266,424
General supplies			8,759	268,691
Total instruction		7,861	13,259	1,880,300
Undistributed:				
Support services:				
Salaries				235,973
Personal services-employee benefits				139,816
Purchased professional services	\$ 1,261			33,016
Other purchased professional services				21,598
Supplies and materials				9,929
Other objects				3,388
Total support services	1,261			443,720
Total expenditures	\$ 1,261	\$ 7,861	\$ 13,259	\$ 2,324,020

Capital Projects Fund

East Windsor Regional School District
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status
(Budgetary Basis)
Year ended June 30, 2018

	Current Year
Revenues	
State Sources - SDA Grant	\$ (175,573)
Transfer from Capital Reserve	-
Other revenue	-
Interest on investments	-
Total Revenues	(175,573)
Expenditures	
Construction Services	
Purchased Professional Services	
Total Expenditures	-
Other financing (uses):	
Transfers out	(251,057)
Total other financing (uses)	(251,057)
Deficiency of Revenues Under Expenditures	(426,630)
Fund Balance, July 1	728,739
Fund Balance, June 30	\$ 302,109
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance, Budgetary Basis	\$ 302,109
Less: Revenue not recognized on a GAAP basis	(16,914)
Fund Balance - June 30, 2018 GAAP Basis	\$ 285,195

**East Windsor Regional School District
Capital Projects Fund**

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

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 3,387,116	\$ (175,573)	\$ 3,211,543	\$ 3,211,543
Capital Lease Proceeds				
Transfer from Capital Reserve	5,121,865		5,121,865	5,121,865
Total Revenues	<u>8,508,981</u>	<u>(175,573)</u>	<u>8,333,408</u>	<u>8,333,408</u>
Expenditures and Other Financing Uses				
Purchased Professional Services	246,671		246,671	
Construction Services	7,533,616		7,533,616	
Other Expense				
Transfers Out		251,057	251,057	
Total Expenditures	<u>7,780,287</u>	<u>251,057</u>	<u>8,031,344</u>	<u>.</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 728,694</u>	<u>\$ (426,630)</u>	<u>\$ 302,064</u>	<u>\$ 8,333,408</u>
Other Revenue - 2016	45		45	
Budgetary Fund Balance	<u>\$ 728,739</u>		<u>\$ 302,109</u>	

**East Windsor Regional School District
Capital Projects Fund**

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

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2018

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

East Windsor Regional School District
Capital Projects Fund

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

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2018

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

**East Windsor Regional School District
Capital Projects Fund**

Summary Schedule of Project Expenditures

Year ended June 30, 2018

<u>Issue/Project Title</u>	<u>Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>	
			<u>Prior Year</u>	<u>Unexpended Balance</u>
Telecommunication Replacement for Various Schools	1/27/14	\$ 567,551	\$ 520,550	\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,364,160	255,063
Walter Black Elementary School Roof Project	10/1/15	2,116,175	2,116,175	
Grace Norton Elementary School Roof Project	10/1/15	1,779,402	1,779,402	
		<u>\$ 8,082,351</u>	<u>\$ 7,780,287</u>	302,064
Other				<u>45</u>
				<u>\$ 302,109</u>

Fiduciary Funds

East Windsor Regional School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

	Trust			Agency		
	Private- Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 13,087	\$ 1,379,559	\$ 1,392,646	\$ 321,946	\$ 27,190	\$ 349,136
Investments	35,779		35,779			
Total assets	<u>48,866</u>	<u>1,379,559</u>	<u>1,428,425</u>	<u>\$ 321,946</u>	<u>\$ 27,190</u>	<u>\$ 349,136</u>
Liabilities						
Accounts payable		8,844	8,844			
Payroll deductions payable					\$ 27,190	\$ 27,190
Due to student groups				\$ 321,946		321,946
Total liabilities		<u>8,844</u>	<u>8,844</u>	<u>\$ 321,946</u>	<u>\$ 27,190</u>	<u>\$ 349,136</u>
Net position						
Held in trust for unemployment claims		1,370,715	1,370,715			
Held in trust for scholarships	48,866		48,866			
Total net position	<u>\$ 48,866</u>	<u>\$ 1,370,715</u>	<u>\$ 1,419,581</u>			

East Windsor Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Elementary Schools	\$ 11,394	\$ 59,013	\$ 46,831	\$ 23,576
Middle Schools	71,253	187,726	168,727	90,252
High Schools	171,394	398,204	361,481	208,117
Officials Department	3	45,351	45,353	1
Total	<u>\$ 254,044</u>	<u>\$ 690,294</u>	<u>\$ 622,392</u>	<u>\$ 321,946</u>

East Windsor Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Assets				
Cash and equivalents	\$ 23,837	\$ 58,372,965	\$ 58,369,612	\$ 27,190
Total assets	<u>\$ 23,837</u>	<u>\$ 58,372,965</u>	<u>\$ 58,369,612</u>	<u>\$ 27,190</u>
Liabilities				
Payroll deductions and withholdings	\$ 23,837	\$ 58,372,965	\$ 58,369,612	\$ 27,190
Total liabilities	<u>\$ 23,837</u>	<u>\$ 58,372,965</u>	<u>\$ 58,369,612</u>	<u>\$ 27,190</u>

Long-Term Debt

East Windsor Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended 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				
2012 Refunding Bonds	2/7/2012	\$ 29,900,000	3/1/2019	\$ 1,730,000	4.00%			
			3/1/2020	1,770,000	5.00%			
			3/1/2021	1,830,000	5.00%			
			3/1/2022	1,890,000	5.00%			
			3/1/2023	2,020,000	5.00%			
			3/1/2024	2,080,000	4.00%			
			3/1/2025	2,115,000	4.00%			
			3/1/2026	2,100,000	4.00%			
			3/1/2027	2,110,000	4.00%			
			3/1/2028	2,090,000	4.00%			
			3/1/2029	2,080,000	4.00%			
2015 Refunding Bonds	3/18/2015	3,280,000	7/15/2018	415,000	3.00%			
			7/15/2019	410,000	3.00%			
			7/15/2020	400,000	3.00%			
			7/15/2021	395,000	3.00%			
			7/15/2022	390,000	3.00%			
			7/15/2023	375,000	3.00%			
						<u>\$ 26,305,000</u>	<u>\$ 2,105,000</u>	<u>\$ 24,200,000</u>

East Windsor Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2018

	Interest Rate	Amount of Original Issue	Balance July 1, 2017	Retired	Balance June 30, 2018
TD Equipment Finance, Inc. - High School Classroom Renovation	1.64%	\$ 3,419,534	\$ 2,076,521	\$ 680,945	\$ 1,395,576
TD Equipment Finance, Inc.	2.25%	700,000	519,182	169,224	349,958
			<u>\$ 2,595,703</u>	<u>\$ 850,169</u>	<u>\$ 1,745,534</u>

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,054,895		\$ 3,054,895	\$ 3,054,895	
State sources:					
Debt Service Aid Type II	<u>116,963</u>		<u>116,963</u>	<u>116,963</u>	
Total revenues	<u>3,171,858</u>		<u>3,171,858</u>	<u>3,171,858</u>	
Expenditures:					
Principal on bonds	2,105,000		2,105,000	2,105,000	
Interest on bonds	<u>1,092,825</u>		<u>1,092,825</u>	<u>1,092,825</u>	
Total expenditures	<u>3,197,825</u>		<u>3,197,825</u>	<u>3,197,825</u>	
Net change in fund balances	(25,967)		(25,967)	(25,967)	
Fund balance, July 1	<u>25,967</u>		<u>25,967</u>	<u>25,967</u>	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

(Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities	(As restated)									
Net investment in capital assets										
Restricted	\$ 79,348,470	\$ 78,261,276	\$ 74,974,954	\$ 67,200,853	\$ 64,359,111	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999	\$ 72,406,375	\$ 72,810,331
Unrestricted (deficit)	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639
Total governmental activities net position	<u>(2,634,915)</u>	<u>(1,867,704)</u>	<u>3,477,402</u>	<u>5,036,348</u>	<u>11,961,799</u>	<u>1,321,990</u>	<u>(17,505,642)</u>	<u>(20,297,232)</u>	<u>(23,932,469)</u>	<u>(24,778,738)</u>
	<u>\$ 78,130,452</u>	<u>\$ 78,044,858</u>	<u>\$ 78,613,288</u>	<u>\$ 73,596,094</u>	<u>\$ 77,518,289</u>	<u>\$ 77,617,163</u>	<u>\$ 58,418,278</u>	<u>\$ 59,835,928</u>	<u>\$ 59,858,929</u>	<u>\$ 76,439,232</u>
Business-type activities										
Investment in capital assets	\$ 17,427	\$ 336,040	\$ 259,112	\$ 427,651	\$ 374,041	\$ 32,670	\$ 278,395	\$ 237,717	\$ 255,267	\$ 216,040
Unrestricted	783,219	559,374	1,048,146	1,360,951	1,234,892	1,338,750	1,223,267	1,517,967	1,794,993	1,993,734
Total business-type activities net position	<u>\$ 800,646</u>	<u>\$ 895,414</u>	<u>\$ 1,307,258</u>	<u>\$ 1,788,602</u>	<u>\$ 1,608,933</u>	<u>\$ 1,371,420</u>	<u>\$ 1,501,662</u>	<u>\$ 1,755,684</u>	<u>\$ 2,050,260</u>	<u>\$ 2,209,774</u>
Government-wide										
Net investment in capital assets	\$ 79,365,897	\$ 78,597,316	\$ 75,234,066	\$ 67,628,504	\$ 64,733,152	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716	\$ 72,661,642	\$ 73,026,371
Restricted	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639
Unrestricted (deficit)	<u>(1,851,696)</u>	<u>(1,308,330)</u>	<u>4,525,548</u>	<u>6,397,299</u>	<u>13,196,691</u>	<u>2,660,740</u>	<u>(16,282,375)</u>	<u>(18,779,265)</u>	<u>(22,137,476)</u>	<u>(22,785,004)</u>
Total government-wide net position	<u>\$ 78,931,098</u>	<u>\$ 78,940,272</u>	<u>\$ 79,920,546</u>	<u>\$ 75,384,696</u>	<u>\$ 79,127,222</u>	<u>\$ 79,277,583</u>	<u>\$ 59,919,940</u>	<u>\$ 61,591,612</u>	<u>\$ 61,909,189</u>	<u>\$ 78,649,006</u>

Source: CAFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position.

This required presentation did not impact any of the balances from prior years.

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

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

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 25,345,118	\$ 23,886,709	\$ 24,278,169	\$ 24,762,899	\$ 25,042,178	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737	\$ 48,218,048	\$ 49,708,064
Special Education	4,773,122	5,397,548	5,581,332	5,468,678	5,859,788	6,190,211	6,096,653	18,372,394	17,694,893	18,895,740
Other Instruction	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,963,778	2,992,569	6,747,736	7,808,512	8,499,028
Adult/Continuing Education Programs	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	27,184	2,197	3,473
Support services:										
Tuition	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066			
Student & Instruction Related Services	8,251,907	7,823,749	6,960,700	7,332,658	7,619,049	7,643,146	7,829,405	13,487,234	15,681,851	17,371,718
School Administrative Services	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	6,227,047	6,460,488	6,823,317
General and Business Administrative Services	3,299,593	878,198	692,000	624,850	642,886	806,864	987,075	2,505,451	3,718,895	3,664,616
Central Services	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,030,751	979,006			
Administrative Information Technology	19,782	3,994	2,400	2,400	8,650	197,839	235,688			
Plant Operations and Maintenance	7,242,233	7,138,784	6,880,987	6,358,065	7,540,292	7,498,827	7,230,915	9,715,746	10,536,268	10,937,635
Pupil Transportation	2,788,233	2,769,108	2,742,378	2,975,875	3,345,266	3,717,215	3,491,546	4,153,905	5,892,631	6,266,659
Other Support Services	6,087	7,591	5,500	5,500	6,500					
Transfers to Charter Schools		4,625		21,904	35,589	11,137		9,751	46,778	59,443
Special Schools	84,087	90,369	31,322	31,247	33,247	38,685	42,676	48,765	115,976	108,738
Interest on Long-Term Debt	1,894,783	1,813,441	1,745,893	1,658,548	1,443,522	1,557,907	1,532,276			
Unallocated Employee Benefits	19,138,142	20,955,114	19,713,416	19,353,724	19,902,244	19,412,671	29,249,738			
Unallocated Amortization of Bond Costs	10,295	10,295	10,293	(33,828)	(95,599)	(115,974)	(119,329)			
Unallocated Depreciation	4,234,890	4,359,390	4,884,213	4,006,499	3,868,597	3,816,984	3,842,200			
Cancellation of Intergovernmental Accounts Receivable			741,280							
Unallocated Compensated Absences	108,933	52,343	(34,057)	(177,261)	665,839	(55,173)	(237,384)			
Loss/Adjustment to Fixed Assets						1,283,869	2,509,558			
Total governmental activities	87,986,903	86,142,045	84,647,563	84,433,518	89,390,174	91,860,071	103,064,518	105,668,153	117,182,358	123,264,671
Business-type activities:										
Food service	1,315,536	1,387,949	1,370,210	1,708,043	2,089,683	1,655,075	1,681,029	1,778,459	1,858,803	1,855,771
Kid Care	736,575	798,266	484,139	514,615	525,226	714,803	753,458	737,167	526,130	565,897
Total business-type activities expense	2,052,111	2,186,215	1,854,349	2,222,658	2,614,909	2,369,878	2,434,487	2,515,626	2,384,933	2,421,668
Total district expenses	90,039,014	88,328,260	86,501,912	86,656,176	92,005,083	94,229,949	105,499,005	108,183,779	119,567,291	125,686,339
Program Revenues										
Governmental activities:										
Charges for services	1,384,912	1,236,468	1,260,225	1,341,045	1,388,295	1,289,218	1,146,167	525,533	618,167	553,987
Operating grants and contributions	2,002,750	2,204,545	3,147,814	2,273,215	2,269,808	2,100,542	18,026,976	2,021,484	2,113,637	2,277,674
Capital grants and contributions								751,239	903,611	
Total governmental activities program revenues	3,387,662	3,441,013	4,408,049	3,614,260	3,658,103	3,389,760	19,173,143	3,298,256	3,635,415	2,831,661
Business-type activities:										
Charges for services										
Food service	885,664	811,520	775,048	844,718	794,854	816,347	736,272	751,380	781,171	821,284
Kid Care	736,575	745,628	756,865	781,268	727,527	847,004	866,156	841,422	638,994	603,502
Operating grants and contributions	592,368	723,835	734,280	855,844	912,859	988,014	1,073,302	1,174,301	1,259,344	1,156,396
Total business-type activities program revenues	2,214,607	2,280,983	2,266,193	2,481,830	2,435,240	2,651,365	2,675,730	2,767,103	2,679,509	2,581,182
Total district program revenues	5,602,269	5,721,996	6,674,242	6,096,090	6,093,343	6,041,125	21,848,873	6,065,359	6,314,924	5,412,843
Net (Expense)/Revenue										
Governmental activities	(84,599,237)	(82,701,032)	(80,239,514)	(80,819,258)	(85,732,071)	(88,470,311)	(83,891,375)	(102,369,897)	(113,546,943)	(120,433,010)
Business-type activities	162,496	94,768	411,844	259,172	(179,669)	281,487	241,243	251,477	294,576	159,514
Total government-wide net expense	\$ (84,436,741)	\$ (82,606,264)	\$ (79,827,670)	\$ (80,560,086)	\$ (85,911,740)	\$ (88,188,824)	\$ (83,650,132)	\$ (102,118,420)	\$ (113,252,367)	\$ (120,273,496)

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

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 53,719,279	\$ 54,619,664	\$ 55,836,916	\$ 56,953,654	\$ 57,937,436	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692	\$ 62,713,366	\$ 63,717,633
Property taxes levied for debt service	3,487,972	3,399,308	3,498,316	3,477,380	3,364,921	3,231,358	3,201,658	3,167,898	3,124,874	3,054,895
Unrestricted grants and contributions	26,843,711	24,357,173	21,378,829	24,113,975	26,214,282	25,840,199	20,526,963	38,936,163	46,732,774	53,216,994
Investment earnings	3,969	2,774	2,965	5,491	47,851	4,698	19,457	33,883	52,598	108,526
Miscellaneous income	419,197	236,519	90,918	74,470	1,747,468	458,385	318,898	163,911	946,332	265,265
Transfers	-	-	-	-	342,288	230,000	400,000	-	-	-
Total governmental activities	84,474,128	82,615,438	80,807,944	84,624,970	89,654,266	88,860,845	84,745,105	103,787,547	113,569,944	120,363,313
Business-type activities:										
Special items	-	-	-	-	-	-	-	2,545	-	-
Transfers	-	-	-	-	(342,288)	(230,000)	(400,000)	-	-	-
Total business-type activities	-	-	-	-	(342,288)	(230,000)	(400,000)	2,545	-	-
Total government-wide	84,474,128	82,615,438	80,807,944	84,624,970	89,311,978	88,630,845	84,345,105	103,790,092	113,569,944	120,363,313
Change in Net Position										
Governmental activities	(125,109)	(85,594)	568,430	3,805,712	3,922,195	390,534	853,730	1,417,650	23,001	(69,697)
Business-type activities	162,496	94,768	411,844	259,172	(521,957)	51,487	(158,757)	254,022	794,576	159,514
Total district	\$ 37,387	\$ 9,174	\$ 980,274	\$ 4,064,884	\$ 3,400,238	\$ 442,021	\$ 694,973	\$ 1,671,672	\$ 317,577	\$ 89,817

Source: CAFR Schedules A-2 and District records

GAAS No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position.
 GASB No. 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.
 This required presentation did not impact any of the balances from prior years.

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

(Modified Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved			\$ 339,549							
Restricted	\$ 1,970,932	\$ 2,333,238	4,744,225	\$ 7,583,719	\$ 10,866,901	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520	\$ 10,836,908	\$ 11,472,444
Assigned to			921,208	2,424,858	3,891,165	2,651,497	4,313,306	3,732,985	2,479,687	2,776,584
Unassigned	12,824	405,956	343,789	381,295	367,106	489,774	238,946	318,702	254,557	243,346
Total general fund	<u>\$ 1,983,756</u>	<u>\$ 2,739,194</u>	<u>\$ 6,348,771</u>	<u>\$ 10,389,872</u>	<u>\$ 15,125,172</u>	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>	<u>\$ 13,571,152</u>	<u>\$ 14,492,374</u>
All Other Governmental Funds										
Restricted for:										
Capital projects fund	\$ 190,022	\$ 7,274,856	\$ 1,789,041			\$ 2,836,234	\$ 364,249	\$ 1,833,641	\$ 536,629	\$ 285,195
Special revenue fund	(21,816)									
Debt service fund	93,390	93,390				489,774	1	25,968	25,967	
Assigned to:										
Debt service fund	259,869									
Total all other governmental funds	<u>\$ 521,465</u>	<u>\$ 7,368,246</u>	<u>\$ 1,789,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>	<u>\$ 562,596</u>	<u>\$ 285,195</u>

Source: CAFR Schedule B-1 and District records.

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

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

(Modified Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 57,207,251	\$ 58,018,972	\$ 59,335,232	\$ 60,431,034	\$ 61,302,377	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590	\$ 65,838,240	\$ 66,772,528
Transportation Fees			78,274	63,778.00	79,835	61,721.00	43,521.24	83,599	146,570	111,460
Tuition Charges	801,497	741,119	651,805	643,297	633,498	541,560	560,407	441,934	471,597	442,527
Interest on Investments	3,969	2,774	2,965	4,491	4,806	4,698		33,883	52,598	108,526
Rents & Royalties								23,011	38,469	66,758
Miscellaneous	459,257	253,494	160,631	161,779	1,807,862	485,027	375,525	1,375,584	961,561	226,041
State Sources	26,978,059	21,778,799	21,395,164	23,479,316	26,347,826	25,843,624	28,221,958	28,646,863	30,302,752	32,266,716
Federal Sources	1,828,931	4,765,944	3,061,766	2,820,565	2,118,915	2,070,475	2,098,887	2,048,759	2,176,690	2,329,762
Total revenue	87,278,964	85,561,102	84,685,837	87,605,260	92,295,119	91,334,668	94,780,086	97,305,223	99,988,477	102,324,318
Expenditures										
Instruction										
Regular Instruction	25,345,118	23,886,709	24,278,169	24,762,899	25,042,178	25,711,382	25,670,386	25,349,163	25,946,098	26,259,020
Special Education Instruction	4,773,122	5,397,548	5,296,541	5,468,678	5,889,788	6,190,211	6,096,653	7,875,334	7,450,145	7,780,064
Other Special Instruction								2,727,753	2,851,959	3,195,190
Other Instruction	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	1,100,372	1,185,551	1,137,566
Community Svc Program/Operations	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	15,899	2,057	3,250
Support Services:										
Tuition	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066	5,652,013	5,163,274	5,495,412
Student and Instruction Related Services	8,251,907	7,823,749	6,668,667	7,332,658	7,619,049	7,643,146	7,829,405	7,949,697	8,655,610	9,023,052
General administration	1,646,843	1,091,451	942,000	874,850	892,886	1,056,864	1,487,075	3,042,989	3,342,918	3,502,028
School Administration Services	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	3,062,994	3,342,918	3,502,028
Central services	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,034,212	979,006			
Other Admin Services								2,210,539	2,335,736	2,324,464
Admin. Information Technology	19,782	3,994	2,400	2,400	8,650	197,839	235,688			
Plant Operations and maintenance	6,754,205	6,687,831	6,346,535	5,720,704	6,271,234	6,809,832	6,699,051	6,749,160	6,616,091	6,650,372
Pupil transportation	2,788,233	2,769,108	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	3,782,275	3,564,618	3,797,700
Business and Other Support Services	6,087	7,591	5,500	5,500	6,500					
Employee Benefits	19,158,292	21,032,390	19,701,063	19,382,683	19,933,593	19,446,606	20,805,829	22,452,902	24,860,559	25,768,632
Transfer to Charter School		4,625		21,904	35,589	11,317		9,751	46,778	59,443
Capital Outlay	1,923,379	6,959,047	2,083,045	1,315,593	1,871,098	4,461,944	8,513,481	5,067,632	5,274,048	3,430,388
Special Schools	84,087	90,369	31,322	31,247	33,247	38,685	42,676	48,765	60,978	56,091
Debt Service:										
Principal	1,911,658	1,839,670	1,767,264	1,692,408	1,525,903	1,367,153	2,020,000	2,065,000	2,070,000	2,105,000
Interest and other charges	1,760,000	1,840,000	1,885,000	1,935,000	1,985,000	2,005,000	1,394,335	1,208,585	1,171,125	1,092,825
Total expenditures	85,212,411	90,384,869	82,161,621	83,564,159	87,902,107	92,805,136	98,989,240	97,327,834	100,597,545	101,680,497
Excess (Deficiency) of revenues over (under) expenditures	2,066,553	(4,823,767)	2,524,216	4,041,101	4,393,012	(1,470,468)	(4,209,154)	(22,611)	(609,068)	643,821
Other Financing sources (uses)										
Lease proceeds	2,831,000					2,232,000	2,246,183			
Payment to bond refunding escrow agent							(3,366,301)			
Refunding bonds issued							3,442,184			
Transfers In	2,000,000		1,085,361		342,288	2,804,589	535,632	2,547,303		251,057
Transfers Out	(2,000,000)		(1,789,041)			(2,574,589)		(2,547,303)		(251,057)
Total other financing sources (uses)	2,831,000	-	(703,680)	-	342,288	2,462,000	2,857,698	-	-	-
Net change in fund balances	\$ 4,897,553	\$ (4,823,767)	\$ 1,820,536	\$ 4,041,101	\$ 4,735,300	\$ 991,532	\$ (1,351,456)	\$ (22,611)	\$ (609,068)	\$ 643,821
Debt service as a percentage of noncapital expenditures	4.41%	4.41%	4.56%	4.41%	4.08%	3.82%	3.77%	3.55%	3.40%	3.25%
Source: District records										
Note: Noncapital expenditures are total expenditures less capital outlay.										

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>PRIOR YEAR REFUNDS</u>	<u>RENTAL OF FACILITIES</u>	<u>TUITION</u>	<u>TRANSPORTATION FEES</u>	<u>INTEREST EARNINGS</u>	<u>MISCELLANEOUS</u>	<u>Annual Totals</u>
2018	\$	\$	\$	\$	\$	\$	
		66,758	442,527	111,460	108,526	198,507	927,778
2017	499,994	38,469	471,597	146,570	52,598	407,869	1,617,097
2016		23,011	441,934	83,599	33,856	142,855	725,255
2015		-19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045				355,044	1,795,319
2012		28,320				51,641	79,961
2011		33,636				60,247	93,883
2010		24,198				215,095	239,293
2009		380,931				42,824	423,755

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2018	\$ 18,039,700	\$ 2,014,170,300	\$ 10,542,400	\$ 1,324,700	\$ 420,610,150	\$ 151,870,200	\$ 169,889,900	\$ 4,591,136	\$ 2,811,058,486	\$ 199,219,200	\$ 2,811,058,486	\$ 2.09	\$ 2,862,184,819
2017	53,315,400	2,008,698,197	10,281,500	1,299,900	416,028,050	104,470,200	158,328,000	4,679,638	2,757,172,885	199,061,000	2,757,172,885	2.09	2,801,966,101
2016	40,292,200	2,004,509,297	10,264,300	1,327,800	418,307,250	103,107,300	158,328,000	4,537,469	2,740,673,616	193,193,200	2,740,673,616	2.07	2,700,842,361
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,536,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,753,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,776
2013	42,318,800	2,017,628,000	11,034,300	1,860,900	434,078,250	109,938,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,503,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
2011	48,562,100	2,048,383,100	11,100,600	1,840,700	457,874,800	120,663,300	155,671,800	4,449,450	2,848,545,850	185,809,900	2,848,545,850	1.81	3,103,069,331
2010*	52,958,300	2,041,720,300	10,529,400	1,909,800	459,545,200	122,349,100	168,316,900	5,209,306	2,862,538,306	185,533,900	2,862,538,306	1.76	3,116,896,718
2009	21,696,100	1,028,563,300	5,530,300	1,457,280	224,895,200	66,250,800	72,171,000	1,999,449	1,422,563,429	72,900,600	1,422,563,429	3.49	3,157,202,285
Hightstown													
2018	\$ 2,529,900	\$ 6,233,102,980			\$ 57,485,900	\$ 3,167,900	\$ 13,349,900	\$ 3,582,656	\$ 393,095,356	\$ 146,682,000	\$ 393,095,356	\$ 2.16	\$ 408,925,687
2017	2,652,000	312,388,100			57,330,600	3,149,400	13,043,900	3,416,396	392,180,396	146,885,100	392,180,396	2.20	412,573,255
2016	3,121,500	310,610,300			57,167,600	3,149,400	13,043,900	3,374,648	390,467,348	147,275,600	390,467,348	2.20	414,616,885
2015	3,096,100	310,248,700			57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.19	415,636,477
2014	2,362,400	311,352,900			57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
2013	2,650,500	311,548,000			57,767,400	3,909,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000			66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
2011	4,802,100	388,457,300			69,680,800	6,454,300	14,740,200	4,212,336	488,347,036	153,254,500	488,347,036	1.69	489,101,889
2010	6,324,300	389,086,800			72,008,500	7,051,600	9,540,200	4,417,747	488,429,147	152,508,100	488,429,147	1.71	505,157,060
2009*	7,038,500	389,033,900			75,358,900	7,051,600	15,796,500	5,449,518	499,729,008	152,348,100	499,729,008	1.64	532,231,357
East Windsor & Hightstown													
2018	\$ 40,569,600	\$ 8,247,273,280	\$ 10,542,400	\$ 1,324,700	\$ 478,116,050	\$ 155,038,100	\$ 183,239,800	\$ 8,173,792	\$ 3,204,153,842	\$ 345,901,200	\$ 3,204,153,842	\$ 4.25	\$ 3,271,110,506
2017	56,037,400	2,321,286,297	10,281,500	1,299,900	473,358,650	107,619,600	171,371,900	8,096,034	3,149,353,281	345,946,100	3,149,353,281	4.29	3,214,539,356
2016	43,413,700	2,315,119,597	10,264,300	1,327,800	475,474,850	106,256,700	171,371,900	7,932,117	3,131,140,964	340,468,800	3,131,140,964	4.27	3,115,459,246
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,436,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.20	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,100	8,095,608	3,166,840,958	329,382,100	3,166,840,958	4.05	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,707,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	3.98	3,382,220,240
2011	53,364,200	2,436,840,400	11,100,600	1,840,700	527,555,600	127,117,600	170,412,000	8,661,786	3,336,892,886	339,064,400	3,336,892,886	3.50	3,592,171,220
2010	59,282,600	2,430,807,100	10,529,400	1,909,800	531,553,700	129,400,700	177,857,100	9,627,053	3,350,967,453	338,042,000	3,350,967,453	3.47	3,622,053,778
2009	28,734,600	1,417,597,290	5,530,300	1,457,280	300,254,100	73,302,400	87,967,500	7,448,967	1,922,292,437	225,248,700	1,922,292,437	5.13	3,689,433,642

*Revaluations in 2009 for Hightstown and 2010 for East Windsor

Source: Municipal Tax Assessors

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

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2018	\$ 2.09	\$ 2.09	\$ 0.43	\$ 0.69	\$ 3.21
2017	2.09	2.09	0.43	0.60	3.12
2016	2.07	2.07	0.43	0.58	3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.87	1.87	0.42	0.64	2.93
2011	1.81	1.81	0.40	0.61	2.82
2010*	1.76	1.76	0.38	0.79	2.93
2009	3.49	3.49	0.63	1.17	5.29
Hightstown					
2018	\$ 2.16	\$ 2.16	\$ 1.29	\$ 0.71	\$ 4.16
2017	2.20	2.20	1.22	0.62	4.04
2016	2.20	2.20	1.18	0.71	4.09
2015	2.19	2.19	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19
2011	1.69	1.69	0.88	0.56	3.13
2010	1.71	1.71	0.87	0.57	3.15
2009*	1.64	1.64	0.74	0.56	2.94

Source: Municipal Tax Collectors

*Revaluations in 2009 for Hightstown and 2010 for East Windsor

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

NOT AVAILABLE

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

<u>FISCAL YEAR ENDED JUNE 30.</u>	<u>TAXES LEVIED FOR THE FISCAL YEAR</u>	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE TAX LEVY</u>		<u>COLLECTIONS IN SUBSEQUENT YEARS</u>
		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>	
2018	\$ 66,772,528	\$ 66,772,528	100.00%	
2017	65,838,240	65,838,240	100.00%	
2016	64,651,590	64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	
2013	61,302,377	61,302,377	100.00%	
2012	60,431,034	60,431,034	100.00%	
2011	59,335,232	59,335,232	100.00%	
2010	58,018,972	58,018,972	100.00%	
2009	57,207,251	57,207,251	100.00%	

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

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

YEAR ENDED JUNE 20,	GENERAL OBLIGATIONS		TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME a	DISTRICT POPULATION	PER CAPITA a
	BONDS b	CAPITAL LEASES					
2018	\$ 24,200,000	\$ 1,745,534	\$ 25,945,534	\$ 54,894	1.33%	33,025	\$ 733
2017	26,305,000	2,595,703	28,900,703	53,673	0.20%	32,933	799
2016	28,375,000		28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000		30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000		32,480,000	N/A	N/A	33,103	N/A
2013	34,485,000		34,485,000	56,906	1.83%	33,160	1,041
2012	36,470,000		36,470,000	55,714	1.98%	32,984	1,106
2011	40,214,000		40,214,000	54,445	2.29%	32,271	1,246
2010	42,099,000		42,099,000	52,496	2.45%	32,684	1,288
2009	43,939,000		43,939,000	51,947	2.64%	32,062	1,370

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Unaudited

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2018	\$ 24,200,000		24,200,000	0.755%	\$ 733
2017	26,305,000	\$ 25,967	26,279,033	0.835%	799
2016	28,375,000	25,968	28,349,032	0.905%	867
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A
2013	34,485,000		34,485,000	2.122%	1,040
2012	36,470,000		36,470,000	2.244%	1,106
2011	40,214,000		40,214,000	2.474%	1,246
2010	42,099,000		42,099,000	2.590%	1,288
2009	43,939,000		43,939,000	2.703%	1,370

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

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2017
Unaudited

GOVERNMENTAL UNIT	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes			
East Windsor Township Debt*	\$ 52,035,138	100.0000%	\$ 22,560,876
Hightstown Borough Debt*	20,158,743	100.0000%	3,319,124
Mercer County - Township Share*	527,959,760	6.7600%	35,668,878
Mercer County - Borough Share*	527,959,760	0.9600%	<u>5,073,543</u>
Subtotal, Overlapping Debt			66,622,421
East Windsor Regional School District Direct Debt			<u>24,200,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 90,822,421</u></u>

* As of December 31, 2017

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 128,014,788	\$ 126,653,836	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070	\$ 143,655,538	\$ 144,776,955	\$ 143,752,169
Total Net Debt Applicable to Limit	<u>24,200,000</u>	<u>26,279,033</u>	<u>28,375,000</u>	<u>30,440,000</u>	<u>32,480,000</u>	<u>34,485,000</u>	<u>36,470,000</u>	<u>40,214,000</u>	<u>42,099,000.00</u>	<u>43,939,000</u>
Legal Debt Margin	<u>\$ 103,814,788</u>	<u>\$ 100,374,803</u>	<u>\$ 97,721,951</u>	<u>\$ 95,920,057</u>	<u>\$ 97,651,016</u>	<u>\$ 101,454,871</u>	<u>\$ 105,324,070</u>	<u>\$ 103,441,538</u>	<u>\$ 102,677,955</u>	<u>\$ 99,813,169</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.90%	20.75%	22.50%	24.09%	24.96%	25.37%	25.72%	27.99%	29.08%	30.57%

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis		
	East Windsor	Hightstown	Total
2018	\$ 2,862,184,819	\$ 408,925,687	\$ 3,271,110,506
2017	2,801,966,101	412,573,255	3,214,539,356
2016	<u>2,700,842,361</u>	<u>414,616,885</u>	<u>3,115,459,246</u>
	<u>\$ 8,364,993,281</u>	<u>\$ 1,236,115,827</u>	<u>\$ 9,601,109,108</u>
Average Equalized Valuation of Taxable Property	\$ 2,788,331,094	\$ 412,038,609	\$ 3,200,369,703
Debt limit (4 % of Average Equalization Value) Net Bonded School Debt			<u>\$ 128,014,788</u> <u>24,200,000</u>
Legal Debt Margin			<u>\$ 103,814,788</u>

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

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

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMENT RATE (C)</u>
2018	33,025	\$ 54,894	3.40%
2017	32,933	53,673	3.60%
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	56,906	5.11%
2012	32,984	55,933	6.35%
2011	32,271	53,037	7.90%
2010	32,684	51,709	6.55%
2009	32,062	50,991	6.20%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development.
- ^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis
- ^c Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

NOT AVAILABLE

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	356	346	335	320	339	333	326	326	319	327
Special Education	73	72	71	72	72	69	49	50	46	45
Other Special Education Aides	30	29	28	29	28	28	40	36	39	38
Other Instruction/ Nurse	9	9	8	8	8	6	6	6	6	6
Guidance	19	17	15	15	17	17	17	14	14	15
Support Services:										
Student & Instruction Related Services	44	42	46	39	41	41	8	45	45	46
General Administration	8	8	7	7	10	9	9	9	9	11
School Administrative Services	18	18	16	15	15	14	13	13	13	13
Other Administrative Services	8	10	9	10	9	8	8	9	9	13
Central Services	16	17	15	15	20	19	19	44	44	48
Administrative Information Technology	1	1	1	1	1	1	1	1	1	2
Plant Operations & Maintenance	51	53	53	53	54	55	55	54	55	59
Pupil Transportation	65	66	68	74	65	63	59	57	55	50
Other Support Services VA	34	34	34	34	30	25	26	27	27	31
Campus Monitor	6	6	6	6	6	6	6	6	6	6
Computer Technician	7	6	6	6	6	6	6	4	4	3
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Child Care	26	31	22	23	23	22	22	20	20	19
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	29	27	17	16	19	16	8	9	9	11
Total	804	796	761	747	767	742	682	734	725	747

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2018	5,129	\$ 95,052,284	\$ 18,532	2.38%	429	10.1	10.8	10.8	5,094	4,882	0.04%	95.85%
2017	5,221	92,082,372	17,637	2.24%	418	14.8	12.2	12.4	5,160	4,947	1.67%	95.89%
2016	5,139	88,986,617	17,316	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,019	85,139,792	16,963	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,072	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,072	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	-0.08%	95.95%
2011	5,075	76,426,312	15,158	-4.51%	408	13.7	11.3	11.3	5,025	4,805	-0.16%	95.62%
2010	5,029	79,746,152	15,873	8.42%	431	13.0	10.3	10.8	5,033	4,832	0.54%	96.01%
2009	5,025	79,617,374	14,640	-7.89%	392	13.4	12.1	11.9	5,033	4,806	1.41%	95.49%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

DISTRICT BUILDINGS	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	84,596	84,596	98,976	98,976	98,976	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	521	521	521	508	644	695	640	607	779	772
Drew ES (1975):										
Square Feet	92,224	92,224	92,224	92,224	92,244	105,244	105,244	105,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	666	666	666	668	671	571	569	655	672	643
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,697	78,697	78,570	97,335	97,335	97,335	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	539	539	539	541	488	485	512	528	554	589
Rogers ES (1924):										
Square Feet	103,470	103,470	103,470	103,470	107,908	105,091	105,091	105,091	105,091	105,091
Capacity (Students)	698	698	698	698	543	543	543	543	543	543
Enrollment	680	680	680	686	699	710	728	640	455	470
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,245	1,245	1,245	1,256	1,105	1,203	1,229	1,201	1,155	1,127
<u>High School:</u>										
Hightstown High School (1966):										
Square Feet	271,758	271,758	271,758	262,435	262,435	259,660	259,660	259,660	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,526	1,526	1,526	1,527	1,458	1,426	1,394	1,411	1,409	1,367
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	2,000	2,000	200	200	200	200	200
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	4,150	4,150	1,690	1,690	1,690	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	3,600	3,600	1,575	1,575	1,575	1,575	1,575

Number of Schools at June 30, 2018:

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

Source: District Facilities Office

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

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

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2018	\$ 185,263	\$ 217,108	\$ 199,151	\$ 243,582	\$ 482,647	\$ 639,755	\$ 1,967,506
2017	174,446	204,806	187,825	239,584	455,200	603,372	1,865,233
2016	222,783	261,555	239,869	305,970	581,330	770,561	2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
2011	132,864	153,988	75,803	154,690	349,991	455,875	1,323,211
2010	133,605	153,720	88,321	175,455	334,555	424,028	1,309,684
2009	160,077	182,052	104,766	208,292	404,627	512,460	1,572,274
Total	\$ 1,856,149	\$ 2,095,769	\$ 1,763,662	\$ 2,323,127	\$ 4,764,856	\$ 6,406,452	\$ 19,210,015

Source: District records and M-1

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 252,387,707	\$ 5,000
Demolition/Increase Cost of Construction	25,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000/250,000	1,000
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,800,000	1,000
Commercial Auto:		
Liability	11,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	252,387,707	5,000
School Board Legal Liability:		
Coverage A	11,000,000	30,000
Coverage B	100,000/300,000	30,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	400,000	
Treasurer	400,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	2,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

Source: District records

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Windsor Regional School District, in the County of Mercer, New Jersey (the "District") as of and for the year ended June 30, 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 7, 2019.

Internal Control Over Financial Reporting

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

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

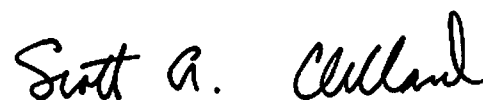
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 7 2019
Livingston, New Jersey

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

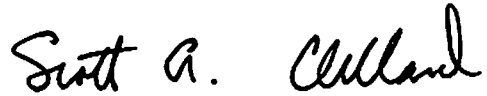
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 7, 2019
Livingston, New Jersey

East Windsor Regional 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	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017	Carryover/ (Waiver) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018					
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor			
U.S. Department of Health and Human Services																		
Passed-through State Department of Education																		
General Fund:																		
Medical Assistance Program (SEMI)	93.778	1805NJ5MAP	N/A	\$74,469	7/1/17	6/30/18			\$ 74,469	\$ (74,469)								
Total General Fund									74,469	(74,469)								
U.S. Department of Education																		
Passed-through State Department of Education																		
Special Revenue Fund:																		
Title I, Part A	84 010A	S010A170030	NCLB-2940-08	605,376	7/1/17	6/30/18			273,342	(575,812)	\$ (5,914)		\$ (308,384)					
Title I, Part A	84 010A	S010A160030	NCLB-2940-08	605,785	7/1/16	6/30/17	\$ (281,559)		281,559									
Title II, Part A Improving Teacher Quality	84 367A	S367A180029	NCLB-2940-07	129,914	7/1/17	6/30/18			64,505	(122,199)	9,356		(48,338)					
Title II, Part A Improving Teacher Quality	84 367A	S367A160029	NCLB-2940-07	90,212	7/1/16	6/30/17	(45,320)		45,320									
Language Instruction for English Learners and Immigrant Students:																		
Title III	84 365A	S365A180030	NCLB-2940-07	126,352	7/1/17	6/30/18			23,531	(61,553)			(38,022)					
Title III	84 365A	S365A160030	NCLB-2940-07	140,210	7/1/16	6/30/17	(61,110)		61,110									
Title III, Immigrant	84 365A	S365A180030	NCLB-2940-07	33,803	7/1/17	6/30/18				(23,000)			(23,000)					
Subtotal Language Instruction for English Learners and Immigrant Students:							(61,110)		84,641	(84,553)			(61,022)					
Special Education Grant Cluster:																		
I.D.E.A. Part B, Basic Regular	84 027A	I8027A170100	FT294008	1,308,791	7/1/17	6/30/18			1,192,561	(1,371,004)			(178,443)					
I.D.E.A. Part B, Basic Regular	84 027A	I8027A160100	FT294008	1,586,604	7/1/16	6/30/17	(284,263)		289,059		(4,796)							
I.D.E.A., Preschool	84 173A	H173A170114	PS294007	105,124	7/1/17	6/30/18			71,780	(99,170)			(27,390)					
I.D.E.A., Preschool	84 173A	H173A150114	PS294007	100,898	7/1/15	6/30/16			85,794		\$	(85,794)						
Subtotal of Special Education Grant Cluster:							(198,469)		1,551,400	(1,470,174)	(4,796)		(205,833)					
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84 048A	V048A170030	N/A	28,780	7/1/17	6/30/18			17,490	(21,651)	(106)		(4,267)					
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84 048A	S048A160030	N/A	26,810	7/1/16	6/30/17	(2,208)		2,208									
Temporary Emergency Impact Aid	84 938C	S938C18005	N/A	27,250	7/1/17	6/30/18				(27,250)			(27,250)					
Total Special Revenue Fund							(585,666)		2,322,465	(2,301,639)	(1,460)	(85,794)	(655,094)					
U.S. Department of Agriculture																		
Passed-through State Department of Agriculture																		
Enterprise Fund:																		
Child Nutrition Program Cluster:																		
School Breakfast Program	10 555	181NJ304N1099	N/A	129,446	7/1/17	6/30/18			176,317	(129,446)				\$ 46,871				
School Breakfast Program	10 555	171NJ304N1099	N/A	163,195	7/1/16	6/30/17	(13,685)		13,685									
National School Lunch Program	10 555	181NJ304N1099	N/A	826,752	7/1/17	6/30/18			679,259	(826,752)			(147,493)					
National School Lunch Program	10 555	171NJ304N1099	N/A	893,460	7/1/16	6/30/17	(63,628)		63,628									
Healthy Hunger-Free Kids Act	10 555	181NJ304N1099	N/A	24,425	7/1/17	6/30/18			19,924	(24,425)			(4,501)					
Healthy Hunger-Free Kids Act	10 555	171NJ304N1099	N/A	27,103	7/1/16	6/30/17	(1,894)		1,894									
Food Donation (NC)	10 555	181NJ304N1099	N/A	152,127	7/1/17	6/30/18			152,127	(147,454)				4,673				
Food Donation (NC)	10 555	171NJ304N1099	N/A	141,401	7/1/16	6/30/17	(6,733)			(6,733)								
Total Enterprise Fund and Child Nutrition Program Cluster							(72,474)		1,106,834	(1,134,810)			(151,994)	51,544				
Total Federal Financial Awards Expenditures							\$ (661,140)	\$ -	\$ 3,503,768	\$ (3,518,918)	\$ (1,460)	\$ (85,794)	\$ (887,833)	\$ 51,544	\$ -			

NC-represents noncash expenditures

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2018

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017				Balance at June 30, 2018				MFMO			
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Waiver) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund:																
Equalization Aid	18-495-034-5120-078	\$ 16,002,840	7/1/17	6/30/18				\$ 14,685,620	\$ (16,002,840)						\$ (1,317,220)	\$ 16,002,840
Equalization Aid	17-495-034-5120-078	14,555,021	7/1/16	6/30/17	\$ (1,250,177)			1,250,177								
Special Education Categorical Aid	18-495-034-5120-089	2,987,642	7/1/17	6/30/18				2,741,724	(2,987,642)					(245,918)	2,987,642	
Special Education Categorical Aid	17-495-034-5120-089	2,987,642	7/1/16	6/30/17	(236,618)			256,618								
Extraordinary Aid	18-100-034-5120-473	387,720	7/1/17	6/30/18					(387,720)						387,720	
Extraordinary Aid	17-100-034-5120-473	342,443	7/1/16	6/30/17	(342,443)			342,443			\$ (387,720)					
Security Aid	18-495-034-5120-084	524,828	7/1/17	6/30/18				481,629	(524,828)					(41,199)	524,828	
Security Aid	17-495-034-5120-084	524,828	7/1/16	6/30/17	(45,079)			45,079								
Transportation Aid	18-495-034-5120-014	464,451	7/1/17	6/30/18				426,221	(464,451)					(38,230)	464,451	
Transportation Aid	17-495-034-5120-014	464,451	7/1/16	6/30/17	(39,891)			39,893								
Per Pupil Growth Aid	18-495-034-5120-097	49,945	7/1/17	6/30/18				45,834	(49,945)					(4,111)	49,945	
Per Pupil Growth Aid	17-495-034-5120-097	49,945	7/1/16	6/30/17	(4,290)			4,290								
PARCC Readiness Aid	18-495-034-5120-098	49,945	7/1/17	6/30/18				45,834	(49,945)					(4,111)	49,945	
PARCC Readiness Aid	17-495-034-5120-098	49,945	7/1/16	6/30/17	(4,290)			4,290								
Professional Learning	18-495-034-5120-101	49,970	7/1/17	6/30/18				45,857	(49,970)					(4,113)	49,970	
Professional Learning	17-495-034-5120-101	49,970	7/1/16	6/30/17	(4,292)			4,292								
On-Behalf Teachers' Pension and Annuity Fund	18-495-034-5094-002	5,359,770	7/1/17	6/30/18				5,359,770	(5,359,770)						5,359,770	
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	18-495-034-5094-001	3,461,761	7/1/17	6/30/18				3,461,761	(3,461,761)						3,461,761	
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	18-495-034-5094-004	10,681	7/1/17	6/30/18				10,681	(10,681)						10,681	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	2,812,398	7/1/17	6/30/18				2,673,287	(2,812,399)				(139,112)		2,812,399	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	2,716,305	7/1/16	6/30/17	(135,799)			135,799								
Reimbursed Lead Testing	18-495-034-5120-104	14,275	7/1/17	6/30/18				14,275	(14,275)						14,275	
Other State Aid-Ad&T NP Transportation	Not Available	31,320	7/1/17	6/30/18					(31,320)						31,320	
Other State Aid-Ad&T NP Transportation	Not Available	22,968	7/1/16	6/30/17	(22,968)			22,968								
Total General Fund					(2,105,849)			32,098,342	(32,207,547)				(558,152)	(1,656,802)	32,207,547	
Special Revenue Fund:																
State Department of Education:																
N.J. Nonpublic Aid:																
Textbook Aid	18-100-034-5120-064	712	7/1/17	6/30/18				712							\$ 712	
Textbook Aid	17-100-034-5120-064	2,133	7/1/16	6/30/17		\$ 2,133				\$ (2,133)						
Auxiliary Services (Chapter 192)																
Compensatory Education	17-100-034-5120-067	46,582	7/1/16	6/30/17		46,582				(46,582)						
Nonpublic Handicapped Aid (Chapter 193)																
Corrective Speech	17-100-034-5120-066	20,321	7/1/16	6/30/17		20,321				(20,321)						
Examination and Classification	18-100-034-5120-066	20,378	7/1/17	6/30/18				20,378	(7,281)				13,097		7,281	
Examination and Classification	17-100-034-5120-066	61,409	7/1/16	6/30/17		47,221				(47,221)						
Supplemental Instruction	17-100-034-5120-066	14,125	7/1/16	6/30/17		14,125				(14,125)						
Nursing Services Aid	18-100-034-5120-070	1,261	7/1/17	6/30/18				1,261	(1,261)						1,261	
Nursing Services Aid	17-100-034-5120-070	3,330	7/1/16	6/30/17		2,115				(2,115)						
Technology Initiative	18-100-034-5120-373	481	7/1/17	6/30/18				481					481			
Technology Initiative	17-100-034-5120-373	962	7/1/16	6/30/17		962				(962)						
Security Aid	18-100-034-5120-509	975	7/1/17	6/30/18				975					975			
Home Instruction	18-100-034-5120-066	580	7/1/17	6/30/18					(580)				(580)		580	
State Department of Agriculture:																
Grow Healthy Mini Grant	021-0245	3,771	4/1/11	6/30/12		3,771								3,771		
Total Special Revenue Fund						137,730		23,807	(9,122)				(133,959)	(580)	9,122	

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2018

State Grants/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017					Balance at June 30, 2018			MEMO			
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:																
Schools Development Authority:																
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	\$ 129,125	2014	Completion	\$ (103,300)					\$ 1		\$ (103,299)			\$ 116,213	
SDA Grant Rogers Elementary School - Telecommunication	1245-060-14-1003-G04	818,863	2014	Completion	(730,718)		\$ 730,718								730,718	
SDA Grant Drew Elementary School - Telecommunication	1245-080-14-1006-G04	990,016	2014	Completion	(869,015)		868,640		375						869,015	
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	210,993	2014	Completion	(39,850)							(39,850)			208,643	
SDA Grant Kreps Middle School - Roof and Dux Replacement	1245-070-14-1010-G04	1,144,372	2014	Completion	(56,292)							(56,292)			1,143,445	
SDA Grant Drew Elementary School - Roof and Dux Replacement	1245-075-14-1011-G04	30,140	2014	Completion	(14,195)							(14,195)			29,416	
Total Capital Projects Fund					(1,813,370)		1,599,358		376			(213,636)			2,981,239	
Debt Service Funds:																
Debt Service Aid																
Debt Service Aid	18-495-034-5120-075	116,963	7/1/17	6/30/18			116,963	\$ (116,963)							116,750	
Total Debt Service Fund							116,963	(116,963)							116,750	
Enterprise Fund:																
State Department of Agriculture:																
National School Lunch Program (State Share)	18-100-010-3350-023	21,576	7/1/17	6/30/18			17,608	(21,576)				(3,968)				
National School Lunch Program (State Share)	17-100-010-3350-023	22,112	7/1/16	6/30/17	(1,532)		1,532									
Total Enterprise Fund					(1,532)		19,160	(21,576)				(3,968)				
Total State Financial Assistance Expenditures					\$ (3,920,771)	\$ 137,730	\$ -	\$ 11,852,630	\$ (32,355,208)	\$ 376	\$ (133,959)	\$ (776,336)	\$ -	\$ 19,036	\$ (1,656,902)	\$ 35,314,158
Less On-Behalf Amounts:																
On-Behalf Teachers' Pension and Annuity Fund																
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	18-495-034-5094-001	3,461,761	7/1/17	6/30/18			(3,461,761)	3,461,761							(3,461,761)	
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	18-495-034-5094-004	10,681	7/1/17	6/30/18			(10,681)	10,681							(10,681)	
Total State Financial Assistance Subject to Single Audit Determination					\$ (1,920,771)	\$ 137,730	\$ -	\$ 25,075,418	\$ (23,522,996)	\$ 376	\$ (133,959)	\$ (776,336)	\$ -	\$ 19,036	\$ (1,656,902)	\$ 26,481,946

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

East Windsor Regional School District

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

Year ended June 30, 2018

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

East Windsor Regional School District

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

Year ended June 30, 2018

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$52,263 for the general fund and \$46,346 for the special revenue fund. See note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$97,417 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 74,469	\$ 32,155,283	\$ 32,229,715
Special Revenue Fund	2,255,293	9,122	2,264,415
Debt Service Fund		116,963	116,963
Food Service Enterprise Fund	1,134,810	21,576	1,156,986
Total award revenues	<u>\$ 3,464,572</u>	<u>\$ 32,302,944</u>	<u>\$ 35,767,516</u>

4. Relationship to Federal and State Financial Reports

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

5. Adjustments

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

East Windsor Regional School District

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

Year ended June 30, 2018

6. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2018.

The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2018 amounted to \$8,832,212. Since on-behalf post retirement pension, disability insurance and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

7. Indirect Costs

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

East Windsor Regional School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2018

Part I – Summary of Auditor’s Results

Financial Statements Section

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

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

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

Identification of federal major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027A	H027A170100	Special Education Grant Cluster:
84.173A	H173A170114	I.D.E.A. Part B, Basic Regular
		I.D.E.A. Preschool

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

Auditee qualified as low-risk auditee? X Yes No

East Windsor Regional School District
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

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

State Financial Assistance Section

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
	General State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-101	Professional Learning Community Aid

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

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

Part II – Schedule of Financial Statement Findings

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

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

No federal award or state financial assistance program internal control over compliance or internal control findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) and New Jersey State OMB Circular 15-08.

East Windsor Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2018

No prior year findings were noted.