

Comprehensive Annual Financial Report

of the

**Township of Greenwich
School District**

Gibbstown, New Jersey

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
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INTRODUCTORY SECTION

TOWNSHIP OF GREENWICH BOARD OF EDUCATION
415 SWEDESBORO ROAD, GIBBSTOWN, NEW JERSEY 08027



Scott A. Campbell
School Business Administrator/Board Secretary

Phone: (856) 224-4900 x2120
Fax: (856) 423-1210

February 27, 2019

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

Dear Board Members and Constituents of Greenwich Township:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section is presented in accordance with Governmental Accounting Standards Board Statement No. 34 and includes the Report of Independent Auditors, the Management and Discussion Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*" Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and question costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Township of Greenwich School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the district are included in this report. The Township of Greenwich Board of Education and all its schools constitute the District's reporting entity.

The District provides a wide range of educational services appropriate to grade levels Pre-School Disabled/Kindergarten through Eight. These include regular, vocational special area enrichment as well as special education for the children with "special needs". The Township of Greenwich has a sending/receiving relationship for students of high school age that are transported to Paulsboro High School.

The District completed the 2017-2018 fiscal year with an enrollment of 430 students, an additional 72 students contracted to Paulsboro High School and an additional 94 students contracted to the Gloucester County Institute of Technology on a tuition basis for grades 9-12. The following details the changes in the student enrollment of the District over the last fifteen years:

Fiscal Year	Enrollment	Change
2017-2018	430	-3.37%
2016-2017	445	-2.20%
2015-2016	455	-4.61%
2014-2015	477	0.21%
2013-2014	476	-7.39%
2012-2013	514	-1.92%
2011-2012	517	3.40%
2010-2011	500	-3.66%
2009-2010	519	-2.63%
2008-2009	533	-1.30%
2007-2008	540	-0.18%
2006-2007	541	2.85%
2005-2006	526	-1.13%
2004-2005	532	1.53%
2003-2004	524	4.59%

2) ECONOMIC CONDITION AND OUTLOOK:

Greenwich Township is approximately 12.03 square miles with a current estimated population of approximately 4,900 persons. The Township has been known for its large-scale employment centers, which include Paulsboro Refinery Company LLC, Exxon-Mobil Oil Corporation, Delaware River Partners, NJ Distribution Center LLC, Gibbstown Shopping Center, Air Products, Thayer Distribution and Hercules Inc. In recent years, some of these corporations have experienced reductions in employment or have ceased operations. Recent history has shown that the ratable base supplied by these corporations has severely fluctuated. The placement and type of development trends will be important considerations for the future. The trends in housing in Greenwich Township have remained stagnant since the eighties. The future will depend on a balance of potential new residential and employment opportunities in the coming years.

3) MAJOR INITIATIVES:

The Greenwich Township School District has completed several major initiatives over previous school years. We have purchased and implemented new social studies and science materials to enhance content and increase rigor in those subject areas. We have completed an analysis of our school wide support systems and developed an integrated plan to maximize supports and services for students. We continue to implement a multi-year plan to integrate all students into the least restrictive educational environment possible; this includes a greater use of co-taught classes and in-class support resources and a reduction of self-contained classroom experiences as appropriate. We have analyzed data to drive decision-making, including PARCC assessment results and chronic absenteeism, to meet our QSAC improvement plan. During a recent QSAC review, the

District earned an 85 in Instruction and Programming. This is an increase of 7 points from our initial review. The NJDOE has now identified the Greenwich Township School District as “high performing.”

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an 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 Generally Accepted Accounting Principles (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 controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by District management.

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

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. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds.

7) DEBT ADMINISTRATION:

As of June 30, 2018, the Township of Greenwich School District had no outstanding bonded debt.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, worker's compensation, and student insurance.

10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

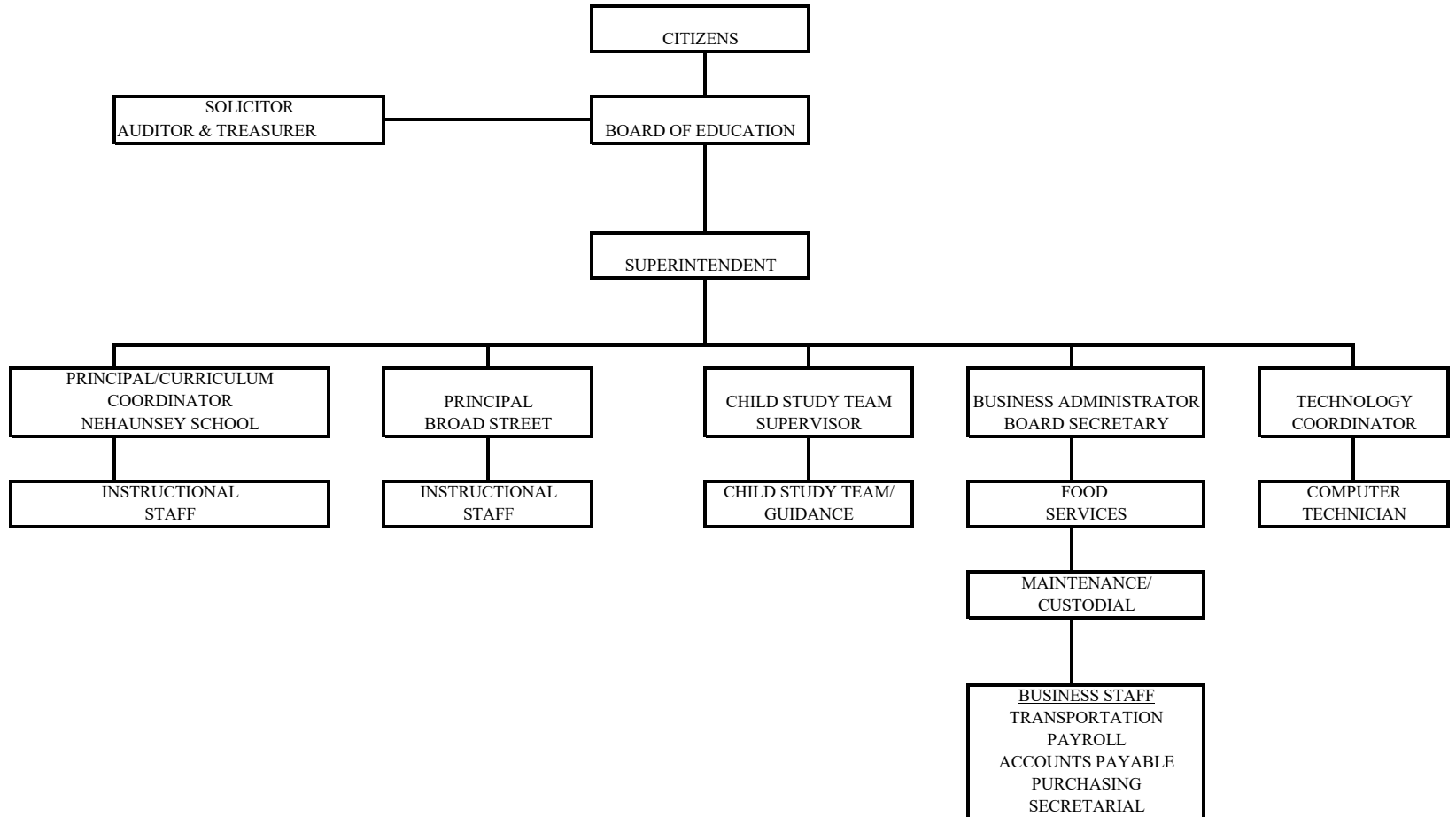


Scott A. Campbell
School Business Administrator/Board Secretary

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY

ORGANIZATIONAL CHART

JUNE 30, 2018



**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Roseanne Lombardo, President	2019
Andrew Chapkowski, Vice President	2018
Duane Sarmiento	2020
John J. Hughes	2018
Gerald N. Michael, Jr.	2018
Chad D. Kent	2019
Susan J. Vernacchio	2019

Other Officials

Dr. Jennifer Foley-Hindman, Chief School Administrator
Scott A. Campbell, School Business Administrator/Board Secretary
Merrie A. Schmidt, Treasurer of School Monies

**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
6 N. Broad Street, Suite 201
Woodbury, New Jersey 08096

Attorneys

Board Solicitor

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Whippany, New Jersey 07981

Official Depositories

Ocean First Bank
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Sewell, New Jersey 08080

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in note 10 in the notes to financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Greenwich School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019 on our consideration of the Township of Greenwich School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Township of Greenwich School 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 Township of Greenwich School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
February 27, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Greenwich School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 27, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
February 27, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The discussion and analysis of the Greenwich Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2017-2018) and the prior year (2016-2017) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2017-2018 are as follows:

- During the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The notes to the financial statements provide a more thorough discussion of the implementation of this GASB Statement and the effects to the financial statements.
- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$411,018.66 (net position).
- The District's net position increased by a total of \$365,224.15 as a result of this year's operations. Net position of the business-type activities decreased by \$23,381.64. Net position of the governmental activities increased by \$388,605.79.
- During the year, the District generated \$15,467,461.23 in revenues from governmental activities, a decrease from the previous fiscal year of \$727,853.13 (approximately 4.5%).
- In the District's business-type activities, operating revenues decreased by \$3,481.82; operating expenses increased by \$8,323.39.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2018
(Unaudited)

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (CONT'D)

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Reporting the School District as a Whole

The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. All of the current year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. These statements report the District's *net position* and how it has changed. Net position is the difference between the District's assets, deferred outflows, liabilities, and deferred inflows represents one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as alternative and special education. State Aid, the local tax levy and, to a lesser degree, tuition, finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

Reporting the District's Most Significant Funds

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the government-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has three kinds of funds:

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2018
(Unaudited)

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (CONT'D)

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as student activity funds. The District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it may not use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2018 and 2017.

TABLE 1
Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 2,268,304.40	\$ 1,934,731.30	\$ 333,573.10	17.24%
Capital Assets	<u>1,777,543.27</u>	<u>1,630,221.00</u>	<u>147,322.27</u>	<u>9.04%</u>
Total Assets	<u>4,045,847.67</u>	<u>3,564,952.30</u>	<u>480,895.37</u>	<u>13.49%</u>
Deferred Outflow of Resources - Related to Pensions	<u>1,294,079.00</u>	<u>1,279,264.00</u>	<u>14,815.00</u>	<u>1.16%</u>
Long-Term Liabilities	3,753,198.61	4,326,482.09	(573,283.48)	-13.25%
Other Liabilities	<u>251,469.40</u>	<u>231,197.70</u>	<u>20,271.70</u>	<u>8.77%</u>
Total Liabilities	<u>4,004,668.01</u>	<u>4,557,679.79</u>	<u>(553,011.78)</u>	<u>-12.13%</u>
Deferred Inflow of Resources - Related to Pensions	<u>924,240.00</u>	<u>240,742.00</u>	<u>683,498.00</u>	<u>283.91%</u>
Net Position:				
Net Investment in Capital Assets	1,777,543.27	1,630,221.00	147,322.27	9.04%
Restricted	1,710,156.98	1,280,479.39	429,677.59	33.56%
Unrestricted (Deficit)	<u>(3,076,681.59)</u>	<u>(2,864,905.88)</u>	<u>(211,775.71)</u>	<u>7.39%</u>
Total Net Position	<u>\$ 411,018.66</u>	<u>\$ 45,794.51</u>	<u>\$ 365,224.15</u>	<u>797.53%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,294,079.00	\$ 1,279,264.00	\$ 14,815.00	1.16%
Less: Net Pension Liability	(3,728,944.00)	(4,285,619.00)	556,675.00	-12.99%
Less: Deferred Inflows Related to Pensions	<u>(924,240.00)</u>	<u>(240,742.00)</u>	<u>(683,498.00)</u>	<u>283.91%</u>
	<u>\$ (3,359,105.00)</u>	<u>\$ (3,247,097.00)</u>	<u>\$ (112,008.00)</u>	<u>3.45%</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2018
(Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2018 and 2017.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 73,916.94	\$ 78,550.74	\$ (4,633.80)	-5.90%
Federal & State Categorical Grants	4,064,492.01	5,026,344.53	(961,852.52)	-19.14%
General Revenues:				
Property Taxes	10,088,895.00	9,891,074.00	197,821.00	2.00%
Federal & State Grants	1,246,113.81	1,343,898.09	(97,784.28)	-7.28%
Other	199,219.31	193,549.68	5,669.63	2.93%
Total Revenues	<u>15,672,637.07</u>	<u>16,533,417.04</u>	<u>(860,779.97)</u>	<u>-5.21%</u>
Expenses:				
Instruction:				
Regular	2,794,604.54	2,883,798.58	(89,194.04)	-3.09%
Special Education	1,061,673.43	863,590.73	198,082.70	22.94%
Other Instruction	148,234.79	135,617.15	12,617.64	9.30%
Student Services:				
Tuition	2,177,616.58	2,368,282.61	(190,666.03)	-8.05%
Student and Instruction Related	1,125,387.17	1,137,842.03	(12,454.86)	-1.09%
General Administrative Services	337,593.19	331,218.31	6,374.88	1.92%
School Administrative Services	170,322.41	166,403.75	3,918.66	2.35%
Central Services	220,366.96	207,917.48	12,449.48	5.99%
Plant Operations and Maintenance	979,696.18	962,712.35	16,983.83	1.76%
Student Transportation Services	649,382.22	807,383.65	(158,001.43)	-19.57%
Unallocated Benefits	5,315,918.85	6,439,852.71	(1,123,933.86)	-17.45%
Support Services	80,444.62	79,762.38	682.24	0.86%
Special Schools	17,614.50	17,917.50	(303.00)	-1.69%
Food Service	228,557.50	220,234.11	8,323.39	3.78%
Total Expenses	<u>15,307,412.94</u>	<u>16,622,533.34</u>	<u>(1,315,120.40)</u>	<u>-7.91%</u>
Increase (Decrease) in Net Position	365,224.13	(89,116.30)	454,340.43	-509.83%
Beginning Net Position	45,794.51	134,910.81	(89,116.30)	-66.06%
Ending Net Position	<u>\$ 411,018.64</u>	<u>\$ 45,794.51</u>	<u>\$ 365,224.13</u>	<u>797.53%</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2018
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$2,214,454.31. Assigned fund balance includes \$213,661.87 designated for subsequent year's expenditures and \$12,374.46 assigned for encumbrances. Restricted fund balances include the capital reserve account with \$511,707.07 of funds available, the maintenance reserve account with \$171,420.05 of funds available, excess surplus in the amount of \$715,603.73, and excess surplus designated for subsequent year's expenditures in the amount of \$311,426.13. The general fund has an unassigned fund balance of \$278,261.00.

GENERAL FUND BUDGETARY HIGHLIGHTS

Reimbursements for pension and Social Security contributions of \$1,207,039.22 are non-budgeted items in both revenues and appropriations.

CAPITAL ASSETS

At the end of fiscal year 2018 and 2017, the School District had \$1,777,543.00 and \$1,630,221.00, respectively, in capital assets less accumulated depreciation. Net Investment in Capital Assets was \$1,777,543.00 at June 30, 2018 and \$1,630,221.00 at June 30, 2017. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Governmental Activities:		
Land	\$ 91,391	\$ 91,391
Furniture, Fixtures & Equipment	190,620	212,179
Building and Improvements	<u>1,460,401</u>	<u>1,285,099</u>
Total Capital Assets Governmental Activities	<u>\$ 1,742,412</u>	<u>\$ 1,588,669</u>
Business-type Activities:		
Equipment	<u>\$ 35,131</u>	<u>\$ 41,552</u>
Total Capital Assets	<u><u>\$ 1,777,543</u></u>	<u><u>\$ 1,630,221</u></u>

Depreciation expense was \$127,428.73 for fiscal year ended 2018 and \$122,002.00 for fiscal year ended 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like the rest of the United States, the State of New Jersey was heavily impacted by the failing economy. For that reason, there is no assurance that state funding can be maintained at current levels. The Township of Greenwich has continued to maintain adequate funding for the District to ensure that the Board of Education and Administration could continue to carry out the District's mission. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community. Looking toward next fiscal year, there remains a concern with the lack of enrollment growth in the district and the continual reliance on local property taxes. The need to upgrade our facilities continues to be a concern to the Board and Administration. We are being proactive with facilities that are aged, financial resources, and personnel in an effort to stay fiscally responsible.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Management's Discussion and Analysis (Cont'd)
For the Fiscal Year Ended June 30, 2018
(Unaudited)

CONTACTING THE DISTRICT' S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens and taxpayers and our customers with a general overview of the District's finances and to demonstrate the District's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact Scott A. Campbell, School Business Administrator/Board Secretary at the address below or visit our website at www.greenwich.k12.nj.us.

Greenwich Township Board of Education
415 Swedesboro Road
Gibbstown, New Jersey 08027
(856) 224-4900, x2120

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,335,715.99		\$ 1,335,715.99
Receivables, net	239,902.71	\$ 7,125.38	247,028.09
Inventory		2,433.20	2,433.20
Restricted Assets:			
Capital Reserve Account - Cash	511,707.07		511,707.07
Maintenance Reserve Account - Cash	171,420.05		171,420.05
Capital Assets, net (Note 6)	<u>1,742,412.27</u>	<u>35,131.00</u>	<u>1,777,543.27</u>
Total Assets	<u>4,001,158.09</u>	<u>44,689.58</u>	<u>4,045,847.67</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>1,294,079.00</u>		<u>1,294,079.00</u>
LIABILITIES:			
Cash Overdraft		23,282.86	23,282.86
Accounts Payable	15,598.83		15,598.83
Accounts Payable - Related to Pensions	153,574.00		153,574.00
Payable to State Government	16,944.79		16,944.79
Unearned Revenue	11,747.89	3,031.75	14,779.64
Noncurrent Liabilities (Note 7):			
Due within One Year	27,289.28		27,289.28
Due beyond One Year	<u>3,753,198.61</u>		<u>3,753,198.61</u>
Total Liabilities	<u>3,978,353.40</u>	<u>26,314.61</u>	<u>4,004,668.01</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>924,240.00</u>		<u>924,240.00</u>
NET POSITION:			
Net Investment in Capital Assets	1,742,412.27	35,131.00	1,777,543.27
Restricted for:			
Capital	511,707.07		511,707.07
Maintenance	171,420.05		171,420.05
Other Purposes	1,027,029.86		1,027,029.86
Unrestricted (Deficit)	<u>(3,059,925.56)</u>	<u>(16,756.03)</u>	<u>(3,076,681.59)</u>
Total Net Position	<u>\$ 392,643.69</u>	<u>\$ 18,374.97</u>	<u>\$ 411,018.66</u>

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2018

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,794,604.54		\$ 341,588.27		\$ (2,453,016.27)		\$ (2,453,016.27)
Special Instruction	1,061,673.43				(1,061,673.43)		(1,061,673.43)
Other Special Instruction	129,537.23				(129,537.23)		(129,537.23)
Other Instruction	1,024.00				(1,024.00)		(1,024.00)
School Sponsored Cocurricular Activities	17,673.56				(17,673.56)		(17,673.56)
Undistributed Expenditures and Support Services:							
Tuition	2,177,616.58				(2,177,616.58)		(2,177,616.58)
Attendance and Social Work	5,366.54				(5,366.54)		(5,366.54)
Health Services	165,060.67				(165,060.67)		(165,060.67)
Students - Related Services	192,644.77				(192,644.77)		(192,644.77)
Child Study Team and Guidance Services	396,375.15				(396,375.15)		(396,375.15)
Improvement of Instruction Services	131,622.48				(131,622.48)		(131,622.48)
Educational Media Services/School Library	225,931.41				(225,931.41)		(225,931.41)
Instructional Staff Training Services	8,386.15				(8,386.15)		(8,386.15)
General Administration	337,593.19				(337,593.19)		(337,593.19)
School Administration	170,322.41				(170,322.41)		(170,322.41)
Central Services	220,366.96				(220,366.96)		(220,366.96)
Operation and Maintenance of Plant Services	979,696.18				(979,696.18)		(979,696.18)
Student Transportation Services	649,382.22				(649,382.22)		(649,382.22)
Unallocated Benefits	5,315,918.85		3,511,200.22		(1,804,718.63)		(1,804,718.63)
Support Services	80,444.62		80,444.62				
Special Schools	17,614.50				(17,614.50)		(17,614.50)
Total Governmental Activities	15,078,855.44	-	3,933,233.11	-	(11,145,622.33)	-	(11,145,622.33)
Business-Type Activities:							
Food Service	228,557.50	\$ 73,916.96	131,258.90			\$ (23,381.64)	(23,381.64)
Total Business-Type Activities	228,557.50	73,916.96	131,258.90	-	-	(23,381.64)	(23,381.64)
Total Government	\$ 15,307,412.94	\$ 73,916.96	\$ 4,064,492.01	\$ -	(11,145,622.33)	(23,381.64)	(11,169,003.97)

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2018

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues and Special Items:			
Local Tax Levy	\$ 10,088,895.00		\$ 10,088,895.00
Federal and State Aid not Restricted	1,246,113.81		1,246,113.81
Tuition Received	168,232.78		168,232.78
Miscellaneous Income	30,986.53		30,986.53
Total General Revenues	<u>11,534,228.12</u>	<u>-</u>	<u>11,534,228.12</u>
Change in Net Position	388,605.79	(23,381.64)	365,224.15
Net Position -- July 1	<u>4,037.90</u>	<u>41,756.61</u>	<u>45,794.51</u>
Net Position -- June 30	<u>\$ 392,643.69</u>	<u>\$ 18,374.97</u>	<u>\$ 411,018.66</u>

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,335,715.99			\$ 1,335,715.99
Interfunds Receivable - Governmental Funds	6,199.32			6,199.32
Receivables from Other Governments	133,020.82	\$ 41,342.00		174,362.82
Receivables from Other	65,539.89			65,539.89
Restricted Cash and Cash Equivalents:				
Capital Reserve Account	511,707.07			511,707.07
Maintenance Reserve Account	171,420.05			171,420.05
Total Assets	\$ 2,223,603.14	\$ 41,342.00	\$ -	\$ 2,264,945.14
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 9,148.83	\$ 6,450.00		\$ 15,598.83
Payable to State Government		16,944.79		16,944.79
Interfunds Payable - Governmental Funds		6,199.32		6,199.32
Unearned Revenue		11,747.89		11,747.89
Total Liabilities	9,148.83	41,342.00	\$ -	50,490.83
Fund Balances:				
Restricted:				
Capital Reserve Account	511,707.07			511,707.07
Maintenance Reserve Account	171,420.05			171,420.05
Excess Surplus	715,603.73			715,603.73
Excess Surplus - Subsequent Year's Expenditures	311,426.13			311,426.13
Assigned:				
Subsequent Year's Expenditures				
General Fund Balance	213,661.87			213,661.87
Other Purposes	12,374.46			12,374.46
Unassigned:				
General Fund	278,261.00			278,261.00
Total Fund Balances	2,214,454.31	-	-	2,214,454.31
Total Liabilities and Fund Balances	\$ 2,223,603.14	\$ 41,342.00	\$ -	
Amounts reported for <i>governmental activities</i> 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 \$9,862,142.00 and the accumulated depreciation is \$8,119,729.73.				1,742,412.27
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(51,543.89)
Net Pension Liability				(3,728,944.00)
Accounts Payable related to the April 1, 2019 Required PERS pension contribution that is not to be liquidated with current financial resources.				(153,574.00)
Deferred Outflows of Resources - Related to Pensions				1,294,079.00
Deferred Inflows of Resources - Related to Pensions				(924,240.00)
Net position of governmental activities				\$ 392,643.69

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ending June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Tax Levy	\$ 10,088,895.00			\$ 10,088,895.00
Tuition Charges	168,232.78			168,232.78
Interest Earned on Capital and Maintenance Reserve Funds	4,004.74			4,004.74
Other Restricted Miscellaneous Revenues		\$ 18,622.88		18,622.88
Unrestricted Miscellaneous Revenues	26,981.79			26,981.79
State Sources	2,430,949.22	59,093.21		2,490,042.43
Federal Sources	7,212.81	344,316.80		351,529.61
Total Revenues	<u>12,726,276.34</u>	<u>422,032.89</u>	<u>-</u>	<u>13,148,309.23</u>
EXPENDITURES:				
Current:				
Regular Instruction	2,428,608.27	341,588.27		2,770,196.54
Special Instruction	1,061,673.43			1,061,673.43
Other Special Instruction	129,537.23			129,537.23
Other Instruction	1,024.00			1,024.00
School Sponsored Cocurricular Activities	17,673.56			17,673.56
Undistributed Expenditures and Support Services:				
Tuition	2,177,616.58			2,177,616.58
Attendance and Social Work	5,366.54			5,366.54
Health Services	165,060.67			165,060.67
Student - Related Services	192,644.77			192,644.77
Child Study Team and Guidance Services	396,375.15			396,375.15
Improvement of Instruction Services	131,622.48			131,622.48
Educational Media Services/School Library	500,682.41			500,682.41
Instructional Staff Training Services	8,386.15			8,386.15
General Administration	257,266.46			257,266.46
School Administration	163,037.41			163,037.41
Central Services	220,366.96			220,366.96
Operation and Maintenance of Plant Services	968,611.18			968,611.18
Student Transportation Services	649,382.22			649,382.22
Unallocated Benefits	1,689,132.11			1,689,132.11
On-Behalf Pension Contributions	929,228.00			929,228.00
Reimbursed TPAF Social Security Contributions	277,811.22			277,811.22
Support Services		80,444.62		80,444.62
Capital Outlay	2,097.00			2,097.00
Special Schools	17,614.50			17,614.50
Total Expenditures	<u>12,390,818.30</u>	<u>422,032.89</u>	<u>-</u>	<u>12,812,851.19</u>
Excess (Deficiency) of Revenues over Expenditures	335,458.04	-	-	335,458.04
Fund Balance -- July 1	1,878,996.27	-	-	1,878,996.27
Fund Balance -- June 30	<u>\$ 2,214,454.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,214,454.31</u>

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ending June 30, 2018

Total Net Change in Fund Balances - Governmental Funds	\$	335,458.04
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(121,007.73)
Capital Outlays		<u>274,751.00</u>
		153,743.27
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(1,331.52)
<p>In the statement of activities, post employment benefits other than pension are accrued regardless of when due. This accrued liability is not recorded in the governmental funds. The increase in accrued liability is a reduction in the reconciliation. (-); a decrease in the accrued liability is an increase in the reconciliation (+).</p>		
		17,920.00
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(117,184.00)</u>
Change in Net Position of Governmental Activities	\$	<u><u>388,605.79</u></u>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Accounts Receivable:	
State	\$ 111.35
Federal	7,001.53
Other	12.50
Inventory	<u>2,433.20</u>
Total Current Assets	<u>9,558.58</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	189,492.00
Less Accumulated Depreciation	<u>(154,361.00)</u>
Total Noncurrent Assets	<u>35,131.00</u>
Total Assets	<u>44,689.58</u>
LIABILITIES:	
Current Liabilities:	
Cash Overdraft	23,282.86
Unearned Revenue	<u>3,031.75</u>
Total Liabilities	<u>26,314.61</u>
NET POSITION:	
Net Investment in Capital Assets	35,131.00
Unrestricted (Deficit)	<u>(16,756.03)</u>
Total Net Position	<u>\$ 18,374.97</u>

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2018

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 48,004.25
Daily Sales - Non-Reimbursable Programs	25,204.52
Other Revenue	708.19
	73,916.96
Total Operating Revenues	73,916.96
OPERATING EXPENSES:	
Cost of Goods Sold - Reimbursable Programs	75,087.96
Cost of Goods Sold - Non-Reimbursable Programs	8,296.62
Purchased Professional Services	114,343.34
Other Purchased Services	16,605.71
General Supplies	7,802.87
Depreciation	6,421.00
	228,557.50
Total Operating Expenses	228,557.50
Operating Loss	(154,640.54)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	1,888.15
Federal Sources:	
National School Lunch Program	74,426.78
National School Breakfast Program	41,903.41
Food Distribution Program	13,040.56
	131,258.90
Total Non Operating Revenues (Expenses)	131,258.90
Change in Net Position	(23,381.64)
Net Position -- July 1	41,756.61
Total Net Position -- June 30	\$ 18,374.97

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ending June 30, 2018

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 73,957.18
Payments to Suppliers	<u>(221,916.01)</u>
Net Cash Used for Operating Activities	<u>(147,958.83)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	1,838.95
Federal Sources	<u>126,568.01</u>
Net Cash Provided by Non-Capital Financing Activities	<u>128,406.96</u>
Net Increase in Cash and Cash Equivalents	(19,551.87)
Cash and Cash Equivalents -- July 1	<u>(3,730.99)</u>
Cash and Cash Equivalents -- June 30	<u>\$ (23,282.86)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (154,640.54)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,421.00
Decrease in Inventory	220.49
Increase in Unearned Revenue	<u>40.22</u>
Total Adjustments	<u>6,681.71</u>
Net Cash Used for Operating Activities	<u>\$ (147,958.83)</u>

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

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

	Agency Funds	
	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:		
Cash and Cash Equivalents	\$ <u>15,066.26</u>	\$ <u>1,936.12</u>
Total Assets	\$ <u><u>15,066.26</u></u>	\$ <u><u>1,936.12</u></u>
LIABILITIES:		
Payable to Student Groups	\$ 15,066.26	
Payroll Deductions and Withholdings	<u> </u>	\$ <u>1,936.12</u>
Total Liabilities	\$ <u><u>15,066.26</u></u>	\$ <u><u>1,936.12</u></u>

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its two schools and send students in grades 9 through 12 to Paulsboro High School on a tuition basis. The School District has an approximate enrollment at June 30, 2018 of 425 at the District's two schools.

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

Component Units

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

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

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

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

Based upon the application of these criteria, the School District has no component units.

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

The School District maintains the following fiduciary funds:

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

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

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

Budgets / Budgetary Control

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

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

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

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

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

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018. The School District had no prepaid expenses for the fiscal year ended June 30, 2018.

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

Short-Term Interfund Receivables / Payables

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

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 10 Years
Buildings and Improvements	15 - 50 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2018 and 2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Pensions

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

Net Position

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

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

Accounting Estimates

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

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

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this Statement required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. In addition, the School District was required to include additional note disclosures (see note 10) and required supplementary information related to postemployment benefits.

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

Recently Issued Accounting Pronouncements

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2018, none of the School District's bank balances of \$2,544,092.25 were exposed to custodial credit risk.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1,000,000.00 on October 16, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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

Beginning Balance, July 1, 2017		\$ 493,745.37
Increased by:		
Interest Earnings	\$ 2,961.70	
Deposits:		
2017-2018 Approved Budget	<u>15,000.00</u>	
		<u>17,961.70</u>
Ending Balance, June 30, 2018		<u><u>\$ 511,707.07</u></u>

The June 30, 2018 LRF balance of local support costs of uncompleted projects at June 30, 2018 is \$511,707.07.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 41,342.00	\$ 41,342.00	\$ 7,001.53	\$ 7,001.53	\$ 48,343.53
State Awards	\$ 133,020.82		133,020.82	111.35	111.35	133,132.17
Tuition Charges	65,539.89		65,539.89			65,539.89
Provided Services				12.50	12.50	12.50
	<u>\$ 198,560.71</u>	<u>\$ 41,342.00</u>	<u>\$ 239,902.71</u>	<u>\$ 7,125.38</u>	<u>\$ 7,125.38</u>	<u>\$ 247,028.09</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2018 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 1,320.56
Supplies	<u>1,112.64</u>
	<u><u>\$ 2,433.20</u></u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 91,391.00			\$ 91,391.00
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	1,108,852.00	\$ 24,209.00		1,133,061.00
Buildings and Improvements	8,387,148.00	250,542.00		8,637,690.00
Total Capital Assets, being Depreciated	9,496,000.00	274,751.00	-	9,770,751.00
Total Capital Assets, Cost	9,587,391.00	274,751.00	-	9,862,142.00
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(896,673.00)	(45,767.83)		(942,440.83)
Buildings and Improvements	(7,102,049.00)	(75,239.90)		(7,177,288.90)
Total Accumulated Depreciation	(7,998,722.00)	(121,007.73)	-	(8,119,729.73)
Total Capital Assets, being Depreciated, Net	1,497,278.00	153,743.27	-	1,651,021.27
Governmental Activities Capital Assets, Net	<u>\$ 1,588,669.00</u>	<u>\$ 153,743.27</u>	<u>-</u>	<u>\$ 1,742,412.27</u>
	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 189,492.00			\$ 189,492.00
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(147,940.00)	\$ (6,421.00)		(154,361.00)
Business-Type Activities Capital Assets, Net	<u>\$ 41,552.00</u>	<u>\$ (6,421.00)</u>	<u>\$ -</u>	<u>\$ 35,131.00</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:	
Regular Instruction	\$ 24,408.00
Other Administrative Services	80,326.73
Plant Operations and Maintenance	7,285.00
Unallocated	<u>8,988.00</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 121,007.73</u>
Business-Type Activities:	
Food Service	<u>\$ 6,421.00</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,421.00</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences	\$ 50,212.37	\$ 1,556.52	\$ (225.00)	\$ 51,543.89	\$ 27,289.28
Net Pension Liability (note 9)	4,285,619.00	1,646,829.00	(2,203,504.00)	3,728,944.00	
Postemployment Benefits (note 10)	17,920.00		(17,920.00)		
Total Other Liabilities	<u>4,353,751.37</u>	<u>1,648,385.52</u>	<u>(2,221,649.00)</u>	<u>3,780,487.89</u>	<u>27,289.28</u>
Governmental Activities Long-Term Liabilities	<u>\$ 4,353,751.37</u>	<u>\$ 1,648,385.52</u>	<u>\$ (2,221,649.00)</u>	<u>\$ 3,780,487.89</u>	<u>\$ 27,289.28</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

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

Note 8: OPERATING LEASES

At June 30, 2018, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2019	\$ 24,019.44
2020	24,019.44
2021	15,593.76
	<hr/>
	\$ 63,632.64
	<hr/> <hr/>

Rental payments under operating leases for the fiscal year ended June 30, 2018 were \$24,019.44.

Note 9: PENSION PLANS

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

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

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

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

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

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

Teachers' Pension and Annuity Fund (Cont'd) - Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

Contributions

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

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

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

Teachers' Pension and Annuity Fund (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 10.85% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$420,757.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$285,097.63.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 14.44% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$153,574.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$78,265.12.

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

For the fiscal year ended June 30, 2018, employee contributions totaled \$6,015.89, and the School District recognized pension expense, which equaled the required contributions, of \$3,719.02. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2018, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	25,263,725.00
	<u>\$ 25,263,725.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. For the June 30, 2017 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0374701488%, which was an increase of .0009320629% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$1,750,143.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Public Employees' Retirement System - At June 30, 2018, the School District reported a liability of \$3,728,944.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the School District's proportion was .0160188999%, which was an increase of .0015488339% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of \$266,605.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

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

Public Employees' Retirement System (Cont'd) - At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 87,804.00	\$ -
Changes of Assumptions	751,254.00	748,499.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	25,392.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	276,055.00	175,741.00
School District Contributions Subsequent to the Measurement Date	153,574.00	-
	<u>\$ 1,294,079.00</u>	<u>\$ 924,240.00</u>

\$153,574.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 84,400.00
2020	129,084.00
2021	97,339.00
2022	(46,326.00)
2023	(48,232.00)
	<u>\$ 216,265.00</u>

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

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

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

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
2012-2021	Varies Based on Experience	-
Through 2026	-	1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

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

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2017, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.25%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	30,014,098.00	25,263,725.00	21,350,347.00
	<u>\$ 30,014,098.00</u>	<u>\$ 25,263,725.00</u>	<u>\$ 21,350,347.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 4,626,008.00	\$ 3,728,944.00	\$ 2,981,578.00

Pension Plan Fiduciary Net Position

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

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

Employees Covered by Benefit Terms - At June 30, 2018, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>366,078</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2018 was \$26,385,902.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The total Non-Employer OPEB Liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was .0491908646%, which was a decrease of ..0003826932% from its proportion measured as of June 30, 2016.

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

Salary Increases -

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

(1) - Based on years of service

(2) - Based on age

Inflation Rate - 2.50%.

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

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

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% 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 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.

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.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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

Balance at June 30, 2017		\$ 28,669,273.00
Changes for the Year:		
Service Cost	\$ 1,047,551.00	
Interest Cost	838,600.00	
Changes in Assumptions	(3,580,873.00)	
Gross Benefit Payments	(611,153.00)	
Member Contributions	<u>22,504.00</u>	
Net Changes		<u>(2,283,371.00)</u>
Balance at June 30, 2018		<u>\$ 26,385,902.00</u>

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

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

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 31,321,969.32</u>	<u>\$ 26,385,902.00</u>	<u>\$ 22,470,566.49</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 21,699,853.67</u>	<u>\$ 26,385,902.00</u>	<u>\$ 32,608,919.05</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the School District recognized \$1,497,638.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2018, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ -	\$ 174,881.00
Changes of Assumptions or Other Inputs	-	3,120,555.00
	<u>\$ -</u>	<u>\$ 3,295,436.00</u>

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

<u>Year Ending June 30,</u>	
2019	\$ (385,882.55)
2020	(385,882.55)
2021	(385,882.55)
2022	(385,882.55)
2023	(385,882.55)
Thereafter	<u>(1,366,023.26)</u>
	<u>\$ (3,295,436.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$550,847.00, \$13,368.00, \$364,414.00, and \$599.00, respectively.

Note 12: RISK MANAGEMENT

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

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

Workers' Compensation
General Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Environmental Impairment Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the School Alliance Insurance Fund (SAIF):

Excess Workers' Compensation
Excess General Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended June 30, 2018, which can be obtained from:

School Alliance Insurance Fund
51 Everett Drive, Suite B-40
West Windsor, New Jersey 08550

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of four (4) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

AXA/Equitable Life Insurance
Syracusa Benefits Program
Lincoln Investment Planning, Inc.
Great American

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to twelve paid sick leave days per fiscal school year. School District employees who are employed for twelve months are also entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years (maximized at 23 days). School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget. Employees hired before July 1, 2016 are not entitled to a payout for sick leave until the employee reaches 20 years of service with the District. Employees hired after July 1, 2016 are not entitled to a payout for sick leave until the employee reaches 25 years of service with the District.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2018, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$51,543.89.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 6,199.32	
Special Revenue		\$ 6,199.32
	<u>\$ 6,199.32</u>	<u>\$ 6,199.32</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2019, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$715,603.73. Additionally, \$311,426.13 of excess fund balance generated during 2016-2017 has been restricted and designated for utilization in the 2018-2019 budget.

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$511,707.07. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2018, the balance in the maintenance reserve account is \$171,420.05. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019 \$213,661.87 of general fund balance at June 30, 2018.

Other Purposes - As of June 30, 2018, the School District had \$12,374.46 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2018, \$278,261.00 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,088,895.00		\$ 10,088,895.00	\$ 10,088,895.00	
Tuition	750.00		750.00	168,232.78	\$ 167,482.78
Unrestricted Miscellaneous Revenue	5,402.00		5,402.00	26,981.79	21,579.79
Interest Earned on Maintenance Reserve	500.00		500.00	1,043.04	543.04
Interest Earned on Capital Reserve Funds	1,500.00		1,500.00	2,961.70	1,461.70
Total - Local Sources	<u>10,097,047.00</u>	<u>-</u>	<u>10,097,047.00</u>	<u>10,288,114.31</u>	<u>191,067.31</u>
State Sources:					
Transportation Aid	272,578.00		272,578.00	272,578.00	
Special Education Aid	346,767.00		346,767.00	346,767.00	
Security Aid	86,030.00		86,030.00	86,030.00	
Adjustment Aid	388,061.00		388,061.00	388,061.00	
Extraordinary Aid				111,514.00	111,514.00
Per Pupil Growth Aid	5,670.00		5,670.00	5,670.00	
PARCC Aid	5,670.00		5,670.00	5,670.00	
Professional Learning Community Aid	5,510.00		5,510.00	5,510.00	
Non-Public Transportation				9,280.00	9,280.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				550,847.00	550,847.00
Non-Contributory Insurance				13,368.00	13,368.00
Post-Retirement Medical				364,414.00	364,414.00
Long-Term Disability Insurance Contribution				599.00	599.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				277,811.22	277,811.22
Total - State Sources	<u>1,110,286.00</u>	<u>-</u>	<u>1,110,286.00</u>	<u>2,438,119.22</u>	<u>1,327,833.22</u>
Federal Sources:					
Medicaid Reimbursement (SEMI)			-	7,212.81	7,212.81
Total - Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,212.81</u>	<u>7,212.81</u>
Total Revenues	<u>11,207,333.00</u>	<u>-</u>	<u>11,207,333.00</u>	<u>12,733,446.34</u>	<u>1,526,113.34</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	213,642.00	\$ (2,946.21)	210,695.79	210,640.87	54.92
Grades 1-5	1,168,363.00	(22,235.36)	1,146,127.64	1,143,815.14	2,312.50
Grades 6-8	855,885.00	(36,627.13)	819,257.87	780,137.55	39,120.32
Home Instruction:					
Salaries of Teachers	2,500.00	(1,350.00)	1,150.00	1,035.00	115.00
Purchased Professional/Educational Services	4,500.00	1,350.00	5,850.00	5,850.00	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	226,211.50	(197,091.78)	29,119.72	28,409.98	709.74
Purchased Professional/Educational Services	62,071.00	(5,577.13)	56,493.87	50,435.98	6,057.89
Cleaning/Repair/Main	6,388.00	857.02	7,245.02	6,845.02	400.00
Rentals	17,327.00	100.25	17,427.25	17,427.25	
Other Purchased Services (400-500 series)	60,432.00	716.92	61,148.92	59,565.95	1,582.97
General Supplies	80,602.02	(250.72)	80,351.30	63,558.52	16,792.78
Textbooks	50,067.91	(3.00)	50,064.91	50,064.91	
Misc.	11,822.00	(411.05)	11,410.95	10,822.10	588.85
Total - Regular Programs	<u>2,759,811.43</u>	<u>(263,468.19)</u>	<u>2,496,343.24</u>	<u>2,428,608.27</u>	<u>67,734.97</u>
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	620,935.00	15,216.82	636,151.82	636,072.42	79.40
Other Salaries for Instruction	177,489.00	197,091.78	374,580.78	361,254.86	13,325.92
Purchased Professional/Educational Services	13,664.00	3,865.40	17,529.40	17,529.40	
General Supplies	2,067.00		2,067.00	1,151.56	915.44
Total Special Education Instruction - Resource Room/Resource Center	<u>814,155.00</u>	<u>216,174.00</u>	<u>1,030,329.00</u>	<u>1,016,008.24</u>	<u>14,320.76</u>
Special Education Instruction - Preschool Disabilities - Part Time:					
Salaries of Teachers	46,613.00	(22,812.70)	23,800.30	17,832.67	5,967.63
Other Salaries for Instruction	26,532.50	(1,224.22)	25,308.28	24,168.28	1,140.00
Purchased Professional/Educational Services	2,034.00	1,147.50	3,181.50	3,181.50	
General Supplies	3,252.00	(430.54)	2,821.46	482.74	2,338.72
Total - Special Education Instruction - Preschool Disabilities - Part Time	<u>78,431.50</u>	<u>(23,319.96)</u>	<u>55,111.54</u>	<u>45,665.19</u>	<u>9,446.35</u>
Total - Special Education	<u>892,586.50</u>	<u>192,854.04</u>	<u>1,085,440.54</u>	<u>1,061,673.43</u>	<u>23,767.11</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	132,986.00	(3,996.07)	128,989.93	128,989.93	
General Supplies	672.00	(124.70)	547.30	547.30	
Total - Basic Skills/Remedial - Instruction	<u>133,658.00</u>	<u>(4,120.77)</u>	<u>129,537.23</u>	<u>129,537.23</u>	<u>-</u>

(Continued)

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>	
Expenditures (Cont'd):						
Current Expense (Cont'd):						
Bilingual Education - Instruction:						
Purchased Professional/Educational Services	\$	174.08	\$	174.08	\$	174.08
Total Bilingual Education - Instruction	-	174.08	174.08	-	174.08	
School-Sponsored Co/Extra-Curricular Activities - Instruction:						
Salaries	\$	20,340.00	20,340.00	\$	17,230.00	3,110.00
General Supplies	500.00	-	500.00	443.56	56.44	
Total - School-sponsored Co/Extra-curricular Activities - Instruction	20,840.00	-	20,840.00	17,673.56	3,166.44	
Community Services Programs/Operations:						
Salaries	1,000.00	-	1,000.00	300.00	700.00	
Professional/Tech Service	901.00	-	901.00	724.00	177.00	
Total - Community Service Programs/Operations	1,901.00	-	1,901.00	1,024.00	877.00	
TOTAL INSTRUCTION	3,808,796.93	(74,560.84)	3,734,236.09	3,638,516.49	95,719.60	
Undistributed Expenditures - Instruction:						
Tuition to Other LEA's Within the State - Regular	1,148,539.00	24,608.59	1,173,147.59	1,147,647.59	25,500.00	
Tuition to Other LEA's Within the State - Special	199,016.00	(35,851.50)	163,164.50	161,351.00	1,813.50	
Tuition to County Vocational School	198,900.00	19246.50	218,146.50	218,146.50	-	
Tuition to County Special Services and Regional Day Schools	565,960.00	(208,447.47)	357,512.53	349,450.00	8,062.53	
Tuition to Private Schools for the Disabled within the State	239,758.00	61,263.49	301,021.49	301,021.49	-	
Total - Undistributed Expenditures - Instruction	2,352,173.00	(139,180.39)	2,212,992.61	2,177,616.58	35,376.03	
Undistributed Expenditures - Attendance and Social Work Services:						
Purchased Professional/Educational Services	1,000.00	4,366.54	5,366.54	5,366.54	-	
Undistributed Expenditures - Health Services:						
Other Professional Salaries	105,801.00	3,951.22	109,752.22	109,452.22	300.00	
Purchased Professional and Technical Services	164,679.00	(88,197.46)	76,481.54	50,651.00	25,830.54	
Rentals	735.00	161.39	896.39	896.39	-	
Travel	555.00	-	555.00	434.00	121.00	
Supplies and Materials	4,292.00	(99.56)	4,192.44	3,242.06	950.38	
Misc.	482.00	(61.83)	420.17	385.00	35.17	
Total - Undistributed Expenditures - Health Services	276,544.00	(84,246.24)	192,297.76	165,060.67	27,237.09	
Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services:						
Salaries	116,711.00	(27,613.50)	89,097.50	89,097.50	-	
Purchased Professional Educational Services	81,580.00	21,492.71	103,072.71	103,072.71	-	
General Supplies	550.00	(75.44)	474.56	474.56	-	
Total - Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services	198,841.00	(6,196.23)	192,644.77	192,644.77	-	
Undistributed Expenditures - Guidance						
Salaries of Other Professional Staff	85,399.00	50,496.28	135,895.28	135,895.28	-	
Other Purchased Services (400-500)	-	544.78	544.78	544.78	-	
Total Undistributed Expenditures - Guidance	85,399.00	51,041.06	136,440.06	136,440.06	-	
Undistributed Expenditures - Child Study Teams						
Salaries of Other Professional Staff	210,795.00	(1,538.53)	209,256.47	202,380.02	6,876.45	
Salaries of Secretarial and Clerical Assistants	41,464.00	0.08	41,464.08	41,464.08	-	
Purchased Professional Educational Services	11,127.00	(187.44)	10,939.56	5,300.00	5,639.56	
Other Purchased Professional and Technical Services	7,470.00	164.20	7,634.20	7,634.20	-	
Miscellaneous Purchased Services	1,533.00	(280.05)	1,252.95	1,252.95	-	
Supplies and Materials	2,563.00	(1,479.16)	1,083.84	1,083.84	-	
Other Objects	-	820.00	820.00	820.00	-	
Total Undistributed Expenditures - Child Study Team	274,952.00	(2,500.90)	272,451.10	259,935.09	12,516.01	
Undistributed Expenditures - Improvement of Instruction Services:						
Salaries of Other Professional Staff	3,500.00	-	3,500.00	937.50	2,562.50	
Salaries of Secretarial and Clerical Assistants	47,196.00	-	47,196.00	47,196.00	-	
Other Salaries	75,196.00	-	75,196.00	75,011.66	184.34	
Other Purchased Services (400-500)	8,904.00	-	8,904.00	8,318.82	585.18	
Supplies and Materials	250.00	-	250.00	4.50	245.50	
Miscellaneous Expenditures	154.00	-	154.00	154.00	-	
Total Undistributed Expenditures- Improvement of Instruction Services	135,200.00	-	135,200.00	131,622.48	3,577.52	

(Continued)

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries of Other Professional Staff	\$ 111,255.00	\$ 347.49	\$ 111,602.49	\$ 111,602.49	
Purchased Technical Services	278,691.00	278,691.00	278,691.00	278,691.00	
Other Purchased Services	62,818.94	(28,149.00)	34,669.94	22,910.75	\$ 11,759.19
General Supplies	93,047.65	(277.49)	92,770.16	87,478.17	5,291.99
Total Undistributed Expenditures - Educational Media Services/School Library	267,121.59	250,612.00	517,733.59	500,682.41	17,051.18
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services	8,986.00	-	8,986.00	8,386.15	599.85
Undistributed Expenditures - Support Services - General Administration:					
Salaries-Other Professional Services	79,606.00		79,606.00	79,411.00	195.00
Salaries-Secretary/Clerk	33,744.00		33,744.00	33,744.00	
Other Salaries	3,336.00		3,336.00	3,336.00	
Legal Services	11,000.00	1,127.50	12,127.50	12,127.50	
Audit Fees	24,000.00		24,000.00	24,000.00	
Other Purchased Professional Services	18,790.00	(1,127.50)	17,662.50	4,565.00	13,097.50
Purchased Technical Services	7,455.00	13,998.50	21,453.50	21,453.50	
Rentals	727.00		727.00	727.00	
Communications / Telephone	61,971.00		61,971.00	54,229.35	7,741.65
Travel	600.00		600.00	412.07	187.93
BOE Other Purchased Services	2,340.00		2,340.00	1,694.00	646.00
Miscellaneous Purchased Services	13,506.00		13,506.00	12,899.25	606.75
General Supplies	1,325.00		1,325.00	450.93	874.07
BOE In-House Training/Meeting Supplies	444.00	(0.45)	443.55	286.41	157.14
Miscellaneous Expenditures	2,690.00		2,690.00	1,745.00	945.00
BOE Membership Dues and Fees	6,185.00	0.45	6,185.45	6,185.45	
Total Undistributed Expenditures - Support Services - General Administration	267,719.00	13,998.50	281,717.50	257,266.46	24,451.04
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	103,201.00		103,201.00	102,949.00	252.00
Salaries of Secretarial and Clerical Assistants	56,402.00		56,402.00	55,715.42	686.58
Rentals	989.00		989.00	908.14	80.86
Travel	350.00		350.00	296.95	53.05
Supplies and Materials	3,302.00		3,302.00	2,343.90	958.10
Miscellaneous Expenditures	1,625.00		1,625.00	824.00	801.00
Total Undistributed Expenditures- Support Services - School Administration	165,869.00	-	165,869.00	163,037.41	2,831.59
Undistributed Expenditures - Central Services:					
Salaries-Other Professional Services	116,233.00	(12.04)	116,220.96	116,220.96	
Salaries-Secretary/Clerk	71,693.00	(1,018.70)	70,674.30	67,445.26	3,229.04
Purchased Professional Services	1,967.00	0.27	1,967.27	1,967.27	
Purchased Technical Services	16,822.00	11,512.70	28,334.70	28,334.70	
Miscellaneous Purchased Services	2,513.00	(394.87)	2,118.13	2,118.13	
Supplies and Materials	2,076.00	889.64	2,965.64	2,965.64	
Miscellaneous Expenditures	1,320.00	(5.00)	1,315.00	1,315.00	
Total Undistributed Expenditures - Central Services	212,624.00	10,972.00	223,596.00	220,366.96	3,229.04
Undistributed Expenditures - Required Maintenance for School Facilities:					
Other Salaries	171,884.50		171,884.50	149,484.15	22,400.35
Cleaning, Repair, and Maintenance Services	133,429.00	(16,547.93)	116,881.07	115,741.10	1,139.97
Total Undistributed Expenditures - Required Maintenance for School Facilities	305,313.50	(16,547.93)	288,765.57	265,225.25	23,540.32
Undistributed Expenditures - Custodial Services:					
Salaries-Secretary/Clerk	18,914.00		18,914.00	18,914.00	
Salaries-Non-Instructional Aides	20,458.00		20,458.00	16,834.14	3,623.86
Other Salaries	290,568.50	665.00	291,233.50	263,798.62	27,434.88
Purchased Professional and Technical Services	6,362.00	144.96	6,506.96	6,506.96	
Cleaning, Repair, and Maintenance	20,902.00		20,902.00	16,834.50	4,067.50
Other Purchased Property Services	2,917.00	(144.96)	2,772.04	2,029.89	742.15
Insurance	44,353.00	(13.00)	44,340.00	41,495.00	2,845.00
Miscellaneous Purchased Services	300.00		300.00	291.68	8.32
General Supplies	71,819.00	18,262.30	90,081.30	90,081.30	
Natural Gas	55,114.00	2,662.94	57,776.94	57,626.94	150.00
Energy (Heat and Electricity)	204,371.00	(4,377.31)	199,993.69	188,564.90	11,428.79
Miscellaneous Expenditures	395.00	13.00	408.00	408.00	
Total Undistributed Expenditures - Custodial Services	736,473.50	17,212.93	753,686.43	703,385.93	50,300.50
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	7,094.00		7,094.00	7,094.00	
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	7,094.00		7,094.00	7,094.00	
Aid in Lieu - Non-Public	31,824.00		32,081.00	32,081.00	
Aid in Lieu - School Choice	10,608.00	257.00	11,000.00	11,000.00	
Contracted Services (Between Home and School) - Vendors	357,438.00	(493.00)	356,945.00	262,984.51	93,960.49

(Continued)

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services (Cont'd):					
Contracted Services (Other Than Between Home and School) - Vendors	\$ 8,000.00	\$ 483.00	\$ 8,483.00	\$ 8,483.00	
Contracted Services (Special Education) - Vendors	336,499.00	(639.00)	335,860.00	308,135.29	\$ 27,724.71
Contracted Services (Special Education) - Joint Agreements	7,156.00	(67.67)	7,088.33	7,030.75	57.58
Miscellaneous Purchased Services - Transportation	5,012.00	143.81	5,155.81	5,155.81	
General Supplies	400.00	(76.14)	323.86	323.86	
Total Undistributed Expenditures - Student Transportation Services	771,125.00	0.00	771,125.00	649,382.22	121,742.78
Unallocated Benefits - Employee Benefits:					
Group Insurance	1,885.00		1,885.00	632.02	1,252.98
Social Security Contributions	134,211.00		134,211.00	109,058.46	25,152.54
Other Retirement Contributions - Regular	170,994.00		170,994.00	160,727.69	10,266.31
Unemployment Compensation	22,384.00		22,384.00	21,760.33	623.67
Worker's Compensation	65,898.00		65,898.00	63,055.00	2,843.00
Health Benefits	1,456,989.00	(24,970.50)	1,432,018.50	1,314,792.62	117,225.88
Tuition Reimbursement	21,000.00		21,000.00	13,875.99	7,124.01
Other Employee Benefits	5,293.00		5,293.00	5,230.00	63.00
Total Unallocated Benefits - Employee Benefits	1,878,654.00	(24,970.50)	1,853,683.50	1,689,132.11	164,551.39
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)					
Normal Cost				550,847.00	(550,847.00)
Non-Contributory Insurance				13,368.00	(13,368.00)
Post-Retirement Medical				364,414.00	(364,414.00)
Long-Term Disability Insurance Contribution				599.00	(599.00)
Reimbursed T.P.A.F. Social Security Contributions (Non-Budgeted)				277,811.22	(277,811.22)
Total On-Behalf T.P.A.F. Social Security/Pension Contributions	-	-	-	1,207,039.22	(1,207,039.22)
Total Undistributed Expenditures	7,937,994.59	74,560.84	8,012,555.43	8,732,590.31	(720,034.88)
Other Current Expense					
Interest Earned on Maintenance Reserve	500.00		500.00		500.00
Increase in Maintenance Reserve	10,000.00		10,000.00		10,000.00
Total Other Current Expense	10,500.00	-	10,500.00	-	10,500.00
Total Current Expense	11,757,291.52	-	11,757,291.52	12,371,106.80	(613,815.28)
Capital Expenditures:					
Increase in Capital Reserve	15,000.00		15,000.00		15,000.00
Interest Deposit to Capital Reserve	1,500.00		1,500.00		1,500.00
Assessment for Debt Service on SDA Funding	2,097.00		2,097.00	2,097.00	
Total Capital Expenditures	18,597.00	-	18,597.00	2,097.00	16,500.00
Total Capital Outlay	18,597.00	-	18,597.00	2,097.00	16,500.00
Special Schools:					
Summer School - Instruction					
Salaries of Teachers	12,300.00	859.50	13,159.50	13,159.50	
Other Salaries for Instruction	6,150.00	(859.50)	5,290.50	4,455.00	835.50
Total Special Schools	18,450.00	-	18,450.00	17,614.50	835.50
Total Expenditures	11,794,338.52	-	11,794,338.52	12,390,818.30	(596,479.78)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(587,005.52)	-	(587,005.52)	342,628.04	929,633.56
Fund Balances, July 1	1,964,359.27		1,964,359.27	1,964,359.27	
Fund Balances, June 30	\$ 1,377,353.75	\$ -	\$ 1,377,353.75	\$ 2,306,987.31	\$ 929,633.56

Recapitulation:

Restricted:					
Capital Reserve				\$ 511,707.07	
Maintenance Reserve				171,420.05	
Excess Surplus				715,603.73	
Excess Surplus Designated for Subsequent Year's Expenditures				311,426.13	
Assigned:					
Designated for Subsequent Year's Expenditures:					
General Fund Balance				213,661.87	
Encumbrances				12,374.46	
Unassigned Fund Balance				370,794.00	
				<u>2,306,987.31</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				92,533.00	
				<u>\$ 2,214,454.31</u>	

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ending June 30, 2018

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
State Sources	\$ 76,038.00	\$ 59,093.21	\$ (16,944.79)
Federal Sources	344,316.80	344,316.80	
Other Sources	<u>19,242.42</u>	<u>19,242.42</u>	
Total Revenues	<u>439,597.22</u>	<u>422,652.43</u>	<u>(16,944.79)</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	96,825.90	96,825.90	
Salaries for Other Instruction	13,325.92	13,325.92	
Purchased Educational Services	174.08	174.08	
Tuition	223,116.29	206,266.91	16,849.38
General Supplies	<u>25,710.41</u>	<u>25,615.00</u>	<u>95.41</u>
Total Instruction	<u>359,152.60</u>	<u>342,207.81</u>	<u>16,944.79</u>
Support Services:			
Other Employee Benefits	23,905.50	23,905.50	
Purchased Educational Services	8,342.00	8,342.00	
Purchased Technical Services	34,063.00	34,063.00	
Supplies and Materials	2,776.59	2,776.59	
General Supplies	<u>11,357.53</u>	<u>11,357.53</u>	
Total Support Services	<u>80,444.62</u>	<u>80,444.62</u>	<u>-</u>
Total Expenditures	<u>439,597.22</u>	<u>422,652.43</u>	<u>16,944.79</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ending June 30, 2018

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 12,733,446.34	\$ 422,652.43
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(619.54)
Prior Year		-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2017.	85,363.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2018.	<u>(92,533.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ <u>12,726,276.34</u>	\$ <u>422,032.89</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,390,818.30	\$ 422,652.43
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(619.54)
Prior Year		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ <u>12,390,818.30</u>	\$ <u>422,032.89</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0160188999%	0.0144700660%	0.0145286006%	0.0160969580%	0.0164384018%
School District's Proportionate Share of the Net Pension Liability	\$ 3,728,944.00	\$ 4,285,619.00	\$ 3,261,380.00	\$ 3,013,791.00	\$ 3,141,705.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,140,544.00	\$ 1,106,244.00	\$ 1,078,628.00	\$ 1,194,860.00	\$ 1,213,828.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	326.94%	387.40%	302.36%	252.23%	258.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 153,574.00	\$ 148,398.00	\$ 128,550.00	\$ 124,907.00	\$ 132,701.00
Contributions in Relation to the Contractually Required Contribution	<u>(153,574.00)</u>	<u>(148,398.00)</u>	<u>(128,550.00)</u>	<u>(124,907.00)</u>	<u>(132,701.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,063,641.00	\$ 1,079,644.00	\$ 1,026,998.00	\$ 1,024,255.00	\$ 1,013,312.00
Contributions as a Percentage of School District's Covered Payroll	14.44%	13.75%	12.52%	12.19%	13.10%

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

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

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>25,263,725.00</u>	<u>28,743,185.00</u>	<u>23,507,918.00</u>	<u>19,308,404.00</u>	<u>18,698,603.00</u>
	<u>\$ 25,263,725.00</u>	<u>\$ 28,743,185.00</u>	<u>\$ 23,507,918.00</u>	<u>\$ 19,308,404.00</u>	<u>\$ 18,698,603.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 4,554,444.00	\$ 4,603,572.00	\$ 4,300,536.00	\$ 4,308,556.00	\$ 4,158,024.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	554.70%	624.37%	546.63%	448.14%	449.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

	Measurement Date Ending <u>June 30,</u> <u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	
Changes for the Year:	
Service Cost	\$ 1,047,551.00
Interest Cost	838,600.00
Changes in Assumptions	(3,580,873.00)
Gross Benefit Payments	(611,153.00)
Member Contributions	<u>22,504.00</u>
Net Change in Total Non-Employer OPEB Liability	(2,283,371.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>28,669,273.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 26,385,902.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 4,993,011.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	528.46%

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

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2018

Changes of Benefit Terms - None

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ending June 30, 2018

	Title I - A	Title II - A	Title IV - A	I.D.E.A. Part B	I.D.E.A. Part B Pre-School	Speech	Non Public Nursing	Security	Total Carried Forward
REVENUES:									
State Sources						\$ 28,933.75	\$ 8,342.00	\$ 6,450.00	\$ 43,725.75
Federal Sources	\$ 106,402.00	\$ 15,175.00	\$ 10,000.00	\$ 163,882.80	\$ 9,857.00				305,316.80
Local Sources									-
Total Revenues	<u>106,402.00</u>	<u>15,175.00</u>	<u>10,000.00</u>	<u>163,882.80</u>	<u>9,857.00</u>	<u>28,933.75</u>	<u>8,342.00</u>	<u>6,450.00</u>	<u>349,042.55</u>
EXPENDITURES:									
Instruction:									
Salaries of Teachers	84,563.00				7,701.00				92,264.00
Salaries for Other Instruction									-
Purchased Educational Services									-
Tuition				144,263.29		28,933.75			173,197.04
General Supplies	89.50		8,330.00	384.51					8,804.01
Total Instruction	<u>84,652.50</u>	<u>-</u>	<u>8,330.00</u>	<u>144,647.80</u>	<u>7,701.00</u>	<u>28,933.75</u>	<u>-</u>	<u>-</u>	<u>274,265.05</u>
Support Services:									
Employee Benefits	21,749.50				2,156.00				23,905.50
Purchased Educational Services							8,342.00		8,342.00
Purchased Technical Services		14,828.00		19,235.00					34,063.00
General Supplies		347.00	1,670.00					6,450.00	8,467.00
Total Support Services	<u>21,749.50</u>	<u>15,175.00</u>	<u>1,670.00</u>	<u>19,235.00</u>	<u>2,156.00</u>	<u>-</u>	<u>8,342.00</u>	<u>6,450.00</u>	<u>74,777.50</u>
Total Expenditures	<u>\$ 106,402.00</u>	<u>\$ 15,175.00</u>	<u>\$ 10,000.00</u>	<u>\$ 163,882.80</u>	<u>\$ 9,857.00</u>	<u>\$ 28,933.75</u>	<u>\$ 8,342.00</u>	<u>\$ 6,450.00</u>	<u>\$ 349,042.55</u>

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ending June 30, 2018

	Total Brought Forward	Non Public			Italian Heritage Grant	Whole Kids Foundation	Insurance Safety Grant	Totals
		Basic Skills	Non Public Textbooks	Non Public Technology				
REVENUES:								
State Sources	\$ 43,725.75	\$ 7,569.87	\$ 4,672.79	\$ 3,124.80				\$ 59,093.21
Federal Sources	305,316.80							305,316.80
Local Sources					\$ 5,561.90	\$ 417.33	\$ 2,776.59	8,755.82
Total Revenues	349,042.55	7,569.87	4,672.79	3,124.80	5,561.90	417.33	2,776.59	373,165.83
EXPENDITURES:								
Instruction:								
Salaries of Teachers	92,264.00				4,561.90			96,825.90
Salaries for Other Instruction								-
Purchased Educational Services								-
Tuition	173,197.04	7,569.87						180,766.91
General Supplies	8,804.01		4,672.79	3,124.80	1,000.00	13.40		17,615.00
Total Instruction	274,265.05	7,569.87	4,672.79	3,124.80	5,561.90	13.40	-	295,207.81
Support Services:								
Other Employee Benefits	23,905.50							23,905.50
Purchased Educational Services	8,342.00							8,342.00
Purchased Technical Services	34,063.00							34,063.00
Supplies and Materials							2,776.59	2,776.59
General Supplies	8,467.00					403.93		8,870.93
Total Support Services	74,777.50	-	-	-	-	403.93	2,776.59	77,958.02
Total Expenditures	\$ 349,042.55	\$ 7,569.87	\$ 4,672.79	\$ 3,124.80	\$ 5,561.90	\$ 417.33	\$ 2,776.59	\$ 373,165.83

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ending June 30, 2018

	Total Brought Forward	Emergency Impact Aid	Broad Street Challenge 2017-18	Broad Street Challenge 2016-17	BASF	Totals
REVENUES:						
State Sources	\$ 59,093.21					\$ 59,093.21
Federal Sources	305,316.80	\$ 39,000.00				344,316.80
Local Sources	<u>8,755.82</u>		\$ 3,000.00	\$ 2,486.60	\$ 5,000.00	<u>19,242.42</u>
Total Revenues	<u>373,165.83</u>	<u>39,000.00</u>	<u>3,000.00</u>	<u>2,486.60</u>	<u>5,000.00</u>	<u>422,652.43</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	96,825.90					96,825.90
Salaries for Other Instruction	0.00	13,325.92				13,325.92
Purchased Educational Services	0.00	174.08				174.08
Tuition	180,766.91	25,500.00				206,266.91
General Supplies	<u>17,615.00</u>		<u>3,000.00</u>		<u>5,000.00</u>	<u>25,615.00</u>
Total Instruction	<u>295,207.81</u>	<u>39,000.00</u>	<u>3,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>342,207.81</u>
Support Services:						
Other Employee Benefits	23,905.50					23,905.50
Purchased Educational Services	8,342.00					8,342.00
Purchased Technical Services	34,063.00					34,063.00
Supplies and Materials	2,776.59					2,776.59
General Supplies	<u>8,870.93</u>			<u>2,486.60</u>		<u>11,357.53</u>
Total Support Services	<u>77,958.02</u>	<u>-</u>	<u>-</u>	<u>2,486.60</u>	<u>-</u>	<u>80,444.62</u>
Total Expenditures	<u>\$ 373,165.83</u>	<u>\$ 39,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ 2,486.60</u>	<u>\$ 5,000.00</u>	<u>\$ 422,652.43</u>

PROPRIETARY FUNDS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2018

	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Accounts Receivable:	
State	\$ 111.35
Federal	7,001.53
Other	12.50
Inventory	<u>2,433.20</u>
Total Current Assets	<u>9,558.58</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	189,492.00
Less Accumulated Depreciation	<u>(154,361.00)</u>
Total Noncurrent Assets	<u>35,131.00</u>
Total Assets	<u>44,689.58</u>
LIABILITIES:	
Current Liabilities:	
Cash Overdraft	23,282.86
Unearned Revenue	<u>3,031.75</u>
Total Current Liabilities	<u>26,314.61</u>
NET POSITION:	
Net Investment in Capital Assets	35,131.00
Unrestricted (Deficit)	<u>(16,756.03)</u>
Total Net Position	<u>\$ 18,374.97</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Propriety Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2018

	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 48,004.25
Daily Sales - Non-Reimbursable Programs	25,204.52
Other Revenue	708.19
	73,916.96
Total Operating Revenues	73,916.96
OPERATING EXPENSES:	
Cost of Goods Sold - Reimbursable Programs	75,087.96
Cost of Goods Sold - Non-Reimbursable Programs	8,296.62
Purchased Professional Services	114,343.34
Other Purchased Services	16,605.71
General Supplies	7,802.87
Depreciation	6,421.00
	228,557.50
Total Operating Expenses	228,557.50
Operating Loss	(154,640.54)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	1,888.15
Federal Sources:	
National School Lunch Program	74,426.78
National School Breakfast Program	41,903.41
Food Distribution Program	13,040.56
	131,258.90
Total Non Operating Revenues (Expenses)	131,258.90
Change in Net Position	(23,381.64)
Net Position -- July 1	41,756.61
Net Position -- June 30	\$ 18,374.97

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Propriety Fund
Statement of Cash Flows
For the Fiscal Year Ending June 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 73,957.18
Payments to Suppliers	<u>(221,916.01)</u>
Net Cash Used for Operating Activities	<u>(147,958.83)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	1,838.95
Federal Sources	<u>126,568.01</u>
Net Cash Provided by Non-Capital Financing Activities	<u>128,406.96</u>
Net Increase in Cash and Cash Equivalents	(19,551.87)
Cash and Cash Equivalents -- July 1	<u>(3,730.99)</u>
Cash and Cash Equivalents -- June 30	<u>\$ (23,282.86)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (154,640.54)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,421.00
Decrease in Inventory	220.49
Increase in Unearned Revenue	<u>40.22</u>
Total Adjustments	<u>6,681.71</u>
Net Cash Used for Operating Activities	<u>\$ (147,958.83)</u>

FIDUCIARY FUNDS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2018

	Agency Funds		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 15,066.26	\$ 1,936.12	\$ 17,002.38
Total Assets	<u>\$ 15,066.26</u>	<u>\$ 1,936.12</u>	<u>\$ 17,002.38</u>
LIABILITIES:			
Payable to Student Groups	\$ 15,066.26		\$ 15,066.26
Payroll Deductions and Withholdings	<u> </u>	<u>\$ 1,936.12</u>	<u> </u>
Total Liabilities	<u>\$ 15,066.26</u>	<u>\$ 1,936.12</u>	<u>\$ 17,002.38</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ending June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Elementary and Middle Schools:				
Dance	\$ 2,683.35		\$ 2,683.35	
Grade 8	2,246.55	\$ 9,160.10	7,600.50	\$ 3,806.15
Class Gift	564.02		150.00	414.02
Graduation Award	625.00	2,225.00	2,175.00	675.00
NMS PTA	495.13	1.02		496.15
Miscellaneous	2,812.85	1,713.00	1,631.65	2,894.20
Silvestro	373.56		50.00	323.56
Rizzo	1,122.07		50.00	1,072.07
Hutchinson	275.00		50.00	225.00
L. Muraca	750.00		50.00	700.00
Pep Club	553.86	1,068.35	30.00	1,592.21
Music	2,014.27			2,014.27
BSS	434.49	419.14		853.63
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>14,950.15</u>	\$ <u>14,586.61</u>	\$ <u>14,470.50</u>	\$ <u>15,066.26</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ending June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	<u> </u>	\$ <u>5,881,298.26</u>	\$ <u>5,879,362.14</u>	\$ <u>1,936.12</u>
Total Assets	\$ <u> - </u>	\$ <u>5,881,298.26</u>	\$ <u>5,879,362.14</u>	\$ <u>1,936.12</u>
Payroll Deductions and Withholdings		\$ 2,704,098.06	\$ 2,702,161.94	\$ 1,936.12
Net Payroll		<u>3,177,200.20</u>	<u>3,177,200.20</u>	
Total Liabilities	\$ <u> - </u>	\$ <u>5,881,298.26</u>	\$ <u>5,879,362.14</u>	\$ <u>1,936.12</u>

STATISTICAL SECTION

Financial Trends Information

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

Township of Greenwich School District
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in Capital Assets	\$ 1,742,412.27	\$ 1,588,669.00	\$ 1,704,250.00	\$ 2,121,157.76	\$ 2,252,288.31	\$ 2,412,452.02	\$ 2,571,392.80	\$ 2,778,382.62	\$ 2,626,132.68	\$ 2,829,585.37
Restricted	1,710,156.98	1,280,479.39	1,351,325.01	1,930,635.17	2,057,170.94	1,976,916.30	1,706,396.44	1,050,043.26	1,123,334.88	718,721.89
Unrestricted (Deficit)	(3,059,925.56)	(2,865,110.49)	(2,973,997.24)	(2,941,771.72)	204,845.28	175,902.90	193,430.46	52,491.89	97,855.92	40,278.14
Total Governmental Activities Net Position	\$ 392,643.69	\$ 4,037.90	\$ 81,577.77	\$ 1,110,021.21	\$ 4,514,304.53	\$ 4,565,271.22	\$ 4,471,219.70	\$ 3,880,917.77	\$ 3,847,323.48	\$ 3,588,585.40
Business-type Activities										
Net Investment in Capital Assets	\$ 35,131.00	\$ 41,552.00	\$ 47,973.00	\$ 24,466.02	\$ 10,428.88	\$ 9,161.81	\$ 11,969.08	\$ 16,647.35	\$ 19,972.80	\$ 25,925.41
Unrestricted (Deficit)	(16,756.03)	204.61	5,360.04	5,126.17	694.22	(20,590.17)	(11,313.93)	8,185.30	13,875.49	18,732.52
Total Business-type Activities Net Position	\$ 18,374.97	\$ 41,756.61	\$ 53,333.04	\$ 29,592.19	\$ 11,123.10	\$ (11,428.36)	\$ 655.15	\$ 24,832.65	\$ 33,848.29	\$ 44,657.93
Government-wide										
Net Investment in Capital Assets	\$ 1,777,543.27	\$ 1,630,221.00	\$ 1,752,223.00	\$ 2,145,623.78	\$ 2,262,717.19	\$ 2,421,613.83	\$ 2,583,361.88	\$ 2,795,029.97	\$ 2,646,105.48	\$ 2,855,510.78
Restricted	1,710,156.98	1,280,479.39	1,351,325.01	1,930,635.17	2,057,170.94	1,976,916.30	1,706,396.44	1,050,043.26	1,123,334.88	718,721.89
Unrestricted (Deficit)	(3,076,681.59)	(2,864,905.88)	(2,968,637.20)	(2,936,645.55)	205,539.50	155,312.73	182,116.53	60,677.19	111,731.41	59,010.66
Total Government-wide Net Position	\$ 411,018.66	\$ 45,794.51	\$ 134,910.81	\$ 1,139,613.40	\$ 4,525,427.63	\$ 4,553,842.86	\$ 4,471,874.85	\$ 3,905,750.42	\$ 3,881,171.77	\$ 3,633,243.33

Source: District Records

NOTES:

(1) Source: CAFR Exhibit A-1

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

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,794,604.54	\$ 2,883,798.58	\$ 3,044,884.18	\$ 2,926,615.18	\$ 2,814,393.12	\$ 2,589,561.26	\$ 2,775,484.08	\$ 2,714,020.21	\$ 2,911,487.39	\$ 2,886,085.49
Special Education	1,061,673.43	863,590.73	1,029,439.58	1,012,238.35	1,018,773.43	1,083,654.26	1,071,386.87	1,051,797.69	951,350.65	813,305.56
Other Special Education	129,537.23	117,768.52	133,305.21	131,098.70	125,970.77	118,105.00	109,245.57	134,194.11	169,382.24	104,951.34
Other Instruction	1,024.00	924.00	1,013.50	1,571.89	2,260.50	1,844.00	2,660.00	1,957.00	840.00	7,724.50
School Sponsored Co-curricular Activities	17,673.56	16,924.63	14,140.00	13,611.30	12,733.57	12,674.09	20,096.95	29,557.82		
Support Services:										
Tuition	2,177,616.58	2,368,282.61	2,322,603.74	2,215,229.60	2,116,428.30	2,128,543.43	2,427,870.74	2,189,500.78	1,734,771.38	1,562,177.58
Student & Instruction Related Services	1,125,387.17	1,217,604.41	1,417,071.82	1,312,204.80	1,247,545.29	1,149,806.92	1,186,648.79	1,174,227.52	1,369,376.97	1,368,882.45
General Administrative Services	337,593.19	331,218.31	353,671.56	466,576.97	484,204.82	429,404.95	552,104.38	316,063.45	157,615.60	154,574.71
School Administrative Services	170,322.41	166,403.75	161,114.94	201,231.20	201,025.52	192,831.15	159,580.27	155,309.41	202,034.39	207,690.62
Central Services	220,366.96	207,917.48	207,744.36	191,261.46	187,360.65	194,326.32	214,491.53	211,185.21	206,820.00	297,820.81
Plant Operations and Maintenance	979,696.18	962,712.35	1,005,515.72	1,053,954.96	1,016,898.20	919,470.18	963,031.37	930,356.22	887,965.96	960,890.08
Pupil Transportation	649,382.22	807,383.65	692,946.86	564,718.84	595,637.94	640,965.27	682,971.38	674,217.69	595,587.57	502,725.26
Unallocated Benefits	5,315,918.85	4,687,695.71	3,815,823.80	3,324,918.07	2,287,958.38	2,487,755.42	2,329,846.51	2,532,870.74	2,277,647.92	2,429,608.90
Transfer to Cover School Deficit - Food Service			10,000.00	27,946.47						
Special Schools	17,614.50	17,917.50			716.00		2,032.50	750.00	2,246.50	2,696.00
Support Services:	80,444.62									
Capital Outlay				2,097.00	2,097.00	5,209.00	6.00	979.00		
Unallocated Depreciation									203,452.69	174,311.43
Total Governmental Activities Expenses	<u>15,078,855.44</u>	<u>14,650,142.23</u>	<u>14,209,275.27</u>	<u>13,445,274.79</u>	<u>12,114,003.49</u>	<u>11,954,151.25</u>	<u>12,497,456.94</u>	<u>12,116,986.85</u>	<u>11,670,579.26</u>	<u>11,473,444.73</u>
Business-type Activities:										
Food Service	228,557.50	220,234.11	239,446.47	214,202.56	200,367.32	218,226.55	213,065.90	205,131.87	310,533.03	321,855.59
Total Business-type Activities Expense	<u>228,557.50</u>	<u>220,234.11</u>	<u>239,446.47</u>	<u>214,202.56</u>	<u>200,367.32</u>	<u>218,226.55</u>	<u>213,065.90</u>	<u>205,131.87</u>	<u>310,533.03</u>	<u>321,855.59</u>
Total Government Expenses	<u>\$ 15,307,412.94</u>	<u>\$ 14,870,376.34</u>	<u>\$ 14,448,721.74</u>	<u>\$ 13,659,477.35</u>	<u>\$ 12,314,370.81</u>	<u>\$ 12,172,377.80</u>	<u>\$ 12,710,522.84</u>	<u>\$ 12,322,118.72</u>	<u>\$ 11,981,112.29</u>	<u>\$ 11,795,300.32</u>
Program Revenues										
Governmental Activities:										
Charges for Services:						35,297.15	117,309.00	127,229.56	159,397.66	92,247.99
Operating Grants and Contributions	\$ 3,933,233.11	\$ 3,144,081.10	\$ 2,455,801.53	\$ 2,025,301.33	\$ 1,096,234.65	1,151,682.83	1,054,190.88	983,261.52	1,141,635.18	981,169.31
Total Governmental Activities Program Revenues	<u>3,933,233.11</u>	<u>3,144,081.10</u>	<u>2,455,801.53</u>	<u>2,025,301.33</u>	<u>1,096,234.65</u>	<u>1,186,979.98</u>	<u>1,171,499.88</u>	<u>1,110,491.08</u>	<u>1,301,032.84</u>	<u>1,073,417.30</u>
Business-type activities:										
Charges for services										
Food Service	73,916.96	78,550.74	92,707.23	86,357.79	85,372.71	92,458.01	101,913.47	111,227.87	87,825.54	110,376.52
Operating Grants and Contributions	131,258.90	130,106.43	130,547.04	118,367.39	104,572.45	113,685.03	86,974.93	73,989.50	71,587.46	60,030.84
Total Business-type Activities Program Revenues	<u>205,175.86</u>	<u>208,657.17</u>	<u>223,254.27</u>	<u>204,725.18</u>	<u>189,945.16</u>	<u>206,143.04</u>	<u>188,888.40</u>	<u>185,217.37</u>	<u>159,413.00</u>	<u>170,407.36</u>
Total Government Program Revenues	<u>\$ 4,138,408.97</u>	<u>\$ 3,352,738.27</u>	<u>\$ 2,679,055.80</u>	<u>\$ 2,230,026.51</u>	<u>\$ 1,286,179.81</u>	<u>\$ 1,393,123.02</u>	<u>\$ 1,360,388.28</u>	<u>\$ 1,295,708.45</u>	<u>\$ 1,460,445.84</u>	<u>\$ 1,243,824.66</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (11,145,622.33)	\$ (11,506,061.13)	\$ (11,753,473.74)	\$ (11,419,973.46)	\$ (11,017,768.84)	\$ (10,767,171.27)	\$ (11,325,957.06)	\$ (11,006,495.77)	\$ (10,369,546.42)	\$ (10,400,027.43)
Business-type Activities	<u>(23,381.64)</u>	<u>(11,576.94)</u>	<u>(16,192.20)</u>	<u>(9,477.38)</u>	<u>(10,422.16)</u>	<u>(12,083.51)</u>	<u>(24,177.50)</u>	<u>(19,914.50)</u>	<u>(151,120.03)</u>	<u>(151,448.23)</u>
Total Government-wide Net Expense	<u>\$ (11,169,003.97)</u>	<u>\$ (11,517,638.07)</u>	<u>\$ (11,769,665.94)</u>	<u>\$ (11,429,450.84)</u>	<u>\$ (11,028,191.00)</u>	<u>\$ (10,779,254.78)</u>	<u>\$ (11,350,134.56)</u>	<u>\$ (11,026,410.27)</u>	<u>\$ (10,520,666.45)</u>	<u>\$ (10,551,475.66)</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Net Property Taxes Levied for General Purposes	\$ 10,088,895.00	\$ 9,891,074.00	\$ 9,697,131.00	\$ 9,757,131.00	\$ 9,565,815.00	\$ 9,447,453.00	\$ 9,965,604.00	\$ 9,770,201.00	\$ 9,394,424.00	\$ 9,033,100.00
Unrestricted Grants and Contributions	1,246,113.81	1,343,898.09	1,246,679.61	1,248,801.76	1,178,104.49	1,155,499.34	1,323,388.28	1,050,200.96	1,160,902.21	1,381,900.90
Tuition	168,232.78	48,290.83	125,489.05	118,173.09	206,400.00	217,680.00	256,295.00	215,231.16	153,386.02	83,655.80
Investment Earnings									3,171.24	1,382.42
Miscellaneous Income	30,986.53	15,813.34	25,483.57	33,289.29	49,456.28	40,590.45	344,871.71	55,119.01	36,643.25	62,515.78
Transfers					(32,973.62)			(11,402.21)	(139,996.00)	(145,641.81)
Other							26,100.00	(39,259.86)	19,753.78	386,904.18
Special Item										
Adjustment to OPEB Liability		129,445.00								
Total Governmental Activities	<u>11,534,228.12</u>	<u>11,428,521.26</u>	<u>11,094,783.23</u>	<u>11,157,395.14</u>	<u>10,966,802.15</u>	<u>10,861,222.79</u>	<u>11,916,258.99</u>	<u>11,040,090.06</u>	<u>10,628,284.50</u>	<u>10,803,817.27</u>
Business-type Activities:										
Investment Earnings									249.46	89.32
Miscellaneous Income		0.51	5.07						74.93	51.12
Other								(503.35)		2,960.00
Transfers			10,000.00	27,946.47	32,973.62			11,402.21	139,996.00	145,641.81
Total Business-type Activities	<u>-</u>	<u>0.51</u>	<u>10,005.07</u>	<u>27,946.47</u>	<u>32,973.62</u>	<u>-</u>	<u>-</u>	<u>10,898.86</u>	<u>140,320.39</u>	<u>148,742.25</u>
Total Government-wide	<u>\$ 11,534,228.12</u>	<u>\$ 11,428,521.77</u>	<u>\$ 11,104,788.30</u>	<u>\$ 11,185,341.61</u>	<u>\$ 10,999,775.77</u>	<u>\$ 10,861,222.79</u>	<u>\$ 11,916,258.99</u>	<u>\$ 11,050,988.92</u>	<u>\$ 10,768,604.89</u>	<u>\$ 10,952,559.52</u>
Change in Net Position										
Governmental Activities	\$ 388,605.79	\$ (77,539.87)	\$ (658,690.51)	\$ (262,578.32)	\$ (50,966.69)	\$ 94,051.52	\$ 590,301.93	\$ 33,594.29	\$ 258,738.08	\$ 403,789.84
Business-type Activities	(23,381.64)	(11,576.43)	(6,187.13)	18,469.09	22,551.46	(12,083.51)	(24,177.50)	(9,015.64)	(10,799.64)	(2,705.98)
Total Government	<u>\$ 365,224.15</u>	<u>\$ (89,116.30)</u>	<u>\$ (664,877.64)</u>	<u>\$ (244,109.23)</u>	<u>\$ (28,415.23)</u>	<u>\$ 81,968.01</u>	<u>\$ 566,124.43</u>	<u>\$ 24,578.65</u>	<u>\$ 247,938.44</u>	<u>\$ 401,083.86</u>
Source: District Records										

NOTES:

- (1) Source: CAFR Exhibit A-2
(2) For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011(1)</u>	<u>2010</u>	<u>2009</u>
General Fund										
Reserved									\$ 1,122,884.88	\$ 718,721.89
Unreserved									164,572.00	126,748.00
Restricted	\$ 1,710,156.98	\$ 1,280,479.39	\$ 1,340,411.85	\$ 1,930,635.17	\$ 2,057,170.94	\$ 1,976,916.30	\$ 1,706,396.44	\$ 1,050,043.26		
Assigned	226,036.33	275,917.88	187,394.63	204,513.67	226,677.38	230,368.83	189,925.55	90,367.25		
Unassigned	<u>278,261.00</u>	<u>322,599.00</u>	<u>241,538.00</u>	<u>214,309.00</u>	<u>197,914.00</u>	<u>202,089.00</u>	<u>211,106.00</u>	<u>183,478.00</u>		
Total General Fund	<u>\$ 2,214,454.31</u>	<u>\$ 1,878,996.27</u>	<u>\$ 1,769,344.48</u>	<u>\$ 2,349,457.84</u>	<u>\$ 2,481,762.32</u>	<u>\$ 2,409,374.13</u>	<u>\$ 2,107,427.99</u>	<u>\$ 1,323,888.51</u>	<u>\$ 1,287,456.88</u>	<u>\$ 845,469.89</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund										
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) - GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Local Tax Levy	\$ 10,088,895.00	\$ 9,891,074.00	\$ 9,697,131.00	\$ 9,757,131.00	\$ 9,565,815.00	\$ 9,447,453.00	\$ 9,965,604.00	\$ 9,770,201.00	\$ 9,394,424.00	\$ 9,033,100.00
Tuition Charges	168,232.78	48,290.83	125,489.05	118,173.09	206,400.00	217,680.00	256,295.00	215,231.16	153,386.02	83,655.80
Interest	4,004.74	2,605.12			14,214.66	4,518.84	2,563.24	109.51	559.29	1,382.42
Miscellaneous	45,604.67	19,704.41	38,169.94	53,568.40	44,091.31	41,879.92	352,371.47	67,913.50	39,255.20	62,515.78
State Sources	2,490,042.43	2,415,217.18	2,186,854.44	2,107,773.28	1,931,218.92	2,004,885.34	2,020,336.82	1,673,071.17	1,854,077.73	2,101,681.64
Federal Sources	351,529.61	328,081.82	360,108.33	308,159.70	334,270.53	296,488.52	347,179.34	347,487.31	448,459.66	261,388.57
Total Revenue	13,148,309.23	12,704,973.36	12,407,752.76	12,344,805.47	12,096,010.42	12,012,905.62	12,944,349.87	12,074,013.65	11,890,161.90	11,543,724.21
Expenditures										
Instruction										
Regular Instruction	2,770,196.54	2,859,390.58	3,020,476.18	2,922,128.73	2,809,731.67	2,584,656.97	2,758,196.10	2,710,789.89	2,911,487.39	2,886,085.49
Special Education Instruction	1,061,673.43	863,590.73	1,029,439.58	1,012,238.35	1,018,773.43	1,048,357.11	954,077.87	935,604.50	834,822.46	813,305.56
Other Special Instruction	129,537.23	117,768.52	133,305.21	131,098.70	125,970.77	118,105.00	109,245.57	134,194.11	169,382.24	104,951.34
Other Instruction	1,024.00	924.00	1,013.50	1,571.89	2,260.50	1,844.00	2,660.00	1,957.00	840.00	7,724.50
School Sponsored Co-curricular Activities	17,673.56	16,924.63	14,140.00	13,611.30	12,733.57	12,674.09	20,096.95	29,557.82		
Support Services:										
Tuition	2,177,616.58	2,368,282.61	2,322,603.74	2,215,229.60	2,116,428.30	2,128,543.43	2,427,870.74	2,189,500.78	1,734,771.38	1,562,177.58
Student & Instruction Related Services	1,400,138.17	1,137,842.03	1,351,796.03	1,240,547.05	1,194,964.60	1,084,436.61	1,114,344.77	1,109,830.24	1,349,810.29	1,306,931.67
General Administrative Services	257,266.46	256,318.31	278,771.56	324,474.84	336,056.48	280,757.36	349,765.51	218,552.30	157,615.60	154,574.71
School Administrative Services	163,037.41	159,118.75	153,829.94	195,574.00	195,253.32	186,943.95	153,596.40	148,647.98	206,820.00	297,820.81
Central Services	220,366.96	207,917.48	207,744.36	191,261.46	187,360.65	194,326.32	214,491.53	200,148.84	202,034.39	207,690.62
Plant Operations and Maintenance	968,611.18	951,627.35	994,430.72	1,048,112.93	1,012,851.48	915,274.48	958,781.98	927,373.30	887,965.96	960,890.08
Pupil Transportation	649,382.22	807,383.65	692,946.86	564,718.84	595,637.94	640,965.27	666,476.17	645,353.95	572,284.78	500,487.86
Unallocated Employee Benefits	1,689,132.11	1,689,963.40	1,719,363.60	1,684,424.66	1,645,930.68	1,654,147.68	1,693,419.35	1,837,671.91	2,277,647.92	2,401,549.09
Transfer to Cover School Deficit - Food Service			10,000.00	27,946.47						
On-Behalf Pension Contributions	929,228.00	773,055.00	640,869.00	520,300.00	403,413.00	509,385.00	375,459.00	265,499.00		
Reimbursed TPAF Social Security	277,811.22	285,437.14	280,493.26	283,159.19	275,423.46	275,268.90	274,720.43	275,062.55		
Other Support Services	80,444.62	79,762.38	65,275.79	71,657.75	52,580.69	70,064.31	72,304.02	64,397.28		
Capital Outlay	2,097.00	2,097.00	71,367.30	29,054.26	4,562.00	5,209.00	13,271.50	103,832.00		389,787.10
Special Schools	17,614.50	17,917.50			716.00		2,032.50	750.00	2,246.50	2,696.00
Total Expenditures	12,812,851.19	12,595,321.06	12,987,866.63	12,477,110.02	11,990,648.54	11,710,959.48	12,160,810.39	11,798,723.45	11,307,728.91	11,596,672.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	335,458.04	109,652.30	(580,113.87)	(132,304.55)	105,361.88	301,946.14	783,539.48	275,290.20	582,432.99	(52,948.20)
Other Financing Sources (Uses)										
Transfers In/(Out)					(32,973.62)			(11,402.21)	(139,996.00)	(145,641.81)
Prior Period Adjustment(s)								(227,906.36)		
Total Other Financing Sources (Uses)	-	-	-	-	(32,973.62)	-	-	(239,308.57)	(139,996.00)	(145,641.81)
Net Change in Fund Balances	\$ 335,458.04	\$ 109,652.30	\$ (580,113.87)	\$ (132,304.55)	\$ 72,388.26	\$ 301,946.14	\$ 783,539.48	\$ 35,981.63	\$ 442,436.99	\$ (198,590.01)

Source: District Records

Greenwich Township School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Refunds									\$ 11,277.60	\$ 15,362.75
Miscellaneous	\$ 21,433.77	\$ (3,679.23)	\$ 18,556.56	\$ 33,289.29	\$ 47,329.27	\$ 38,090.45	\$ 342,308.47	\$ 55,009.50	28,536.89	29,962.90
Local Grants	18,622.88									
Prior Year Refunds	5,548.02	16,887.45	6,927.01							
Prior Year Payable Adjustment										17,190.13
	<u>\$ 45,604.67</u>	<u>\$ 13,208.22</u>	<u>\$ 25,483.57</u>	<u>\$ 33,289.29</u>	<u>\$ 47,329.27</u>	<u>\$ 38,090.45</u>	<u>\$ 342,308.47</u>	<u>\$ 55,009.50</u>	<u>\$ 39,814.49</u>	<u>\$ 62,515.78</u>

Source: District Records

Revenue Capacity Information

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

Township of Greenwich 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	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2018	\$ 10,115,500.00	\$ 298,884,700.00	\$ 1,189,900.00	\$ 416,800.00	\$ 45,623,300.00	\$ 330,634,600.00	\$ 420,000.00	\$ 687,284,800.00	\$ 66,840,406.00	\$ 754,125,206.00	\$ 777,248,809.00	\$ 1.364
2017	10,206,400.00	299,135,100.00	1,051,300.00	443,900.00	43,938,900.00	343,565,000.00	420,000.00	698,760,600.00	55,656,866.00	754,417,466.00	776,788,989.00	1.324
2016	10,240,400.00	298,420,000.00	1,366,200.00	441,300.00	48,288,100.00	339,758,934.00	420,000.00	698,934,934.00	63,999,734.00	762,934,668.00	793,731,449.00	1.283
2015	10,947,500.00	297,820,800.00	1,371,300.00	435,500.00	49,198,800.00	317,372,000.00	420,000.00	677,565,900.00	86,905,337.00	764,471,237.00	771,413,962.00	1.272
2014	12,288,100.00	298,207,400.00	1,371,300.00	402,900.00	47,964,100.00	367,441,700.00	635,000.00	728,310,500.00	86,888,487.00	815,198,987.00	883,378,535.00	1.185
2013	12,409,800.00	296,653,700.00	2,215,100.00	436,600.00	49,778,200.00	423,058,700.00	752,100.00	785,304,200.00	87,031,385.00	872,335,585.00	1,043,552,944.00	1.089
2012	7,240,787.00	186,425,250.00	1,388,300.00	465,900.00	26,235,000.00	302,711,964.00	410,300.00	524,877,501.00	44,219,302.00	569,096,803.00	1,120,269,297.00	1.508
2011	7,306,887.00	187,289,550.00	754,000.00	465,900.00	26,517,600.00	311,401,964.00	410,300.00	534,146,201.00	121,564,512.00	655,710,713.00	1,214,054,274.00	1.505
2010	7,296,887.00	187,417,950.00	754,000.00	478,000.00	27,404,800.00	311,401,964.00	410,300.00	535,163,901.00	80,726,116.00	615,890,017.00	1,092,948,121.00	1.555
2009	8,671,287.00	187,150,250.00	754,000.00	478,000.00	27,320,800.00	322,704,264.00	410,300.00	547,488,901.00	81,389,895.00	628,878,796.00	1,078,337,732.00	1.465

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

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

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Municipal Tax Assessor

Township of Greenwich School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Greenwich	County of Gloucester	
2018	\$ 1.364	-	\$ 1.364	\$ 1.049	\$ 0.771	\$ 3.184
2017	1.324	-	1.324	1.029	0.754	3.107
2016	1.283	-	1.283	1.028	0.762	3.073
2015	1.272	-	1.272	0.979	0.723	2.974
2014	1.185	-	1.185	0.929	0.732	2.846
2013	1.089	-	1.089	0.909	0.790	2.788
2012	1.508	-	1.508	1.327	1.144	3.979
2011	1.505	-	1.505	1.277	1.013	3.795
2010	1.555	-	1.555	1.277	1.050	3.882
2009	1.465	-	1.465	1.227	1.013	3.705

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

(2) Rates for debt service are based on each year's requirements.

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

Source: Municipal Tax Collector

Township of Greenwich School District
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2018			2009		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Paulsboro Refinery Company LLC	\$ 331,885,906.00	1	52.77%			
Valero Refinery Corp.				\$ 290,921,464.00	1	
Mobil Administrative Services Co.	25,973,800.00	2	4.13%	69,480,000.00	2	
Delaware River Partners LLC	19,582,500.00	3	3.11%			
E I DuPont De Nemours & Co.				12,721,200.00	3	
EM Diagnostic Services				12,500,000.00	4	
NJ Distribution Center LLC	12,252,400.00	4	1.95%	6,805,100.00	5	
Gibbstown Center Assoc. LP	8,000,000.00	5	1.27%	4,789,900.00	6	
Air Products	7,200,000.00	6	1.14%	4,000,000.00	7	
Anpesil Distribution Services				3,310,900.00	8	
Thayer Distribution	4,000,000.00	7	0.64%			
Hercules Inc.	3,408,000.00	8	0.54%	3,100,651.00	9	
Paroya Family, LLC				2,200,900.00	10	
480 S. Democrat Road LLC	3,029,900.00	9	0.48%			
Star Management LLC	2,100,000.00	10				
Total	\$ 417,432,506.00		66.04%	\$ 409,830,115.00		0.00%

Source: County Tax Assessor

Township of Greenwich School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2018	\$ 10,088,895.00	\$ 10,088,895.00	100.00%	-
2017	9,891,074.00	9,891,074.00	100.00%	-
2016	9,697,131.00	9,697,131.00	100.00%	-
2015	9,757,131.00	9,757,131.00	100.00%	-
2014	9,565,815.00	9,565,815.00	100.00%	-
2013	9,447,453.00	9,447,453.00	100.00%	-
2012	9,965,604.00	9,965,604.00	100.00%	-
2011	9,770,201.00	9,770,201.00	100.00%	-
2010	9,394,424.00	9,394,424.00	100.00%	-
2009	9,033,100.00	9,033,100.00	100.00%	-

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

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

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>			
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-

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

(1) Includes Early Retirement Incentive Plan (ERIP) refunding

(2) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2018					
2017					
2016					
2015					
2014					
2013			Not Applicable		
2012					
2011					
2010					
2009					

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit NJ J-14.

Source: District Records.

Township of Greenwich School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2017
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Greenwich	\$ 8,557,726.00	100.000%	\$ 8,557,726.00
Other debt			
County of Gloucester			
General	229,045,000.00	3.020%	6,917,159.00
Bonds Issued by Other Public Bodes Guarantee by the County	158,875,822.00	0.000%	-
Subtotal, overlapping debt			15,474,885.00
Township of Greenwich School District Direct Debt			-
Total direct and overlapping debt			<u>\$ 15,474,885.00</u>

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

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

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

Township of Greenwich School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis	
	2017	\$ 727,420,987.00
	2016	719,661,176.00
	2015	<u>704,916,667.00</u>
	[A]	<u>\$ 2,151,998,830</u>
Average equalized valuation of taxable property	[A/3]	\$ 717,332,943.33
Debt limit (4% of average equalization value) (1)	[B]	\$ 28,693,317.73
Total Net Debt Applicable to Limit	[C]	<u>-</u>
Legal Debt Margin	[B-C]	<u>\$ 28,693,317.73</u>

	Fiscal Year									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 28,693,318	\$ 28,793,369	\$ 30,648,808	\$ 33,995,078	\$ 28,661,749	\$ 29,982,166	\$ 20,069,872	\$ 29,839,042	\$ 28,549,621	\$ 27,145,593
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 28,693,318</u>	<u>\$ 28,793,369</u>	<u>\$ 30,648,808</u>	<u>\$ 33,995,078</u>	<u>\$ 28,661,749</u>	<u>\$ 29,982,166</u>	<u>\$ 20,069,872</u>	<u>\$ 29,839,042</u>	<u>\$ 28,549,621</u>	<u>\$ 27,145,593</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2018	Not Available	Not Available	Not Available	Not Available
2017	4,846	Not Available	Not Available	5.2%
2016	4,851	\$ 242,579,106.00	\$ 50,006.00	5.9%
2015	4,869	237,602,331.00	48,799.00	6.2%
2014	4,868	226,863,404.00	46,603.00	7.7%
2013	4,877	220,289,213.00	45,169.00	8.5%
2012	4,886	219,054,038.00	44,833.00	7.3%
2011	4,897	212,960,736.00	43,488.00	7.1%
2010	4,905	203,120,955.00	41,411.00	7.3%
2009	4,995	204,050,745.00	40,851.00	6.9%

Source:

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

Township of Greenwich School District
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Inspira Medical Center - Woodbury	1,825	1	1.20%			
Underwood Memorial Hospital			0.00%	1,860	1	1.27%
Rowan University	1,300	2	0.86%	1,300	2	0.88%
Kennedy University Hospital	1,200	3	0.79%	1,200	3	0.82%
Missa Bay	950	4	0.63%	750	6	0.51%
Exxon Mobil Corporation	750	5	0.49%			
U.S. Food Service	725	6	0.48%	900	4	0.61%
Godwin Pumps / ITT	640	7	0.42%	640	8	0.44%
DGI Services	600	8	0.40%			
Paulsboro Refinery LLC	600	9	0.40%			
Direct Group				850	5	0.58%
Valero Refining Co.				550	10	0.37%
Delaware Valley Floral Group	500	10	0.33%			
Sony DADC				550	9	0.37%
US Postal Service				700	7	0.48%
	<u>7,265</u>		<u>4.79%</u>	<u>9,300</u>		<u>6.33%</u>

Source: Gloucester County Department of Economic Development

Operating Information

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

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

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction										
Regular	34	35	35	28	28	28	34	34	34	45
Special education	13	13	13	11	11	11	13	13	14	14
Other special education	4	4	4	14	14	14	13	9	6	6
Other instruction	11	11	11	7	7	9	6	6	8	2
Support Services:										
Student & instruction related services	8	10	11	9	9	11	11	11	12	9
General administrative services	2	2	2	2	2	2	2	2	3	5
School administrative services	3	3	3	6	6	4	3	3	2	3
Business administrative services	4	4	4	4	4	3	3	3	3	3
Plant operations and maintenance	9	9	9	10	10	10	10	8	9	9
Playground Aides	4	4	4	6	6	6	6	3	2	3
Pupil transportation								5	2	1
Special Schools										
Food Service									7	7
Total	92	95	96	97	97	98	101	97	102	107

Source: District Personnel Records

Township of Greenwich School District
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2018	430.0	\$ 12,810,754.19	\$ 29,792.45	5.28%	47.0	428.3	410.2	-2.36%	95.77%
2017	445.0	12,593,224.06	28,299.38	-0.31%	48.0	443.7	420.1	-4.13%	94.68%
2016	455.0	12,916,499.33	28,387.91	8.78%	48.0	458.8	438.2	-2.38%	95.51%
2015	477.0	12,448,055.76	26,096.55	2.98%	50.0	469.9	448.9	0.38%	95.53%
2014	473.0	11,986,086.54	25,340.56	10.62%	52.6	470.6	447.2	-8.30%	95.03%
2013	511.0	11,705,750.48	22,907.54	-4.01%	47.0	514.2	487.7	-0.06%	94.85%
2012	509.0	12,147,538.89	23,865.50	2.03%	50.0	514.0	488.0	3.63%	94.94%
2011	500.0	11,694,891.45	23,389.78	7.35%	49.0	497.2	470.9	-4.07%	94.71%
2010	519.0	11,307,728.91	21,787.53	3.62%	47.0	519.9	490.9	-2.60%	94.42%
2009	533.0	11,206,885.31	21,026.05	-2.86%	57.0	529.0	504.0	-1.14%	95.27%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Township of Greenwich School District
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>District Buildings</u>										
<u>Elementary:</u>										
Broad Street (1916):										
Square Feet	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400
Capacity (students)	449	449	449	449	449	449	449	449	449	449
Enrollment	294	267	267	258	255	272	278	279	296	300
<u>Middle:</u>										
Nehaunsey Middle School (1971):										
Square Feet	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	136	198	198	219	218	239	233	240	233	240

Number of Schools at June 30, 2018
 Elementary - 1
 Middle - 1

Source: District records, ASSA

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

Township of Greenwich School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Gross Square Footage	Total	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Broad Street	86,400	\$ 758,979.92	\$ 159,774.25	\$ 136,392.67	\$ 85,566.26	\$ 100,037.33	\$ 64,786.65	\$ 52,033.69	\$ 47,775.79	\$ 47,184.16	\$ 32,790.12	\$ 32,639.00
Nehaunsey	57,024	495,502.58	105,451.00	90,019.16	19,156.20	44,337.20	80,414.21	35,892.85	40,632.83	32,023.98	29,041.27	18,533.88
Total School Facilities		<u>\$ 1,254,482.50</u>	<u>\$ 265,225.25</u>	<u>\$ 226,411.83</u>	<u>\$ 104,722.46</u>	<u>\$ 144,374.53</u>	<u>\$ 145,200.86</u>	<u>\$ 87,926.54</u>	<u>\$ 88,408.62</u>	<u>\$ 79,208.14</u>	<u>\$ 61,831.39</u>	<u>\$ 51,172.88</u>

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

Source: District Records (Form M-1)

Greenwich Township School District
Insurance Schedule
June 30, 2018
Unaudited

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy			
School Alliance Insurance Fund (SAIF):			
Property	\$ 500,000,000		\$ 2,500
Commercial General Liability	5,000,000		
Commercial Automobile Liability	5,000,000		
Excess Liability (GL, AL, SLPL)	5,000,000		
Comprehensive Crime Coverage			
Money and Securities	50,000		1,000
Employee Theft (Blanket Dishonesty Bond)	500,000	per loss	1,000
Robbery or Safe Burglary	50,000		1,000
Outside the Premises	50,000		1,000
Forgery or Alteration	50,000		1,000
Computer Fraud	50,000		1,000
Funds Transfer	50,000		1,000
Environmental Impairment Liability	1,000,000		10,000
School Leaders Professional Liability	5,000,000		5,000
National Union Fire Insurance Company			
Student Accident/Volunteer Accident	1,000,000	per accident	
NJ School Board Assoc. Insurance Group			
Educational Risk and Insurance Consortium (ERIC South)			
Workers Compensation:			
Employers Liability	2,000,000	per occurrence	
Public Employees' Faithful Performance Bonds			
CAN/Western Surety			
Employee Bonds			
Merrie Schmidt, Treasurer	190,000.00		None
Scott A. Campbell, Board Secretary	5,000		None

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-2

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, New Jersey

Report on Compliance for Each State Program

We have audited the Township of Greenwich School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2018. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
February 27, 2019

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

Federal Grantor / Pass-through Grantor / Program or Cluster Title General Fund:	Federal CFDA Number	Federal FAI N Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017
					From	To	
U.S. Department of Health and Human Services: Passed-through State Department of Education: Medical Assistance Program Cluster	93.778	1805NJ5MAP	N/A	\$ 7,212.81	7/1/2017	6/30/2018	
Total U.S. Department of Health and Human Services							-
Total General Fund							-
Special Revenue Fund:							
U.S. Department of Education: Passed-through State Department of Education: No Child Left Behind (E.S.S.A.):							
Title I Grants to Local Educational Agencies	84.010	S010A170030	NCLB552018	106,402.00	7/1/2017	6/30/2018	
Total Title I							-
Improving Teacher Quality (Title II)	84.367	S367A170029	NCLB552018	15,175.00	7/1/2017	6/30/2018	
Total Title II							-
Student Support and Academic Enrichment (Title IV)	84.424	S424A170031	NCLB552018	10,000.00	7/1/2017	6/30/2018	
Total Title IV							-
Individuals with Disabilities Education Act (IDEA) Special Education Cluster:							
Special Education - Grants to States (IDEA, Part B)	84.027	H027A170100	IDEA552018	163,498.00	7/1/2017	6/30/2018	
Special Education - Grants to States (IDEA, Part B)	84.027	H027A160100	IDEA552017	165,763.00	7/1/2016	6/30/2017	\$ 384.80
Special Education - Grants to States (IDEA, Part B)	84.027	H027A140100	IDEA552015	170,459.00	7/1/2014	6/30/2015	2,395.00
Special Education - Grants to States (IDEA, Preschool)	84.173	H173A170114	IDEA552018	9,857.00	7/1/2017	6/30/2018	
Special Education - Grants to States (IDEA, Preschool)	84.173	H173A140114	IDEA552015	9,744.00	7/1/2014	6/30/2015	(2,342.00)
Total IDEA Special Education Cluster							437.80
Temporary Emergency Impact Aid for Displaced Students Program	84.938C	S938C180005	N/A	39,000.00	7/1/2017	6/30/2018	
Total U.S. Department of Education (State)							437.80
Total Special Revenue Fund							437.80
Enterprise Fund:							
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster:							
School Breakfast Program	10.553	171NJ304N1099	100-030-3350-021	41,903.41	7/1/2017	6/30/2018	
School Breakfast Program	10.553	1616NJ304N1099	100-030-3350-021	39,654.08	7/1/2016	6/30/2017	(1,640.61)
Food Distribution Program (Non-Cash Assistance)	10.555	171NJ304N1099	N/A	13,040.56	7/1/2017	6/30/2018	
Food Distribution Program (Non-Cash Assistance)	10.555	1616NJ304N1099	N/A	15,170.85	7/1/2016	6/30/2017	950.11
National School Lunch Program	10.555	171NJ304N1099	100-030-3350-023	74,426.78	7/1/2017	6/30/2018	
National School Lunch Program	10.555	1616NJ304N1099	100-030-3350-023	73,512.66	7/1/2016	6/30/2017	(2,558.18)
Total Child Nutrition Cluster							(3,248.68)
Total Enterprise Fund							(3,248.68)
Total Federal Financial Assistance							\$ (2,810.88)

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

These funds were not audited in accordance with The Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 7,212.81			\$ 7,212.81						
-	7,212.81	-	-	7,212.81	-	-	-	-	-	-
-	7,212.81	-	-	7,212.81	-	-	-	-	-	-
	106,402.00	\$ 106,402.00		106,402.00						
-	106,402.00	106,402.00	-	106,402.00	-	-	-	-	-	-
	15,175.00	15,175.00		15,175.00						
-	15,175.00	15,175.00	-	15,175.00	-	-	-	-	-	-
	10,000.00	10,000.00		10,000.00						
-	10,000.00	10,000.00	-	10,000.00	-	-	-	-	-	-
	163,498.00	163,498.00		163,498.00						
		384.40		384.40						
	9,857.00	9,857.00		9,857.00					\$ 2,395.00	
-								\$ (2,342.00)		
-	173,355.00	173,739.40	-	173,739.80	-	-	-	(2,342.00)	2,395.00	-
		39,000.00		39,000.00				(39,000.00)		
-	294,932.00	334,316.40	-	344,316.80	-	-	-	(41,342.00)	2,395.00	-
-	294,932.00	334,316.40	-	344,316.80	-	-	-	(41,342.00)	2,395.00	-
	39,334.91	41,903.41		41,903.41				(2,568.50)		
	1,640.61									
	13,040.56	12,379.58		12,379.58					660.98	
		950.11		950.11						
	69,993.75	74,426.78		74,426.78				(4,433.03)		
	2,558.18									
-	126,568.01	129,659.88	-	129,659.88	-	-	-	(7,001.53)	660.98	-
-	126,568.01	129,659.88	-	129,659.88	-	-	-	(7,001.53)	660.98	-
\$ -	\$ 428,712.82	\$ 463,976.28	\$ -	\$ 481,189.49	\$ -	\$ -	\$ -	\$ (48,343.53)	\$ 3,055.98	\$ -

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

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017			
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	Carryover / (Walkover) Amount	Cash Received
General Fund:								
New Jersey Department of Education:								
Current Expense:								
State Aid - Public Cluster:								
Special Education Aid	18-495-034-5120-089	\$ 346,767.00	7/1/17	6/30/18				\$ 317,866.89
Special Education Aid	17-495-034-5120-089	346,767.00	7/1/16	6/30/17	\$ (26,127.54)			26,127.54
Security Aid	18-495-034-5120-084	86,030.00	7/1/17	6/30/18				78,860.12
Security Aid	17-495-034-5120-084	86,030.00	7/1/16	6/30/17	(6,482.03)			6,482.03
Adjustment Aid	18-495-034-5120-085	388,061.00	7/1/17	6/30/18				355,719.38
Adjustment Aid	17-495-034-5120-085	410,720.00	7/1/16	6/30/17	(30,946.15)			30,946.15
PARCC Readiness Aid	18-495-034-5120-098	5,670.00	7/1/17	6/30/18				5,197.45
PARCC Readiness Aid	17-495-034-5120-098	5,670.00	7/1/16	6/30/17	(427.21)			427.21
Per Pupil Growth Aid	18-495-034-5120-097	5,670.00	7/1/17	6/30/18				5,197.45
Per Pupil Growth Aid	17-495-034-5120-097	5,670.00	7/1/16	6/30/17	(427.21)			427.21
Professional Learning Community Aid	18-495-034-5120-101	5,510.00	7/1/17	6/30/18				5,050.79
Professional Learning Community Aid	17-495-034-5120-101	5,510.00	7/1/16	6/30/17	(415.17)			415.17
Total State Aid - Public Cluster					(64,825.31)	-	-	832,717.39
State Aid - Transportation:								
Transportation Aid	18-495-034-5120-014	272,578.00	7/1/17	6/30/18				249,860.92
Transportation Aid	17-495-034-5120-014	272,578.00	7/1/16	6/30/17	(20,537.69)			20,537.69
Nonpublic Transportation Aid	18-495-034-5120-014	9,280.00	7/1/17	6/30/18				-
Nonpublic Transportation Aid	17-495-034-5120-014	6,612.00	7/1/16	6/30/17	(6,612.00)			6,612.00
Total State Aid - Transportation					(27,149.69)	-	-	277,010.61
Extraordinary Special Education Aid								
Extraordinary Special Education Aid	18-495-034-5120-044	111,514.00	7/1/17	6/30/18				-
Extraordinary Special Education Aid	17-495-034-5120-044	151,350.00	7/1/16	6/30/17	(151,350.00)			151,350.00
Total Extraordinary Aid					(151,350.00)	-	-	151,350.00
Reimbursed TPAF Social Security Contributions								
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	277,811.22	7/1/17	6/30/18				265,584.40
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	285,437.14	7/1/16	6/30/17	(12,837.50)			12,837.50
Total Reimbursed TPAF Social Security Contributions					(12,837.50)	-	-	278,421.90
Lead Testing for Schools Aid								
Lead Testing for Schools Aid	17-495-034-5120-104	2,037.50	7/1/16	6/30/17	(2,037.50)			2,037.50
Total General Fund					(258,200.00)	-	-	1,541,537.40
Special Revenue Fund:								
New Jersey Department of Education:								
Nonpublic Aid:								
Textbook Aid	18-100-034-5120-064	4,711.00	7/1/17	6/30/18				4,711.00
Textbook Aid	17-100-034-5120-064	4,669.00	7/1/16	6/30/17		\$ 25.44		
Nursing Services	18-100-034-5120-070	8,342.00	7/1/17	6/30/18				8,342.00
Technology	18-100-034-5120-373	3,182.00	7/1/17	6/30/18				3,182.00
Security	18-100-034-5120-509	6,450.00	7/1/17	6/30/18				6,450.00
Auxiliary Service:								
Compensatory Education	18-100-034-5120-067	14,173.00	7/1/17	6/30/18				14,173.00
Compensatory Education	17-100-034-5120-067	8,958.00	7/1/16	6/30/17		5,822.70		
Transportation	18-100-034-5120-067	2,778.00	7/1/17	6/30/18				2,778.00
Transportation	17-100-034-5120-067	3,076.00	7/1/16	6/30/17		1,146.76		
ESL	18-100-034-5120-067	2,891.00	7/1/17	6/30/18				2,891.00
ESL	17-100-034-5120-067	1,370.00	7/1/16	6/30/17		182.45		
Handicapped Services:								
Examination and Classification	18-100-034-5120-066	9,649.00	7/1/17	6/30/18				9,649.00
Corrective Speech	18-100-034-5120-066	16,963.00	7/1/17	6/30/18				16,963.00
Corrective Speech	17-100-034-5120-066	26,505.00	7/1/16	6/30/17		15,196.00		
Supplemental Instruction	18-100-034-5120-066	6,899.00	7/1/17	6/30/18				6,899.00
Supplemental Instruction	17-100-034-5120-066	6,357.00	7/1/16	6/30/17		0.93		
Total State Department of Education					-	22,374.28	-	76,038.00
Total Special Revenue Fund					-	22,374.28	-	76,038.00
Enterprise Fund:								
New Jersey Department of Agriculture:								
Child Nutrition Cluster:								
State School Lunch Program	18-100-010-3350-023	1,888.15	7/1/17	6/30/18				1,776.80
State School Lunch Program	17-100-010-3350-023	1,768.82	7/1/16	6/30/17	(62.15)			62.15
Total Enterprise Fund					(62.15)	-	-	1,838.95
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(258,262.15)	22,374.28	-	1,619,414.35
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-behalf T.P.A.F. Pension Contributions:								
Normal Cost	18-495-034-5094-002	550,847.00	7/1/17	6/30/18				550,847.00
Non-Contributory Insurance	18-495-034-5094-004	13,368.00	7/1/17	6/30/18				13,368.00
Post-Retirement Medical Costs	18-495-034-5094-001	364,414.00	7/1/17	6/30/18				364,414.00
Long-Term Disability Insurance	18-495-034-5094-004	599.00	7/1/17	6/30/18				599.00
Total General Fund (Non-Cash Assistance)					-	-	-	929,228.00
Total State Financial Assistance					\$ (258,262.15)	\$ 22,374.28	\$ -	\$ 2,548,642.35

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

Adjustments	Total Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2018			(Memo Only)	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2018	Cumulative Total Expenditures
	\$ 346,767.00			\$ (28,900.11)			\$ (28,900.11)	\$ 346,767.00
	86,030.00			(7,169.88)			(7,169.88)	346,767.00
	388,061.00			(32,341.62)			(32,341.62)	86,030.00
	5,670.00			(472.55)			(472.55)	86,030.00
	5,670.00			(472.55)			(472.55)	410,720.00
	5,510.00			(459.21)			(459.21)	5,670.00
								5,670.00
								5,670.00
								5,510.00
								5,510.00
-	837,708.00	-	-	(69,815.92)	-	-	(69,815.92)	1,698,075.00
	272,578.00			(22,717.08)			(22,717.08)	272,578.00
	9,280.00			(9,280.00)				272,578.00
								9,280.00
								6,612.00
-	281,858.00	-	-	(31,997.08)	-	-	(22,717.08)	561,048.00
	111,514.00			(111,514.00)				111,514.00
								151,350.00
-	111,514.00	-	-	(111,514.00)	-	-	-	262,864.00
	277,811.22			(12,226.82)				277,811.22
								285,437.14
-	277,811.22	-	-	(12,226.82)	-	-	-	563,248.36
								2,037.50
-	1,508,891.22	-	-	(225,553.82)	-	-	(92,533.00)	3,087,272.86
	4,672.79					\$ 38.21		4,672.79
			\$ 25.44					4,643.56
	8,342.00							8,342.00
	3,124.80					57.20		3,124.80
	6,450.00							6,450.00
	2,657.40					11,515.60		2,657.40
			5,822.70					3,135.30
	2,112.24		1,146.76			665.76		2,112.24
								1,929.24
	2,800.23		182.45			90.77		2,800.23
								1,187.55
	8,375.68					1,273.32		8,375.68
	13,659.84					3,303.16		13,659.84
			15,196.00					11,308.82
	6,898.23					0.77		6,898.23
								6,356.07
			0.93					
-	59,093.21	-	22,374.28	-	-	16,944.79	-	87,653.75
-	59,093.21	-	22,374.28	-	-	16,944.79	-	87,653.75
	1,888.15			(111.35)				1,888.15
								1,768.82
-	1,888.15	-	-	(111.35)	-	-	-	3,656.97
-	1,569,872.58	-	22,374.28	(225,665.17)	-	16,944.79	(92,533.00)	\$ 3,178,583.58
	550,847.00							550,847.00
	13,368.00							13,368.00
	364,414.00							364,414.00
	599.00							599.00
-	929,228.00	-	-	-	-	-	-	929,228.00
\$ -	\$ 2,499,100.58	\$ -	\$ 22,374.28	\$ (225,665.17)	\$ -	\$ 16,944.79	\$ (92,533.00)	\$ 4,107,811.58

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: RELATIONSHIP TO 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 audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$7,170.00 for the general fund and \$619.54 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 7,212.81	\$ 2,430,949.22	\$ 2,438,162.03
Special Revenue	344,316.80	59,093.21	403,410.01
Food Service	129,370.75	1,888.15	131,258.90
Total Awards and Financial Assistance	<u>\$ 480,900.36</u>	<u>\$ 2,491,930.58</u>	<u>\$ 2,972,830.94</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: REIMBURSED AND ON-BEHALF PAYMENTS

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

Note 6: MAJOR PROGRAMS

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings

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

None

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

Not applicable

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

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

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

None

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

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

Not applicable

STATE FINANCIAL ASSISTANCE PROGRAMS

None

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APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS00886