

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

EAST WINDSOR REGIONAL SCHOOL DISTRICT

HIGHTSTOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**East Windsor Regional School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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East Windsor Regional School District

December 16, 2015

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

Dear Board Members:

I am pleased to submit The Comprehensive Annual Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2015. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: East Windsor Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The East Windsor Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,019 students enrolled October 15, 2014. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including Mercer County Special Services School District. The following details the changes in the student enrollment of the District over the last fifteen years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2000-01	4,634	+5.01%
2001-02	4,737	+2.22%
2002-03	4,876	+2.93%
2003-04	4,906	+0.62%
2004-05	4,960	+1.10%
2005-06	4,939	- 0.42%
2006-07	5,004	+1.32%
2007-08	4,972	- 0.64%
2008-09	5,025	+1.07%
2009-10	5,029	+0.08%
2010-11	5,075	+0.91%
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,126	+ .02%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping add to the tax base. Student enrollment will increase as students become school age the increased housing stock. The District will continue to manage the state aid revenues.

3) MAJOR INITIATIVES: Expenditures made during the 2014-15 school year were designed to support the district's mission, goals and instructional action plans as well as the state's core curriculum standards and migration to a new mandated assessment (PARCC) in grades 3 to 12. The following district initiatives were supported in 2014-2015:

1. The continuation of the alignment process of our curriculum with the NJCCCS and assessments:

The continued purchase of textbooks and instructional materials that support the NJCCCS (New Algebra I, Algebra II and Geometry Textbook Series, Language Arts Text Books in grades 6 to 8, High School Social Studies Classes.

3. Supplemental core resource for writing in elementary schools (Empowering Writers);

4. The continuation of a professional development program consistent with our vision and NJ DOE initiatives including:

- The use of technology (Google Drive) in advancing student achievement
- Differentiated instructional and assessment strategies
- Utilization of data (Performance Maters) to drive instruction
- Development of precise objectives and providing feedback
- Familiarity with expectations and format of the PARCC Assessment
- Understanding the Core Curriculum Content Standards (Literacy, Social Studies, Language Arts, Mathematics)

5. Continued development of the District's technology with an emphasis on:
- The deployment of software to determine the instructional reading level and functional mathematics level of all students in grades 1 to 12.
 - 43 additional Chromebook Carts (Every SS and LA class in grades 5 to 12 have a Chromebook lab)
 - Leveraging free cloud-based solutions to secure and manage an increasing amount of devices in our digital environment.
 - Creating a robust wireless network in all district schools to facilitate the dynamic needs of daily instruction and mandated assessments.
 - Streamlining the technology infrastructure and device fleet to reduce costs, reduce management overhead, and increase reliability.
 - Maintaining a district vision for aligning classroom technology to today's standards while accommodating for future growth.
 - Increasing the district Internet and Intranet capacities to accommodate for a rapid increase in devices and usage.
7. Continued to support new robust elective opportunities in grades 9-12 to address student needs:
 Dual enrolment World Language, Language Arts, Math,
 Drama
 Sabermetrics
 Multivariable Calculus

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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 approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund

balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

7. CASH MANAGEMENT: The investment policy of the District is by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

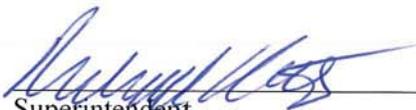
9. OTHER INFORMATION:

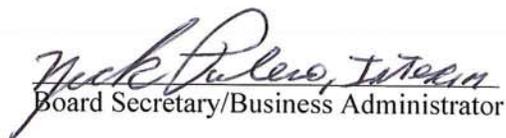
Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports, related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

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

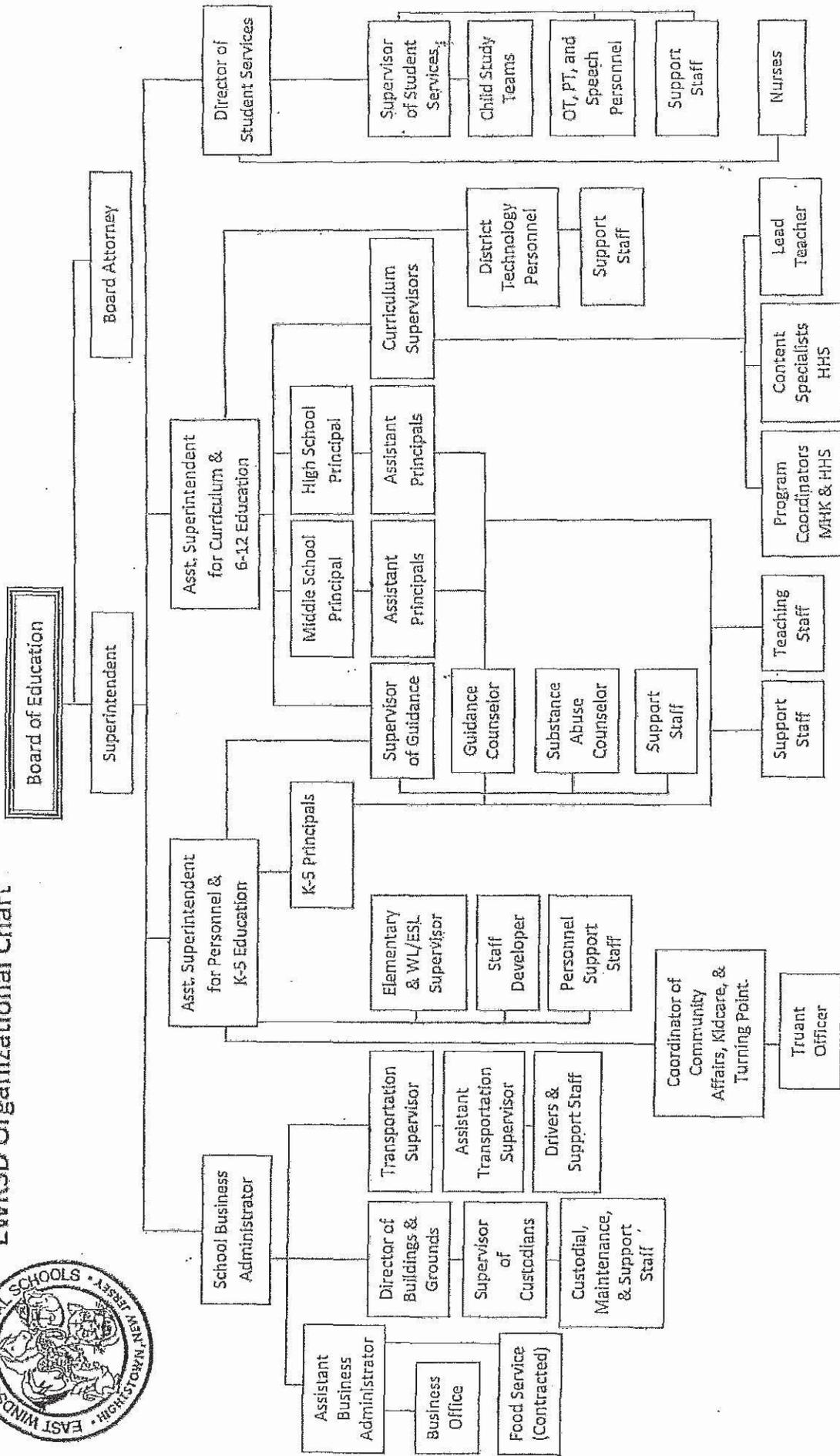
Respectfully submitted,


Superintendent


Board Secretary/Business Administrator



EWRSD Organizational Chart



EAST WINDSOR REGIONAL SCHOOL DISTRICT
25A Leshin Lane
Hightstown, New Jersey 08520
ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Alice Weisman, President	2015
Paul Connolly, Vice President	2015
Pete Bussone	2017
Tracy Carroll	2017
Bertrand Fougnyes	2017
Lilia Gobaira	2016
Christine Harrington	2016
Robert Lavery	2016
Kennedy Paul	2015

OTHER OFFICIALS

Dr. James C. Baker, Interim Chief School Administrator

Thaddeus Thompson, School Business Administrator/Board Secretary

Patrick Pisano, Assistant Business Administrator

Carolina Jablonski, Assistant Board Secretary

John Calavano, Treasurer

David Coates, Esq., Solicitor

EAST WINDSOR REGIONAL SCHOOL DISTRICT
25A Leshin Lane
Hightstown, New Jersey 08520

CONSULTANTS AND ADVISORS

ATTORNEY

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

AUDIT FIRM

Holman Frenia Allison, P.C.
618 Stokes Road
Medford, New Jersey 08055

OFFICIAL DEPOSITORY

TD Bank
Princeton-Hightstown Road
East Windsor, New Jersey 08520

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
East Windsor Regional
County of Mercer
Hightstown, New Jersey 08520

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, County of Mercer, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. 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 and other required supplementary information 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 East Windsor Regional School District's 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 as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates 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 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 taken as a whole.

The introductory section and statistical information 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 December 16, 2015 on our consideration of the East Windsor Regional 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Windsor Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Medford, New Jersey
December 16, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

UNAUDITED

This section of the East Windsor Regional School District's (the District) annual financial report represents our discussion and analysis of the financial performance during the fiscal year that ended June 30, 2015. Please read it in conjunction with the District's financial statements. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (MD&A).

Financial Highlights

- The District's Governmental Fund's Net Position is \$56,694,789.21.
- Total revenues for governmental funds were \$103,918,248.13 primarily consisting of State Aid and property taxes.

Overview of the Financial Statements

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

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

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

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

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

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

financing requirements.

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

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

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

Proprietary funds. The District maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service program and after school daycare program, both of which are considered to be major funds of the District. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions or for providing a service to other entities on a break-even basis. The District uses two internal service funds to account for services provided to senior transportation and the fueling facility, which are considered to be major funds of the District. The internal service funds have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

The District uses agency funds to account for resources held for student activities and payroll related liabilities.

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

Other information. The combining statements referred to earlier in connection with governmental funds, enterprise funds, internal service funds and fiduciary funds are presented immediately following the notes to the basic financial statements.

Balance Sheet Highlights

The following table provides a comparative condensed summary of the District's net position over the past two years:

Table 1

Net Position
June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$16,395,233	\$16,677,119	\$1,238,857	\$1,356,516	\$17,634,090	\$18,033,635
Capital assets, net	99,959,635	99,797,868	278,395	321,670	100,238,030	100,119,538
Total assets	116,354,868	116,474,987	1,517,252	1,678,186	117,872,120	118,153,173
Deferred Outflows of Resources	3,570,567	1,223,035	-	-	3,570,567	1,223,035
Total Assets and Deferred Outflows of Resources	119,925,436	117,698,022	1,517,252	1,678,186	121,442,688	119,376,208
Current liabilities and other	1,858,077	3,840,103	15,590	17,766	1,873,667	3,857,869
Long-term liabilities	60,055,369	36,240,756	-	-	60,055,369	36,240,756
Total liabilities	61,913,446	40,080,859	15,590	17,766	61,929,036	40,098,625
Deferred Inflow of Resources	1,317,201	-	-	-	1,317,201	-
Total Liabilities and Deferred Outflows of Resources	63,230,647	40,080,859	15,590	17,766	63,246,237	40,098,625
Net position:						
Net Investment in Capital Assets	64,392,243	63,790,253	278,395	321,670	64,670,638	64,111,923
Restricted	9,808,188	12,504,920			9,808,188	12,504,920
Unrestricted	(17,505,641)	1,321,990	1,223,267	1,338,750	(16,282,374)	2,660,740
Total net position	\$56,694,790	\$77,617,163	\$1,501,662	\$1,660,420	58,196,452	79,277,583

GASB 68

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$55,841,057, as indicated in Note 19 to the financial statements.

Revenue Highlights

While the Balance Sheet shows the change in the financial position of the net position, the Statement of Revenues, Expenses and Changes in Net Position indicates the nature of these changes. The following table shows the change in net position between June 30, 2015 and June 30, 2014.

Table 2

**Condensed Summary of Revenues, Expenses, and Changes in Net Position
Fiscal Years ended June 30, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 1,146,167.00	\$ 1,289,218	\$ 1,602,428	\$ 1,663,351	\$ 2,748,595.00	\$ 2,952,569
Operating grants and contributions	18,026,976	2,100,542	1,073,302	988,014	19,100,278	3,088,556
General revenues:						
Property taxes	63,479,787	62,327,563	-	-	63,479,787	62,327,563
Federal and State Aid	20,526,963	25,840,199	-	-	20,526,963	25,840,199
Earning on investments	-	4,698	-	-	-	4,698
Prior Year Refunds	-	378,518	-	-	-	378,518
Miscellaneous	738,355.00	309,867	(400,000)	(230,000)	338,355	79,867
Total revenues	<u>103,918,249</u>	<u>92,250,605</u>	<u>2,275,730</u>	<u>2,421,365</u>	<u>106,193,979</u>	<u>94,671,970</u>
Expenses:						
Instructional services	35,957,092	35,994,822	-	-	35,957,092	35,994,822
Support services	30,287,691	29,915,143	-	-	30,287,691	29,915,143
Special Schools	42,676	38,685	-	-	42,676	38,685
Interest on long-term liabilities	1,412,946	1,557,907	-	-	1,412,946	1,557,907
Unallocated Expenses	35,364,112	24,353,514	-	-	35,364,112	24,353,514
Food service expenses	-	-	1,681,029	1,655,075	1,681,029	1,655,075
Kidcare expenses	-	-	753,458	714,803	753,458	714,803
Total expenses	<u>103,064,517</u>	<u>91,860,071</u>	<u>2,434,487</u>	<u>2,369,878</u>	<u>105,499,004</u>	<u>94,229,949</u>
Increase (decrease) in Net position	853,731	390,534	(158,758)	51,487	694,973	442,021
Net position - beginning, as restated	55,841,058	77,226,629	1,660,420	1,608,933	57,501,478	78,835,562
Net position - ending	<u>\$ 56,694,789</u>	<u>\$ 77,617,163</u>	<u>\$ 1,501,662</u>	<u>\$ 1,660,420</u>	<u>\$ 58,196,451</u>	<u>\$ 79,277,583</u>

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

Table 3

Revenues
Fiscal year ended June 30, 2015

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percentage Increase (Decrease)</u>
Local sources	\$ 64,532,406	68.03%	\$ 1,111,837	1.75%
State sources	28,221,958	29.75%	2,378,334	9.20%
Federal sources	2,098,887	2.21%	28,412	1.37%
	<u>\$ 94,853,251</u>	<u>100.00%</u>	<u>\$ 3,518,583</u>	<u>3.85%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and (decreases) in relation to prior year amounts.

Figure 4

Expenditures
Fiscal year ended June 30, 2015

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percentage Increase</u>
Current:				
Distributed Expenditures - Instruction	\$ 35,957,092	36.33%	\$ (37,730)	-0.10%
Undistributed Expenditures	51,177,497	51.70%	2,201,460	4.49%
Capital Outlay	8,513,481	8.60%	4,051,537	90.80%
Debt Service	3,338,453	3.37%	(33,700)	-1.00%
	<u>\$ 98,986,523</u>	<u>100.00%</u>	<u>\$ 6,181,567</u>	<u>6.66%</u>

Budgetary Highlights

As required by its By Laws, the District adopts a General Fund, Special Revenue Fund, and a Debt Service Fund Budget for its governmental operations prior to the start of its fiscal year. This budget remains in effect the entire year and can be revised by the Board of Education during the fiscal year. The District revised its operating budget during the fiscal year 2015 to include additional cost for special revenues received after the beginning of the year, the rollover of prior year encumbrances and the reallocation of existing resources to areas of the most need.

Budgetary Adjustments were made to cover changes to the operating environment during the year. These adjustments were authorized by board actions and when required by existing state guidelines, were approved by the state department of education.

Capital Assets

In fiscal year 2015, the District had a new capital asset appraisal done by an outside appraisal company. In the past, the District had been maintaining their own capital asset records. Due to the appraisal it was determined that a large adjustment was necessary to bring the capital assets to the necessary value. A prior period adjustment was recorded in the audit to reflect this.

Table 5

Governmental Activities Capital Assets

	<u>2015</u>	<u>2014</u>
Land	\$ 149,550	\$ 149,550
Construction in Progress	6,871,967	2,081,236
Building & Improvements	138,205,616	138,162,599
Machinery & Equipment	<u>9,614,062</u>	<u>10,443,843</u>
	154,841,195	150,837,228
Accumulated Depreciation	<u>54,881,560</u>	<u>51,039,360</u>
Total Capital Assets	<u>\$ 99,959,635</u>	<u>\$ 99,797,868</u>

For more detailed information please refer to Note 6 to the Basic Financial Statements.

Long Term Debt/ Liabilities

As of June 30, 2015 the District had debt/liabilities outstanding of \$60,055,368. The table below shows the allocation of this debt.

Table 6

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Governmental Activities:					
Refunding Bonds-2005	\$ 4,155,000.00	\$ -	\$ (3,730,000.00)	\$ 425,000.00	\$ 425,000.00
Refunding Bonds-2012	28,325,000.00	-	(1,590,000.00)	26,735,000.00	1,605,000.00
Refunding Bonds-2015	-	3,280,000.00	-	3,280,000.00	35,000.00
Capital Lease Payable	1,796,311.00	3,419,533.54	(1,796,311.00)	3,419,533.54	715,000.00
Compensated Absence	1,382,860.00	-	(237,383.99)	1,145,476.01	-
Legal Settlement	500,000.00	-	(500,000.00)	-	-
Unamortized Bond Premium	2,954,339.00	162,184.00	(208,637.33)	2,907,885.67	222,422.97
Early Retirement Incentive Program	76,501.00	-	(36,735.00)	39,766.00	39,766.00
Net Pension Obligation	<u>21,776,106.00</u>	<u>326,601.00</u>	<u>-</u>	<u>22,102,707.00</u>	<u>-</u>
Total	<u>\$ 60,966,117.00</u>	<u>\$ 7,188,318.54</u>	<u>\$ (8,099,067.32)</u>	<u>\$ 60,055,368.22</u>	<u>\$ 3,042,188.97</u>

Bonds are by far the largest component of the district's long term debt. The district has \$30,440,000 of outstanding bonds. These bonds were issued to fund additions and renovations at all six of the District's schools. For more detailed information please refer to Note 8 to the Basic Financial Statements.

Economic Factors

For the fiscal year 2015 the District continued to manage the scarce resources provided by state aid while managing an ever increasing set of state mandates. The district also faces significant challenges managing the 2% tax levy cap mandate. The district continues to monitor the capital markets to take advantage of debt restructuring opportunities when appropriate.

The district's ability to recognize savings from the prior renovations and construction has started to level as we approach the sixth year after completion of the construction. Staffing expenses and student enrollment increased, which contributed to overall expenses being increased.

Contacting Financial Management

This financial report is designed to provide people served by the District, citizens, vendors, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Board Secretary/Business Administrator's Office at 25A Leshin Lane, Hightstown, New Jersey 08520.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 6,189,980.33	\$ 1,032,261.51	\$ 7,222,241.84
Receivables, Net	1,514,545.61	178,376.33	1,692,921.94
Inventory	29,226.34	28,219.57	57,445.91
Restricted Assets:			
Cash & Cash Equivalents	8,661,481.11	-	8,661,481.11
Capital Assets, Net (Note 6)	99,959,635.34	278,395.00	100,238,030.34
Total Assets	116,354,868.73	1,517,252.41	117,872,121.14
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Retirement of Debt	1,200,028.22	-	1,200,028.22
Deferred Outflows Related to Pensions	2,370,539.00	-	2,370,539.00
Total Deferred Outflow of Resources	3,570,567.22	-	3,570,567.22
Total Assets and Deferred Outflow of Resources	119,925,435.95	1,517,252.41	121,442,688.36
LIABILITIES			
Accounts Payable	358,960.05	127.17	359,087.22
Pension Payable	1,011,456.00	-	1,011,456.00
Accrued Interest Payable	404,988.33	-	404,988.33
Intergovernmental Payables:			
State & Federal	34,682.69	-	34,682.69
Unearned Revenue	47,989.91	15,463.28	63,453.19
Noncurrent Liabilities			
Due Within One Year	3,042,188.97	-	3,042,188.97
Due Beyond One Year	57,013,179.79	-	57,013,179.79
Total Liabilities	61,913,445.74	15,590.45	61,929,036.19
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,317,201.00	-	1,317,201.00
Total Deferred Inflows of Resources	1,317,201.00	-	1,317,201.00
Total Liabilities and Deferred Inflows of Resources	63,230,646.74	15,590.45	63,246,237.19
NET POSITION			
Net Investment in Capital Assets	64,392,243.36	278,395.00	64,670,638.36
Restricted For:			
Capital Projects	364,249.18	-	364,249.18
Debt Service	(404,987.33)	-	(404,987.33)
Other Purposes	9,848,925.72	-	9,848,925.72
Unrestricted	(17,505,641.72)	1,223,266.96	(16,282,374.76)
Total Net Position	\$ 56,694,789.21	\$ 1,501,661.96	\$ 58,196,451.17

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 25,670,385.73	\$ -	\$ 1,603,177.92	\$ (24,067,207.81)	\$ -	\$ (24,067,207.81)
Special Education Instruction	6,096,652.59	560,407.44	-	(5,536,245.15)	-	(5,536,245.15)
Other Instruction	2,992,568.57	-	-	(2,992,568.57)	-	(2,992,568.57)
Adult/Continuing Education	1,197,485.14	-	-	(1,197,485.14)	-	(1,197,485.14)
Support Services:						
Instruction	6,491,065.96	-	486,164.01	(6,004,901.95)	-	(6,004,901.95)
Student & Instruction Related Services	7,829,405.05	-	-	(7,829,405.05)	-	(7,829,405.05)
School Administrative Services	3,042,988.77	-	-	(3,042,988.77)	-	(3,042,988.77)
General & Business Administration	987,075.44	-	-	(987,075.44)	-	(987,075.44)
Central Services	979,006.27	-	-	(979,006.27)	-	(979,006.27)
Administration & Information Technology	235,688.45	-	-	(235,688.45)	-	(235,688.45)
Plant Operations & Maintenance	7,230,915.09	542,238.20	-	(6,688,676.89)	-	(6,688,676.89)
Pupil Transportation	3,491,545.99	43,521.24	-	(3,448,024.75)	-	(3,448,024.75)
Unallocated Employee Benefits	29,249,737.60	-	15,937,634.30	(13,312,103.30)	-	(13,312,103.30)
Special Schools	42,676.02	-	-	(42,676.02)	-	(42,676.02)
Interest & Other Charges on Long-Term Debt	1,532,275.58	-	-	(1,532,275.58)	-	(1,532,275.58)
Amortization on Retirement of Debt & Bond Premium (Net)	(119,329.30)	-	-	119,329.30	-	119,329.30
Unallocated Depreciation	3,842,200.00	-	-	(3,842,200.00)	-	(3,842,200.00)
Adjustment to Capital Assets	2,509,557.68	-	-	(2,509,557.68)	-	(2,509,557.68)
Unallocated Compensated Absences	(237,383.71)	-	-	237,383.71	-	237,383.71
Total Governmental Activities	103,064,516.92	1,146,166.88	18,026,976.23	(83,891,373.81)	-	(83,891,373.81)
Food Service	1,681,029.33	736,271.50	1,073,301.96	-	128,544.13	128,544.13
Kidcare	753,458.39	866,156.22	-	-	112,697.83	112,697.83

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Total Business-Type Activities	2,434,487.72	1,602,427.72	1,073,301.96	-	241,241.96
Total Primary Government	105,499,004.64	2,748,594.60	19,100,278.19	(83,891,373.81)	(83,650,131.85)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				60,278,129.00	60,278,129.00
Taxes Levied for Debt Service				3,201,658.00	3,201,658.00
Federal & State Aid Not Restricted				20,526,963.36	20,526,963.36
Building Rentals				19,456.50	19,456.50
Transfer to Other Funds				400,000.00	(400,000.00)
Miscellaneous Income				318,898.16	318,898.16
Total General Revenues, Special Items, Extraordinary Items & Transfers				84,745,105.02	(400,000.00)
Change In Net Position				853,731.21	(158,758.04)
Beginning Net Position (Restated See Note 19)				55,841,058.00	1,660,420.00
Ending Net Position				56,694,789.21	1,501,661.96

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

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B. Fund Financial Statements

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Governmental Funds

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EAST WINDSOR REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30,2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS & OTHER DEBITS					
Cash & Cash Equivalents	\$ 4,836,031.33	\$ -	\$ 1,598,410.77	\$ 4,336.25	\$ 6,438,778.35
Cash & Cash Equivalents - Restricted	8,661,481.11	-	-	-	8,661,481.11
Accounts Receivable:					
State	422,586.64	-	518,726.64	-	941,313.28
Federal	55,698.01	400,378.67	-	-	456,076.68
Local	62,416.97	2,860.75	-	-	65,277.72
Interfund Receivable	583,872.88	1.61	-	-	583,874.49
Total Assets	14,622,086.94	403,241.03	2,117,137.41	4,336.25	17,146,801.63
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	-	182,515.41	-	-	182,515.41
Accounts Payable	220,907.03	138,053.02	-	-	358,960.05
Intergovernmental Payables:					
State & Federal	-	34,682.69	-	-	34,682.69
Interfund Payable	1.61	-	579,537.63	4,335.25	583,874.49
Unearned Revenue	-	47,989.91	1,173,350.60	-	1,221,340.51
Total Liabilities	220,908.64	403,241.03	1,752,888.23	4,335.25	2,381,373.15
Fund Balances:					
Restricted for:					
Excess Surplus	845,075.61	-	-	-	845,075.61
Excess Surplus - Designated for Subsequent Year's Expenditures	342,369.00	-	-	-	342,369.00
Capital Reserve Account	4,065,682.11	-	-	-	4,065,682.11
Maintenance Reserve Account	4,595,799.00	-	-	-	4,595,799.00
Capital Projects	-	-	364,249.18	-	364,249.18
Committed to:					
Debt Service	-	-	-	1.00	1.00
Assigned to:					
Other Purposes	3,985,957.72	-	-	-	3,985,957.72
Designated for Subsequent Year's Expenditures	327,348.67	-	-	-	327,348.67
Unassigned:					
General Fund	238,946.19	-	-	-	238,946.19
Total Fund Balances	14,401,178.30	-	364,249.18	1.00	14,765,428.48
Total Liabilities & Fund Balances	14,622,086.94	403,241.03	2,117,137.41	4,336.25	

Amounts reported for *governmental activities* in the statement of Net Position (A-2) 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 \$154,841,195.34 and the accumulated depreciation is \$54,881,560.	99,959,635.34
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,053,338.00
Unreserved internal service funds are used by the District to charge the costs of the senior transportation, fueling facility & community relations programs to the individual individual funds. The assets & liabilities of the internal service funds are included with governmental activities.	14,821.66
Accrued interest payable and PERS pension payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(1,416,444.33)
Deferred Charge on Refunding of Bonds are not reported as an asset in the funds.	1,200,028.22
Long-term liabilities, including bonds payable, capital leases, early retirement liability, legal settlement, bond premiums and compensated absences are not due and payable in the current period & therefore are not reported as liabilities in the funds.	(60,055,368.76)
Unspent lease proceeds are recorded as unearned revenue in the fund statements and included as lease payable in the government wide statements	1,173,350.60
Net position of Governmental Activities	56,694,789.21

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	60,278,129.00	-	-	3,201,658.00	63,479,787.00
Tuition	560,407.44	-	-	-	560,407.44
Transportation Fees	43,521.24	-	-	-	43,521.24
Building Rentals	19,456.50	-	-	-	19,456.50
Unrestricted Miscellaneous	318,898.16	37,170.83	-	-	356,068.99
Total Local Sources	<u>61,220,412.34</u>	<u>37,170.83</u>	<u>-</u>	<u>3,201,658.00</u>	<u>64,459,241.17</u>
State Sources	26,514,018.30	141,869.31	1,429,275.18	136,795.00	28,221,957.79
Federal Sources	188,585.18	1,910,301.79	-	-	2,098,886.97
Total Revenues	<u>87,923,015.82</u>	<u>2,089,341.93</u>	<u>1,429,275.18</u>	<u>3,338,453.00</u>	<u>94,780,085.93</u>
Expenditures:					
Current Expense:					
Regular Instruction	24,067,207.81	1,603,177.92	-	-	25,670,385.73
Special Education Instruction	6,096,652.59	-	-	-	6,096,652.59
Other Instruction	2,992,568.57	-	-	-	2,992,568.57
Adult/Continuing Education Programs	1,197,485.14	-	-	-	1,197,485.14
Support Services:					
Instruction	6,004,901.95	486,164.01	-	-	6,491,065.96
Student & Instruction Related Services	7,829,405.05	-	-	-	7,829,405.05
General Administrative Services	1,487,075.44	-	-	-	1,487,075.44
School Administrative Services	3,042,988.77	-	-	-	3,042,988.77
Central Services	979,006.27	-	-	-	979,006.27
Administrative Information Technology	235,688.45	-	-	-	235,688.45
Plant Operations & Maintenance	6,699,050.55	-	-	-	6,699,050.55
Pupil Transportation	3,491,545.99	-	-	-	3,491,545.99
Employee Benefits	20,805,829.34	-	-	-	20,805,829.34
Capital Outlay	2,366,037.68	-	6,147,443.34	-	8,513,481.02
Special Schools	42,676.02	-	-	-	42,676.02
Debt Service:					
Interest and Costs on Long-Term Debt	-	-	-	1,394,335.25	1,394,335.25
Principal on Debt	-	-	-	2,020,000.00	2,020,000.00
Total Expenditures	<u>87,338,119.62</u>	<u>2,089,341.93</u>	<u>6,147,443.34</u>	<u>3,414,335.25</u>	<u>98,989,240.14</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>584,896.20</u>	<u>-</u>	<u>(4,718,168.16)</u>	<u>(75,882.25)</u>	<u>(4,209,154.21)</u>
Other Financing Sources/(Uses):					
Capital Lease Proceeds	-	-	2,246,182.94	-	2,246,182.94
Bond Refunding Proceeds	-	-	-	3,442,184.00	3,442,184.00
Deposit with Escrow Agent	-	-	-	(3,366,301.25)	(3,366,301.25)
Transfers In	535,632.00	-	-	-	535,632.00
Total Other Financing Sources/(Uses)	<u>535,632.00</u>	<u>-</u>	<u>2,246,182.94</u>	<u>75,882.75</u>	<u>2,857,697.69</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	<u>1,120,528.20</u>	<u>-</u>	<u>(2,471,985.22)</u>	<u>0.50</u>	<u>(1,351,456.52)</u>
Fund Balances July 1	<u>13,280,650.10</u>	<u>-</u>	<u>2,836,234.40</u>	<u>0.50</u>	<u>16,116,885.00</u>
Fund Balances June 30	<u>14,401,178.30</u>	<u>-</u>	<u>364,249.18</u>	<u>1.00</u>	<u>14,765,428.48</u>

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		(1,351,456.52)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:		
	Capital Outlays	6,513,525.02
	Deletions/Adjustments	(2,509,557.68)
	Depreciation Expense	<u>(3,842,200.00)</u>
		161,767.34
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		2,020,000.00
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	973,210.00
	State Share of Unfunded TPAF Pension Expense	8,195,924.00
	Unfunded TPAF Pension Expense	(8,195,924.00)
	Pension Expense	<u>(1,257,929.00)</u>
		(284,719.00)
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
	Capital Lease Proceeds	(2,246,182.94)
	2015 Bond Refunding	
	Bond Proceeds	(3,280,000.00)
	Premiums	<u>(162,184.00)</u>
		(3,442,184.00)
Advance refunding of debt issues are financing uses in the governmental funds. They are not expenses in the statement of activities; refunding of debt decreases long term liabilities in the statement of net position.		
	Loss on Refunding	66,301.25
	Bonds Refunded	<u>3,300,000.00</u>
		3,366,301.25
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,796,311.00
Repayment of principal on the early retirement incentive program is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
	Principal Payment	36,734.74
Deferred Charge on Retirement of Debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:		
	Amortization of Deferred Charge on Refunding	(89,308.03)
	Amortization of Original Issue Premiums	<u>208,637.33</u>
		119,329.30
Accrual of interest of capital leases and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.		
	Prior Year	470,693.00
	Current Year	<u>(404,988.33)</u>
		65,704.67
Internal service funds are used by the District to charge the costs of the transportation, tuition and adult education programs to the individual funds. The activities of these funds are included in the Statement of Activities.		
		(125,258.34)
Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
	Prior Year	1,382,860.00
	Current Year	<u>(1,145,476.29)</u>
		237,383.71
Repayment of legal settlement is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		<u>500,000.00</u>
Change in Net Position of Governmental Activities		<u><u>853,731.21</u></u>

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Proprietary Funds

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

ASSETS	BUSINESS-TYPE	GOVERNMENTAL	TOTALS
	ACTIVITIES	ACTIVITIES	
	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	
Current Assets:			
Cash & Cash Equivalents	\$ 1,032,261.51	\$ -	\$ 1,032,261.51
Accounts Receivable:			
Federal	171,488.93	-	171,488.93
State	4,287.40	-	4,287.40
Other	2,600.00	51,877.93	54,477.93
Inventory	28,219.57	29,226.34	57,445.91
Total Current Assets	1,238,857.41	81,104.27	1,319,961.68
Fixed Assets:			
Equipment	1,064,771.00	30,024.70	1,094,795.70
Less: Accumulated Depreciation	(786,376.00)	(30,024.70)	(816,400.70)
Total Fixed Assets	278,395.00	-	278,395.00
Total Assets	1,517,252.41	81,104.27	1,598,356.68
LIABILITIES			
Current Liabilities:			
Cash Deficit	-	66,282.61	66,282.61
Accounts Payable	127.17	-	127.17
Deferred Revenue	15,463.28	-	15,463.28
Total Liabilities	15,590.45	66,282.61	81,873.06
NET POSITION			
Net Investment in Capital Assets	278,395.00	-	278,395.00
Unrestricted	1,223,266.96	14,821.66	1,238,088.62
Total Net Position	\$ 1,501,661.96	\$ 14,821.66	\$ 1,516,483.62

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS- TYPE ACTIVITIES <u>ENTERPRISE</u> FUNDS	GOVERNMENTAL ACTIVITIES <u>INTERNAL</u> SERVICE FUNDS	TOTALS
Operating Revenues:			
Local Sources:			
Program Income	\$ 1,591,776.42	\$ -	\$ 1,591,776.42
Special Functions	10,651.30	-	10,651.30
Services Provided to Other Funds	-	542,238.20	542,238.20
	<u>1,602,427.72</u>	<u>542,238.20</u>	<u>2,144,665.92</u>
Operating Expenses:			
Salaries	558,956.59	-	558,956.59
Employee Benefits	118,099.36	-	118,099.36
Purchased Professional Services	1,467,426.03	-	1,467,426.03
Supplies & Materials	246,730.74	531,504.84	778,235.58
Depreciation	43,275.00	359.70	43,634.70
	<u>2,434,487.72</u>	<u>531,864.54</u>	<u>2,966,352.26</u>
Operating Income/(Loss)	<u>(832,060.00)</u>	<u>10,373.66</u>	<u>(821,686.34)</u>
Nonoperating Revenues/(Expenses):			
Interest Income	51.78	-	51.78
State Sources:			
State School Lunch Program	20,474.36	-	20,474.36
Federal Sources:			
National School Lunch Program	753,300.30	-	753,300.30
Healthy Hunger-Free Kids Act (HHFKA)	24,288.90	-	24,288.90
National Breakfast Program	122,485.02	-	122,485.02
Special Milk Program	5,386.61	-	5,386.61
Food Distribution Program	147,314.99	-	147,314.99
Transfer to General Fund	(400,000.00)	(135,632.00)	(535,632.00)
	<u>673,301.96</u>	<u>(135,632.00)</u>	<u>537,669.96</u>
Change in Net Position	(158,758.04)	(125,258.34)	(284,016.38)
Total Net Position - Beginning	<u>1,660,420.00</u>	<u>140,080.00</u>	<u>1,800,500.00</u>
Total Net Position - Ending	<u>\$ 1,501,661.96</u>	<u>\$ 14,821.66</u>	<u>\$ 1,516,483.62</u>

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS- TYPE ACTIVITIES <u>ENTERPRISE FUNDS</u>	GOVERNMENTAL ACTIVITIES <u>INTERNAL SERVICE FUNDS</u>	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,610,657.00	\$ 576,340.27	\$ 2,186,997.27
Payments to Employees	(677,055.95)	-	(677,055.95)
Payments to Suppliers	(1,549,885.18)	(502,016.88)	(2,051,902.06)
Net Cash Provided/(Used) by Operating Activities	(616,284.13)	74,323.39	(541,960.74)
Cash Flows From Noncapital Financing Activities:			
State Sources	18,482.96	-	18,482.96
Federal Sources	784,527.90	-	784,527.90
Transfer to General Fund	(400,000.00)	-	(400,000.00)
Net Cash Provided by Noncapital Financing Activities	403,010.86	-	403,010.86
Cash Flows From Investing Activities:			
Payments to Operating Fund	-	(135,632.00)	(135,632.00)
Interest & Dividends	51.78	-	51.78
Net Cash Provided by Investing Activities	51.78	(135,632.00)	(135,580.22)
Net Increase/(Decrease) in Cash & Cash Equivalents	(213,221.49)	(61,308.61)	(274,530.10)
Balances - Beginning of Year	1,245,483.00	(4,974.00)	1,240,509.00
			-
Balances - Ending of Year	<u>\$ 1,032,261.51</u>	<u>\$ (66,282.61)</u>	<u>\$ 965,978.90</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (832,060.00)	\$ 10,373.66	\$ (821,686.34)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	43,275.00	359.70	43,634.70
Food Distribution Program	147,314.99	-	147,314.99
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	7,311.00	34,102.07	41,413.07
(Increase)/Decrease in Inventory	20,050.43	29,487.58	49,538.01
Increase/(Decrease) in Accounts Payable	(3,093.83)	-	(3,093.83)
(Decrease)/Increase in Deferred Revenue	918.28	-	918.28
Total Adjustments	215,775.87	63,949.35	279,725.22
Net Cash Provided/(Used) by Operating Activities	\$ (616,284.13)	\$ 74,323.01	\$ (541,961.12)

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

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Fiduciary Fund

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			TOTALS
	UNEMPLOYMENT COMPENSATION FUND	SCHOLARSHIP FUNDS	AGENCY FUNDS	
Cash & Cash Equivalents	\$ 1,351,583.94	\$ 68,265.76	\$ 242,053.43	\$ 1,661,903.13
Total Assets	<u>1,351,583.94</u>	<u>68,265.76</u>	<u>242,053.43</u>	<u>1,661,903.13</u>
LIABILITIES				
Due to Student Groups	-	-	216,126.70	216,126.70
Unemployment Payable	2,582.99	-	-	2,582.99
Payroll Deductions & Withholdings	-	-	25,926.73	25,926.73
Total Liabilities	<u>2,582.99</u>	<u>-</u>	<u>242,053.43</u>	<u>244,636.42</u>
NET POSITION				
Reserved for Unemployment Claims	1,349,000.95	-	-	1,349,000.95
Reserved for Scholarships	-	68,265.76	-	68,265.76
Total Net Position	<u>\$ 1,349,000.95</u>	<u>\$ 68,265.76</u>	<u>\$ -</u>	<u>\$ 1,417,266.71</u>

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	
Contributions:			
Interest Income	\$ 1,399.95	\$ -	\$ 1,399.95
Scholarship Donations	-	14,265.00	14,265.00
Other Income	78,269.71	-	78,269.71
Total Additions	79,670	14,265	93,935
DEDUCTIONS			
Scholarships Awarded	-	26,375.00	26,375.00
Unemployment Claims	65,515.71	-	65,515.71
Change in Market Value	-	1,307.61	1,307.61
Total Deductions	65,515.71	27,682.61	93,198.32
Change in Net Position	14,153.95	(13,417.61)	736.34
Net Position - Beginning of the Year	1,334,847.00	81,683.37	1,416,530.37
Net Position - End of the Year	\$ 1,349,000.95	\$ 68,265.76	\$ 1,417,266.71

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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EAST WINDSOR REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of the East Windsor Regional School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

A. Reporting Entity:

The East Windsor Regional School District (hereafter referred to as the “District”) is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The East Windsor Regional School District has an approximate enrollment at June 30, 2015 of 5,019 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the KidCare program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District maintains an Fuel Facility internal service fund.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

KidCare – This fund accounts for the revenues and expenses pertaining to the District’s extended day care program.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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:23-2-2(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:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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 and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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 measureable and the District is eligible to realize the revenue.

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, government 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.

Use of 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 assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

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

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for 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 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

(PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

Recently Issued and Adopted Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 16, 2015, which is the date the financial statements were available to be issued.

Pensions Section

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$18,981,722.04 was exposed to custodial credit risk as follows:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 2. Cash Deposits and Investments (continued):

Insured Under FDIC	\$ 250,000.00
Collateralized by securities held by Pledging financial institution	16,480,150.61
Uninsured and uncollateralized	<u>2,251,571.43</u>
Total	<u>\$ 18,981,722.04</u>

Investments

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

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

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the East Windsor Regional School District by inclusion of \$276,340.00 on July 1, 2001 for the accumulation of funds for use as capital outlay expenditures in

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 3,367,483.38
Transfer per June Resolution	1,100,000.00
Interest Earnings	2,198.73
Budgeted Withdrawals:	<u>(404,000.00)</u>
Ending Balance, June 30, 2015	<u>\$ 4,065,682.11</u>

B. Maintenance Reserve Account

The East Windsor Regional School District established a Maintenance Reserve Account on June 8, 2009 for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

The activity of the maintenance reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 4,675,799.00
Budgeted Withdrawal	<u>(80,000.00)</u>
Ending Balance, June 30, 2015	<u>\$ 4,595,799.00</u>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Internal Service Fund	Total
Intergovernmental	\$ 478,284.65	\$ 400,378.67	\$ 518,726.64	\$ 175,776.33	\$ -	\$ 1,573,166.29
Other	62,416.97	2,860.75	-	2,600.00	51,877.93	119,755.65
Total	<u>\$ 540,701.62</u>	<u>\$ 403,239.42</u>	<u>\$ 518,726.64</u>	<u>\$ 178,376.33</u>	<u>\$ 51,877.93</u>	<u>\$ 1,692,921.94</u>

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2015, the District transferred \$1,190,787.82 to the capital outlay accounts. The transfer was made up of \$712,118 transferred from within the budget and 478,670 which was prior year encumbrances.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 149,550.00	\$ -	\$ -	\$ 149,550.00
Construction in Progress	2,081,236.00	4,790,731.34	-	6,871,967.34
	<hr/>			<hr/>
Total capital assets not being depreciated	2,230,786.00	4,790,731.34	-	7,021,517.34
	<hr/>			<hr/>
Capital Assets being depreciated:				
Buildings	138,162,599.00	43,017.00	-	138,205,616.00
Machinery & Equipment	10,443,843.00	1,722,793.68	(2,552,574.68)	9,614,062.00
	<hr/>			<hr/>
Total capital assets being depreciated	148,606,442.00	1,765,810.68	(2,552,574.68)	147,819,678.00
	<hr/>			<hr/>
Less: accumulated depreciation:				
Buildings	(46,598,218.00)	(3,221,487.00)		(49,819,705.00)
Machinery & Equipment	(4,441,142.00)	(620,713.00)		(5,061,855.00)
	<hr/>			<hr/>
Total accumulated depreciation	(51,039,360.00)	(3,842,200.00)	-	(54,881,560.00)
	<hr/>			<hr/>
Total capital assets being depreciated, net	97,567,082.00	(2,076,389.32)	(2,552,574.68)	92,938,118.00
	<hr/>			<hr/>
Total Governmental Activities capital assets, net	\$ 99,797,868.00	\$ 2,714,342.02	\$ (2,552,574.68)	\$ 99,959,635.34
	<hr/>			<hr/>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 6. Capital Assets (continued):

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 1,064,771.00	\$ -	\$ -	\$ 1,064,771.00
Total capital assets being depreciated	<u>1,064,771.00</u>	<u>-</u>	<u>-</u>	<u>1,064,771.00</u>
Less: accumulated depreciation:				
Machinery & Equipment	(743,101.00)	(43,275.00)	-	(786,376.00)
Total accumulated depreciation	<u>(743,101.00)</u>	<u>(43,275.00)</u>	<u>-</u>	<u>(786,376.00)</u>
Total capital assets being depreciated, net	<u>321,670.00</u>	<u>(43,275.00)</u>	<u>-</u>	<u>278,395.00</u>
Total Business-type activities capital assets, net	<u>\$ 321,670.00</u>	<u>\$ (43,275.00)</u>	<u>\$ -</u>	<u>\$ 278,395.00</u>

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	<u>\$ 2,552,574.65</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,552,574.65</u>

Note 7. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 583,872.88	\$ 1.61
Special Revenue Fund	1.61	-
Capital Projects Fund	-	579,537.63
Debt Service Fund	<u>-</u>	<u>4,335.25</u>
	<u>\$ 583,874.49</u>	<u>\$ 583,874.49</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 7. Interfund Receivables, Payables and Transfers (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 0.46	\$ 582,510.83
Special Revenue Fund	-	0.46
Capital Projects Fund	578,175.58	
Debt Service Fund	<u>4,335.25</u>	<u>-</u>
	<u>\$ 582,511.29</u>	<u>\$ 582,511.29</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 8. Long-Term Obligations

During the fiscal year-ended June 30, 2015 the following changes occurred in long-term obligations:

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 32,480,000.00	\$ 3,280,000.00	\$ (5,320,000.00)	\$ 30,440,000.00	\$ 2,065,000.00
Bond Premium	2,954,339.00	162,184.00	(208,637.33)	2,907,885.67	222,422.97
Capital Lease Payable	1,796,311.00	3,419,533.54	(1,796,311.00)	3,419,533.54	715,000.00
Compensated Absence	1,382,860.00	-	(237,383.99)	1,145,476.01	-
Legal Settlement	500,000.00	-	(500,000.00)	-	-
Early Retirement Incentive Program	76,501.00	-	(36,735.00)	39,766.00	39,766.00
Net Pension Obligation	<u>21,776,106.00</u>	<u>326,601.00</u>	<u>-</u>	<u>22,102,707.00</u>	<u>-</u>
Total	<u>\$ 60,966,117.00</u>	<u>\$ 7,188,318.54</u>	<u>\$ (8,099,067.32)</u>	<u>\$ 60,055,368.22</u>	<u>\$ 3,042,188.97</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2015, bonds payable consisted of the following individual issues:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 8. Long-Term Obligations (continued):

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2005 Refunding Bonds	3.750% - 4.100%	7/15/2015	\$ 39,510,000.00	\$ 425,000.00
2012 Refunding Bonds	2.000% - 5.000%	7/15/2023	29,900,000.00	26,735,000.00
2015 Refunding Bonds	3.00%	3/1/2029	3,280,000.00	<u>3,280,000.00</u>
Total				<u>\$ 30,440,000.00</u>

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2015	\$ 460,000.00	\$ 595,685.00	\$ 1,055,685.00
2016	2,040,000.00	1,201,725.00	3,241,725.00
2017	2,060,000.00	1,131,900.00	3,191,900.00
2018	2,095,000.00	1,052,850.00	3,147,850.00
2019	2,140,000.00	972,200.00	3,112,200.00
2020-2024	11,150,000.00	3,360,450.00	14,510,450.00
2025-2029	<u>10,495,000.00</u>	<u>1,046,300.00</u>	<u>11,541,300.00</u>
Total	<u>\$ 30,440,000.00</u>	<u>\$ 9,361,110.00</u>	<u>\$ 39,801,110.00</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the District had no authorized but not issued bonds.

C. Capital Leases

The District approved a lease purchase agreement on October 10, 2014 in the amount of \$3,419,533.54 at a 1.64% interest rate maturing in 2019 to finance the High School Classroom renovations. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 8. Long-Term Obligations (continued):

Year-ending June 30,	Amount
2015	\$ 715,000.00
2016	715,000.00
2017	715,000.00
2018	715,000.00
2019	<u>715,000.00</u>
Minimum Lease Payments	3,575,000.00
Less: Interest	<u>(155,466.46)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 3,419,533.54</u></u>

Note 9. Pension Obligations:

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

A. Public Employees' Retirement System (PERS) (continued):

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 868,532	100%	\$ 22,102,707
6/30/2014	868,532	100%	21,776,106
6/30/2013	848,205	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$22,102,707 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .11805%, which was an increase of .004113% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u> July 1, 2014	<u>6/30/2014</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,370,539	\$ 868,532
Deferred Inflows of Resources	\$ 1,317,201	N/A
Net Pension Liability	\$ 22,102,707	\$ 21,776,106
District's portion of the Plan's total net pension Liability	0.11805%	0.11394%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$1,257,929. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	695,028	-
Net difference between projected and actual earnings on pension plan investments	-	1,317,201
Changes in proportion and differences between District contributions and proportionate share of contributions	664,055	-
District contributions subsequent to the measurement date	1,011,456	-
Total	\$ 2,370,539	\$ 1,317,201

\$1,359,083 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (52,402)
2017	(52,402)
2018	(52,402)
2019	(52,402)
2020	(52,402)
Thereafter	303,894

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Decrease</u>		<u>Discount</u>		<u>Increase</u>
	<u>4.39%</u>		<u>Rate (5.39%)</u>		<u>6.39%</u>
District's proportionate share of the net pension liability	\$ 27,805,958	\$	22,102,707	\$	17,313,428

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 5,020,185	100%	\$ -
6/30/2014	3,935,642	100%	-
6/30/2013	4,739,384	100%	-

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note 11. Risk Management

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

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

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ 1,399.95	\$ 78,269.71	\$ 65,515.71	1,349,000.95
2013-2014	1,363.00	62,442.00	78,287.00	1,334,847.00
2012-2013	1,293.00	71,448.00	98,412.00	1,349,329.00

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 11. Risk Management (continued):

Joint Insurance Pool – The Robbinsville School District participates in the NJSBA Insurance Group and, public entity risk pool. The Fund provides its members with the following coverage’s:

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

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA) in connection with its approved referendum project. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 14. Deferred Compensation (continued):

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

Note 15. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$1,145,476.29.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$845,075.61.

Note 17. Fund Balance

General Fund (Exhibit B-1) – Of the \$14,401,178.30 General Fund fund balance at June 30, 2015, \$845,075.61 is restricted for current year Excess Surplus; \$4,065,682.11 is restricted for required maintenance; \$4,595,799.00 is restricted for capital reserve; \$3,985,957.72 is assigned to other purposes; \$619,139.00 has been appropriated and included as anticipate revenue for the year ending June 30, 2016; \$50,578.67 is assigned for ARRA-Medicaid Initiative reserve and \$238,946.19 is unassigned.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2015**

Note 17. Fund Balance (continued):

Capital Projects Fund – Of the \$364,249.18 Capital Projects Fund fund balance at June 30, 2015, \$364,249.18 is restricted for current capital projects approved by the District and the Department of Education.

Debt Service Fund – Of the \$1.00 Debt Service Fund fund balance at June 30, 2015, \$1.00 has been appropriated and included as anticipated revenue for the Debt Service Fund for the year ending June 30, 2016.

Note 18. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$404,987.33 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$17,505,641.72 at June 30, 2015. The deficit is due to the final June state aid payment of \$1,452,924 not recognized under GAAP and by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) at June 30, 2015.

Note 19. Prior Period Adjustment/Restatement of Net Position:

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 77,617,164
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(21,776,106)
Deferred Outflows - district contributions made during fiscal year 2014	973,210
PERS Pension Payable	<u>(973,210)</u>
Total prior period adjustment	<u>(21,776,106)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 55,841,058</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 60,278,129.00	\$ -	\$ 60,278,129.00	\$ 60,278,129.00	\$ -
Tuition	10-1300	502,873.00	-	502,873.00	560,407.44	57,534.44
Transportation Fees	10-1420	62,950.00	-	62,950.00	43,521.24	(19,428.76)
Interest on Capital Reserve	10-1XXX	100.00	(100.00)	-	-	-
Interest on Maintenance Reserve	10-1XXX	100.00	(100.00)	-	-	-
Building Rentals	10-1910	30,000.00	-	30,000.00	19,456.50	(10,543.50)
Unrestricted Miscellaneous	10-1990	100,000.00	-	100,000.00	318,898.16	218,898.16
Total Local Sources		60,974,152.00	(200.00)	60,973,952.00	61,220,412.34	246,460.34
State Sources:						
Extraordinary Aid 14-15	10-3190	186,874.00	-	186,874.00	235,421.00	48,547.00
Extraordinary Aid 13-14	10-3190	-	-	-	2,809.00	2,809.00
Transportation Aid	10-3121	404,533.00	-	404,533.00	404,533.00	-
Categorical Special Education Aid	10-3132	2,941,036.00	-	2,941,036.00	2,941,036.00	-
Equalization Aid	10-3176	14,553,606.00	-	14,553,606.00	14,553,606.00	-
Categorical Security Aid	10-3177	499,780.00	-	499,780.00	499,780.00	-
PARCC Readiness Aid	10-3190	-	49,945.00	49,945.00	49,945.00	-
Per Pupil Growth Aid	10-3190	-	49,945.00	49,945.00	49,945.00	-
Nonpublic Transportation Aid		-	-	-	51,395.00	51,395.00
Other State Aids	10-3XXX	99,890.00	(99,890.00)	-	-	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	1,940,168.00	1,940,168.00
On-Behalf TPAF Post-Retirement Medical	10-3901	-	-	-	3,080,017.00	3,080,017.00
Reimbursed TPAF Social Security Contributions	10-3902	-	-	-	2,721,525.30	2,721,525.30
Total State Sources		18,685,719.00	-	18,685,719.00	26,530,180.30	7,844,461.30
Federal Sources:						
Semi/ARRA Funds	10-420	-	-	-	50,578.67	50,578.67
Medicaid Reimbursements	10-420	55,064.00	-	55,064.00	138,006.51	82,942.51
Total Federal Sources		55,064.00	-	55,064.00	188,585.18	133,521.18
Total Revenues		79,714,935.00	(200.00)	79,714,735.00	87,939,177.82	8,224,442.82
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	543,979.00	(57,411.00)	486,568.00	486,499.48	68.52
Grades 1 - 5	11-120-100-101	8,512,636.00	(88,481.21)	8,424,154.79	8,408,935.74	15,219.05
Grades 6 - 8	11-130-100-101	5,237,162.00	251,243.26	5,488,405.26	5,484,306.90	4,098.36
Grades 9 - 12	11-140-100-101	7,277,177.00	12,140.48	7,289,317.48	7,275,331.47	13,986.01
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	35,000.00	(6,188.75)	28,811.25	28,811.25	-
Purchased Professional - Educational Services	11-150-100-320	150,000.00	(11,806.05)	138,193.95	128,738.45	9,455.50
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	-	18,765.90	18,765.90	18,765.90	-
Purchased Professional - Educational Services	11-190-100-320	105,425.00	58,992.17	164,417.17	161,567.17	2,850.00
Purchased Technical Services	11-190-100-340	159,152.00	(20,682.02)	138,469.98	135,573.71	2,896.27
Other Purchased Services	11-190-100-500	18,525.00	(16,819.00)	1,706.00	1,576.63	129.37
General Supplies	11-190-100-610	1,279,345.00	1,157,482.26	2,436,827.26	1,558,249.95	878,577.31
Textbooks	11-190-100-640	333,999.00	53,069.51	387,068.51	376,809.16	10,259.35
Other Objects	11-190-100-800	8,600.00	(6,557.02)	2,042.98	2,042.00	-
Total Regular Programs		23,661,000.00	1,343,748.53	25,004,748.53	24,067,207.81	937,539.74
Special Education:						
Learning and/or Language Disabled:						
Salaries of Teachers	11-204-100-101	607,040.00	(206,422.88)	400,617.12	400,617.12	-
Other Salaries for Instruction	11-204-100-106	300,298.00	(124,637.62)	175,660.38	175,436.12	224.26
General Supplies	11-204-100-610	5,000.00	-	5,000.00	3,490.61	1,509.39
Total Learning and/or Language Disabled		912,338.00	(331,060.50)	581,277.50	579,543.85	1,733.65

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	147,832.00	7,450.00	155,282.00	155,092.83	189.17
General Supplies	11-212-100-610	3,000.00	-	3,000.00	2,616.02	383.98
Total Multiple Disabilities		150,832.00	7,450.00	158,282.00	157,708.85	573.15
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	4,306,798.00	61,559.34	4,368,357.34	4,367,831.11	526.23
Other Salaries for Instruction	11-213-100-106	291,554.00	45,288.33	336,842.33	328,969.42	7,872.91
General Supplies	11-213-100-610	5,000.00	-	5,000.00	5,000.00	-
Total Resource Room/Resource Center		4,603,352.00	106,847.67	4,710,199.67	4,701,800.53	8,399.14
Special Education - Autism:						
Salaries of Teachers	11-214-100-101	235,724.00	(25,310.00)	210,414.00	210,189.70	224.30
Other Salaries for Instruction	11-214-100-106	58,758.00	31,129.00	89,887.00	88,708.03	1,178.97
			-			
Total Autism		294,482.00	5,819.00	300,301.00	298,897.73	1,403.27
Preschool Disabilities:						
Salaries of Teachers	11-215-100-101	221,634.00	4,377.32	226,011.32	221,563.16	4,448.16
Other Salaries for Instruction	11-215-100-106	160,557.00	(14,206.20)	146,350.80	137,138.47	9,212.33
General Supplies	11-215-100-610	5,000.00	-	5,000.00	-	5,000.00
Total Preschool Disabilities		387,191.00	(9,828.88)	377,362.12	358,701.63	18,660.49
Total Special Education		6,348,195.00	(220,772.71)	6,127,422.29	6,096,652.59	30,769.70
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	1,106,981.00	(101,166.27)	1,005,814.73	1,004,245.95	1,568.78
Total Basic Skills/Remedial Instruction		1,106,981.00	(101,166.27)	1,005,814.73	1,004,245.95	1,568.78
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	2,188,700.00	(298,815.85)	1,889,884.15	1,884,892.07	4,992.08
Other Salaries for Instruction	11-240-100-106	59,558.00	500.00	60,058.00	59,771.11	286.89
General Supplies	11-240-100-610	4,000.00	9,128.85	13,128.85	13,128.85	-
Textbooks	11-240-100-640	3,353.00	(115.59)	3,237.41	3,237.41	-
Total Bilingual Education - Instruction		2,255,611.00	(289,302.59)	1,966,308.41	1,961,029.44	5,278.97
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	280,000.00	(15,616.50)	264,383.50	264,382.50	1.00
Purchased Services	11-401-100-500	5,500.00	(811.09)	4,688.91	4,688.91	-
Supplies and Materials	11-401-100-600	5,000.00	(2,349.16)	2,650.84	2,450.76	200.08
Other Objects	11-401-100-800	6,500.00	5,992.59	12,492.59	12,177.59	315.00
Total School Sponsored Cocurricular Activities		297,000.00	(12,784.16)	284,215.84	283,699.76	516.08
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	645,052.00	90,712.39	735,764.39	734,172.73	1,591.66
Purchased Services	11-402-100-500	67,635.00	(2,217.97)	65,417.03	65,373.28	43.75
Supplies and Materials	11-402-100-600	79,760.00	18,951.71	98,711.71	85,988.81	12,722.90
Other Objects	11-402-100-800	5,500.00	5,574.00	11,074.00	11,074.00	-
Total School Sponsored Athletics - Instruction		797,947.00	113,020.13	910,967.13	896,608.82	14,358.31
Other Instruction Programs:						
Salaries	11-4XX-100	-	27,293.18	27,293.18	27,293.18	-
Total School Other Instruction Programs:		-	27,293.18	27,293.18	27,293.18	-
Total Other Instruction		4,457,539.00	(262,939.71)	4,194,599.29	4,172,877.15	21,722.14
Total - Instruction		34,466,734.00	860,036.11	35,326,770.11	34,336,737.55	990,031.58
Community Service Programs/Operations:						
Salaries	11-800-330-100	16,842.00	(1,007.64)	15,834.36	15,831.56	2.80
Purchased Services	11-800-330-500	2,495.00	(315.00)	2,180.00	1,030.00	1,150.00
Supplies and Materials	11-800-330-600	-	315.00	315.00	315.00	-
Total Community Service Programs/Operations		19,337.00	(1,007.64)	18,329.36	17,176.56	1,152.80

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	5,286.60	5,286.60	5,286.60	-
Tuition to Other LEAs	11-000-100-562	-	211.96	211.96	-	-
Tuition to County Vocational School District - Regular	11-000-100-563	510,000.00	(77,375.00)	432,625.00	432,625.00	-
Tuition - Charter Schools	11-000-100-564	-	5,034.00	5,034.00	5,034.00	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	5,310,098.00	(378,947.92)	4,931,150.08	4,924,073.35	7,076.73
Tuition to Private Schools for the Handicapped Within the State	11-000-100-566	683,000.00	(82,482.12)	600,517.88	600,517.00	0.88
Tuition - State Facilities	11-000-100-568	36,806.00	728.41	37,534.41	36,806.00	728.41
Tuition - Other	11-000-100-569	117,000.00	(116,200.38)	799.62	560.00	239.62
Total Instruction		6,656,904.00	(643,744.45)	6,013,159.55	6,004,901.95	8,045.64
Attendance/Social Work:						
Salaries	11-000-211-100	56,883.00	8.68	56,891.68	56,882.88	8.80
Purchased Professional & Technical Services	11-000-211-300	1,100.00	-	1,100.00	778.17	321.83
Other Purchased Services	11-000-211-500	250.00	-	250.00	91.83	158.17
Supplies and Materials	11-000-211-600	5,000.00	-	5,000.00	3,210.60	1,789.40
Total Attendance/Social Work		63,233.00	8.68	63,241.68	60,963.48	2,278.20
Health Services:						
Salaries	11-000-213-100	705,242.00	(2,229.93)	703,012.07	701,796.91	1,215.16
Purchased Professional & Technical Services	11-000-213-300	42,290.00	3,177.50	45,467.50	44,855.50	612.00
Other Purchased Services	11-000-213-500	400.00	-	400.00	-	400.00
Supplies and Materials	11-000-213-600	11,354.00	16,728.10	28,082.10	27,936.75	145.35
Total Health Services		759,286.00	17,675.67	776,961.67	774,589.16	2,372.51
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	656,176.00	(73,088.84)	583,087.16	579,682.62	3,404.54
Purchased Professional - Educational Services	11-000-216-320	23,843.00	(23,724.50)	118.50	-	118.50
Supplies and Materials	11-000-216-600	5,000.00	645.84	5,645.84	5,641.00	4.84
Total Other Support Services - Students - Related - Services		685,019.00	(96,167.50)	588,851.50	585,323.62	3,527.88
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	55,622.00	51,772.00	107,394.00	107,078.98	315.02
Purchased Professional - Educational Services	11-000-217-320	900.00	-	900.00	-	900.00
Total Other Support Services - Students - Extraordinary Services		56,522.00	51,772.00	108,294.00	107,078.98	1,215.02
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	1,278,401.00	80,034.89	1,358,435.89	1,356,382.28	2,053.61
Salaries of Secretarial & Clerical Assistants	11-000-218-105	42,903.00	35,598.28	78,501.28	78,501.28	-
Purchased Professional - Educational Services	11-000-218-320	13,000.00	(11,616.42)	1,383.58	745.00	638.58
Other Purchased Professional & Technical Services	11-000-218-390	20,000.00	(1,281.65)	18,718.35	14,218.35	4,500.00
Other Purchased Services	11-000-218-500	3,000.00	702.23	3,702.23	3,370.00	332.23
Supplies and Materials	11-000-218-600	62,550.00	(4,919.34)	57,630.66	53,943.55	3,687.11
Other Objects	11-000-218-800	4,100.00	-	4,100.00	3,502.00	598.00
Total Other Support Services - Students - Regular		1,423,954.00	98,517.99	1,522,471.99	1,510,662.46	11,809.53

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,692,684.00	43,993.68	1,736,677.68	1,722,888.83	13,788.85
Salaries of Secretarial & Clerical Assistants	11-000-219-105	150,842.00	(3,361.28)	147,480.72	147,480.72	-
Purchased Professional - Educational Services	11-000-219-320	50,000.00	162,196.63	212,196.63	203,690.13	8,506.50
Other Purchased Professional & Technical Services	11-000-219-390	30,000.00	24,672.82	54,672.82	52,058.83	2,613.99
Miscellaneous Purchased Services - (400-500) Series Other Than Residential Costs)	11-000-219-592	7,000.00	7,309.11	14,309.11	11,145.34	3,163.77
Supplies and Materials	11-000-219-600	23,000.00	6,725.06	29,725.06	28,050.93	1,674.13
Other Objects	11-000-219-800	4,500.00	(58.60)	4,441.40	4,409.93	31.47
Total Other Support Services - Students - Special Services		1,958,026.00	241,477.42	2,199,503.42	2,169,724.71	29,778.71
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	1,126,578.00	(42,632.75)	1,083,945.25	1,007,376.48	76,568.77
Salaries of Secretarial & Clerical Assistants	11-000-221-105	46,805.00	(0.20)	46,804.80	46,804.80	-
Other Salaries	11-000-221-110	60,000.00	(22,800.00)	37,200.00	30,765.50	6,434.50
Purchased Professional - Educational Services	11-000-221-320	200,898.00	(48,652.46)	152,245.54	129,329.54	22,916.00
Other Purchased Professional & Technical Services	11-000-221-390	22,000.00	89,934.07	111,934.07	23,183.07	88,751.00
Other Purchased Services	11-000-221-500	3,000.00	(2,853.50)	146.50	146.50	-
Supplies and Materials	11-000-221-600	4,500.00	5,373.72	9,873.72	8,759.17	1,114.55
Other Objects	11-000-221-800	12,500.00	(2,339.05)	10,160.95	10,160.95	-
Total Improvement of Instruction Services		1,476,281.00	(23,970.17)	1,452,310.83	1,256,526.01	195,784.82
Educational Media Services/School Library:						
Salaries	11-000-222-100	867,114.00	3,658.16	870,772.16	859,428.51	11,343.65
Purchased Professional & Technical Services	11-000-222-300	177,400.00	17,394.54	194,794.54	194,794.47	0.07
Other Purchased Services	11-000-222-500	35,000.00	(35,000.00)	-	-	-
Supplies and Materials	11-000-222-600	50,200.00	(6,841.35)	43,358.65	41,033.43	2,325.22
Total Educational Media Services/School Library		1,129,714.00	(20,788.65)	1,108,925.35	1,095,256.41	13,668.94
Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	218,400.00	(15,744.00)	202,656.00	202,655.73	0.27
Salaries of Other Professional Staff	11-000-223-104	21,807.00	2,394.84	24,201.84	24,201.84	-
Purchased Professional - Educational Services	11-000-223-320	29,500.00	(16,710.00)	12,790.00	12,790.00	-
Other Purchased Services	11-000-223-500	173,000.00	(136,854.87)	36,145.13	28,765.66	7,379.47
Supplies and Materials	11-000-223-600	500.00	950.00	1,450.00	866.99	583.01
Total Instructional Staff Training Services		443,207.00	(165,964.03)	277,242.97	269,280.22	7,962.75
Support Services General Administration:						
Salaries	11-000-230-100	246,050.00	505.56	246,555.56	244,721.28	1,834.28
Legal Services	11-000-230-331	145,000.00	(7,010.00)	137,990.00	129,790.88	8,199.12
Audit Fees	11-000-230-332	50,000.00	62.87	50,062.87	49,550.00	512.87
Architectural/Engineering Services	11-000-230-334	75,000.00	(21,405.60)	53,594.40	35,899.15	17,695.25
Other Purchased Professional Services	11-000-230-339	24,435.00	19,899.55	44,334.55	21,422.80	22,911.75
Communications/Telephone	11-000-230-530	222,000.00	46,538.00	268,538.00	262,673.40	5,864.60
BOE Other Purchased Services	11-000-230-585	5,000.00	(460.39)	4,539.61	2,610.60	1,929.01
Miscellaneous Purchased Services	11-000-230-590	170,135.00	23,702.24	193,837.24	192,290.90	1,546.34
General Supplies	11-000-230-610	36,000.00	(12,699.00)	23,301.00	11,467.47	11,833.53
BOE Training & Meeting Supplies	11-000-230-630	1,500.00	-	1,500.00	-	1,500.00
Judgements Against School District	11-000-230-820	500,000.00	-	500,000.00	500,000.00	-
Miscellaneous Expenditures	11-000-230-890	15,500.00	-	15,500.00	9,986.26	5,513.74
BOE Membership Dues & Fees	11-000-230-895	26,663.00	-	26,663.00	26,662.70	0.30
Total Support Services General Administration		1,517,283.00	49,133.23	1,566,416.23	1,487,075.44	79,340.79

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services School Administration:						
Salaries of Principals & Assistant Principals						
	11-000-240-103	1,986,021.00	(45,198.20)	1,940,822.80	1,935,633.60	5,189.20
Salaries of Other Professional Staff						
	11-000-240-104	121,549.00	(6,529.00)	115,020.00	115,020.00	-
Salaries of Secretarial & Clerical Assistants						
	11-000-240-105	909,751.00	7.88	909,758.88	908,258.88	1,500.00
Purchased Professional & Technical Services						
	11-000-240-300	10,000.00	(5,177.01)	4,822.99	4,822.89	0.10
Other Purchased Services						
	11-000-240-500	1,650.00	(951.00)	699.00		699.00
General Supplies						
	11-000-240-600	30,750.00	7,897.09	38,647.09	35,482.09	3,165.00
Other Objects						
	11-000-240-800	41,400.00	5,053.62	46,453.62	43,771.31	2,682.31
Total Support Services School Administration		3,101,121.00	(44,896.62)	3,056,224.38	3,042,988.77	13,235.61
Central Services:						
Salaries						
	11-000-251-100	818,640.00	(15,553.05)	803,086.95	771,977.90	31,109.05
Other Purchased Professional Services						
	11-000-251-330	8,900.00	9,014.02	17,914.02	15,612.60	2,301.42
Purchased Technical Services						
	11-000-251-340	171,299.00	(12,540.91)	158,758.09	115,091.51	43,666.58
Miscellaneous Purchased Services						
	11-000-251-592	16,600.00	600.00	17,200.00	14,967.19	2,232.81
Supplies and Materials						
	11-000-251-600	56,000.00	616.32	56,616.32	35,776.93	20,839.39
Interest on Lease Purchase Agreements						
	11-000-251-832	25,688.00	-	25,688.00	19,889.16	5,798.84
Miscellaneous Expenditures						
	11-000-251-890	5,000.00	1,190.98	6,190.98	5,690.98	500.00
Total Central Services		1,102,127.00	(16,672.64)	1,085,454.36	979,006.27	106,448.09
Administrative Information Technology:						
Salaries						
	11-000-252-100	152,878.00	-	152,878.00	146,967.84	5,910.16
Purchased Technical Services						
	11-000-252-340	19,000.00	1,760.00	20,760.00	11,760.00	9,000.00
Other Purchased Services						
	11-000-252-500	10,000.00	(7,708.37)	2,291.63	1,984.33	307.30
Supplies and Materials						
	11-000-252-600	75,000.00	200.00	75,200.00	74,976.28	223.72
Total Administrative Information Technology		256,878.00	(5,748.37)	251,129.63	235,688.45	15,441.18
Interest Earned on Maintenance Reserve		100.00	(100.00)	-	-	-
Required Maintenance for School Facilities:						
Salaries						
	11-000-261-100	1,301,757.00	5,606.86	1,307,363.86	1,289,988.72	17,375.14
Cleaning, Repair & Maintenance Services						
	11-000-261-420	103,710.00	698,286.00	801,996.00	361,151.74	440,844.26
General Supplies						
	11-000-261-610	288,275.00	166,741.70	455,016.70	449,156.29	5,860.41
Other Objects						
	11-000-261-800	10,000.00	(89.76)	9,910.24	9,711.00	199.24
Total Allowable Maintenance for School Facilities		1,703,742.00	870,544.80	2,574,286.80	2,110,007.75	464,279.05
Other Operation & Maintenance of Plant:						
Salaries						
	11-000-262-100	2,012,297.00	12,276.84	2,024,573.84	1,988,310.12	36,263.72
Cleaning, Repair & Maintenance Services						
	11-000-262-420	285,490.00	(187,218.50)	98,271.50	53,554.38	44,717.12
Other Purchased Property Services						
	11-000-262-490	60,000.00	16,373.00	76,373.00	69,122.67	7,250.33
Insurance						
	11-000-262-520	285,123.00	29,057.86	314,180.86	314,180.86	-
Travel						
	11-000-262-580	-	2,258.36	2,258.36	2,208.00	50.36
Miscellaneous Purchased Services						
	11-000-262-590	5,000.00	(5,000.00)	-	-	-
General Supplies						
	11-000-262-610	370,000.00	30,094.43	400,094.43	382,903.37	17,191.06
Energy (Natural Gas)						
	11-000-262-621	525,000.00	(197,057.90)	327,942.10	324,417.22	3,524.88
Energy (Electricity)						
	11-000-262-622	1,200,000.00	(146,272.78)	1,053,727.22	1,053,727.22	-
Total Other Operation & Maintenance of Plant		4,742,910.00	(445,488.69)	4,297,421.31	4,188,423.84	108,997.47
Care & Upkeep of Grounds:						
Salaries						
	11-000-263-100	20,000.00	(3,235.46)	16,764.54	12,025.00	4,739.54
Cleaning, Repair & Maintenance Services						
	11-000-263-420	-	39,115.00	39,115.00	39,114.91	0.09
General Supplies						
	11-000-263-610	25,000.00	(88.28)	24,911.72	24,579.98	331.74
Total Care & Upkeep of Grounds		45,000.00	35,791.26	80,791.26	75,719.89	5,071.37
Security:						
Salaries						
	11-000-266-100	341,948.00	(4,878.75)	337,069.25	324,899.07	12,170.18
Total Security		341,948.00	(4,878.75)	337,069.25	324,899.07	12,170.18

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Salaries of Non-Instructional Aids	11-000-270-107	183,219.00	(17,026.98)	166,192.02	152,620.50	13,571.52
Salaries for Pupil Transportation - (Between Home & School) Regular	11-000-270-160	1,638,445.00	189,071.74	1,827,516.74	1,786,806.04	40,710.70
Salaries for Pupil Transportation - (Between Home & School) Special Education	11-000-270-161	364,073.00	(123,076.32)	240,996.68	211,938.53	29,058.15
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-162	119,000.00	54,719.47	173,719.47	154,418.29	19,301.18
Other Purchased Professional & Technical Services	11-000-270-390	25,000.00	36,230.76	61,230.76	61,225.30	5.46
Cleaning, Repair & Maintenance Services	11-000-270-420	30,000.00	(2,000.00)	28,000.00	25,471.91	2,528.09
Aid in Lieu of Payments	11-000-270-503	150,000.00	-	150,000.00	127,502.20	22,497.80
Contracted Services - (Between Home & School) Vendors	11-000-270-511	170,000.00	(103,692.71)	66,307.29	29,945.23	36,362.06
Contracted Services - (Between Home & School) Vendors Other	11-000-270-512	-	340.00	340.00	-	-
Contracted Services (Special Education Students - Joint Agreements)	11-000-270-515	550,000.00	(50,000.00)	500,000.00	375,466.81	124,533.19
Travel	11-000-270-580	-	7,000.00	7,000.00	4,555.87	2,444.13
Miscellaneous Purchased Services - Transportation	11-000-270-593	182,000.00	(10,751.43)	171,248.57	171,248.57	-
General Supplies	11-000-270-610	253,000.00	(9,781.00)	243,219.00	215,544.55	27,674.45
Transportation Supplies	11-000-270-615	120,000.00	73,550.93	193,550.93	157,054.95	36,495.98
Other Objects	11-000-270-800	18,000.00	-	18,000.00	17,747.24	252.76
Total Student Transportation Services		3,802,737.00	44,584.46	3,847,321.46	3,491,545.99	355,435.47
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	4,300.00	(362.46)	3,937.54	3,937.54	-
Social Security	11-000-291-220	925,000.00	32,598.16	957,598.16	913,639.85	43,958.31
T.P.A.F. Contributions - ERIP	11-000-291-232	40,000.00	1,503,077.48	1,543,077.48	20,546.30	1,522,531.18
Other Retirement Contributions	11-000-291-241	1,099,939.00	(84,824.47)	1,015,114.53	980,486.81	34,627.72
Other Retirement Contributions	11-000-291-242	10,000.00	-	10,000.00	4,405.80	5,594.20
DCRP Employee Contributions	11-000-291-249	15,000.00	19,000.00	34,000.00	28,653.28	5,346.72
Workmen's Compensation	11-000-291-260	559,055.00	(5,055.72)	553,999.28	553,999.28	-
Health Benefits	11-000-291-270	11,433,519.00	(904,920.16)	10,528,598.84	10,228,813.71	299,785.13
Tuition Reimbursements	11-000-291-280	46,500.00	33,562.19	80,062.19	73,561.94	6,500.25
Other Employee Benefits	11-000-291-290	230,000.00	93,894.29	323,894.29	256,074.53	67,819.76
Total Unallocated Benefits		14,363,313.00	686,969.31	15,050,282.31	13,064,119.04	1,986,163.27
Nonbudgeted:						
On-Behalf TPAF Pension Contribution	-	-	-	-	1,940,168.00	(1,940,168.00)
On-Behalf TPAF Post-Retirement Medical	-	-	-	-	3,080,017.00	(3,080,017.00)
Reimbursed TPAF Social Security Contribution	-	-	-	-	2,721,525.30	(2,721,525.30)
Total Undistributed Expenditures		45,629,205.00	628,154.95	46,257,359.95	50,575,491.81	(4,318,683.82)
Total Expenditures - Current Expense		80,115,376.00	1,487,083.42	81,602,459.42	84,929,405.92	(3,327,499.44)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
Grades 1 - 5	12-120-100-730	-	9,980.00	9,980.00	9,980.00	-
Grades 6 - 8	12-130-100-730	-	2,700.00	2,700.00	2,672.15	27.85
Grades 9 - 12	12-140-100-730	-	10,258.05	10,258.05	10,258.05	-
School Spons. & Other Instruction	14-4xx-100-730	-	4,745.22	4,745.22	2,645.22	2,100.00
Undistributed Expenditures:						
Support Services-School Administration	12-000-240-730	-	2,247.50	2,247.50	2,247.50	-
Districtwide Non-Instruction	12-000-260-732	-	35,635.44	35,635.44	-	35,635.44
Required Maintenance for School Facilities	12-000-261-730	-	698,763.81	698,763.81	465,128.90	233,634.91
Custodial Services	12-000-262-730	-	39,659.64	39,659.64	35,349.64	4,310.00
Care & Upkeep of Grounds	12-000-263-730	-	30,680.45	30,680.45	30,680.45	-
Student Transportation:						
Non-instructional Equip.	12-000-270-732	-	39,070.53	39,070.53	30,070.53	9,000.00
School Buses - Regular	12-000-270-733	190,000.00	361,218.41	551,218.41	182,284.56	368,933.85
School Buses - Special	12-000-270-734	65,000.00	(59,168.83)	5,831.17	-	5,831.17
Total Equipment		255,000.00	1,175,790.22	1,430,790.22	771,317.00	659,473.22

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	464,000.00	15,097.60	479,097.60	11,516.68	467,580.92
Lease Purchase Agreements-Principal	12-000-400-721	1,379,559.00	-	1,379,559.00	1,379,559.00	-
Assessment for Debt Service on SDA Funding	12-000-400-896	203,645.00	-	203,645.00	203,645.00	-
Interest Deposit To Capital Reserve	10-604	100.00	(100.00)	-	-	-
Total Facilities Acquisition & Construction Services		2,047,304.00	14,997.60	2,062,301.60	1,594,720.68	467,580.92
Total Capital Outlay		2,302,304.00	1,190,787.82	3,493,091.82	2,366,037.68	1,127,054.14
Special Schools:						
Summer School - Instruction:						
Salaries of Teachers	13-422-100-101	28,500.00	5,040.50	33,540.50	33,540.50	-
Other Salaries for Instruction	13-422-100-106	10,500.00	-	10,500.00	9,135.52	-
Total Summer School - Instruction		39,000.00	5,040.50	44,040.50	42,676.02	-
Total Special Schools		39,000.00	5,040.50	44,040.50	42,676.02	-
Charter Schools:						
Transfer of Funds to Charter Schools		31,615.00	(31,615.00)	-	-	-
Total Charter Schools		31,615.00	(31,615.00)	-	-	-
Total Expenditures		82,488,295.00	2,651,296.74	85,139,591.74	87,338,119.62	(2,200,445.30)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,773,360.00)	(2,651,496.74)	(5,424,856.74)	601,058.20	6,023,997.52
Other Financing Sources/(Uses):						
Transfer from Other Funds		535,632.00	-	535,632.00	535,632.00	-
Transfer from Capital Projects		404,000.00	-	404,000.00	-	404,000.00
Transfer from Maintenance Reserve		80,000.00	-	80,000.00	-	80,000.00
Total Other Financing Sources/(Uses)		1,019,632.00	-	1,019,632.00	535,632.00	484,000.00
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses		(1,753,728.00)	(2,651,496.74)	(4,405,224.74)	1,136,690.20	5,541,914.94
Fund Balances, July 1		14,717,412.10	-	14,717,412.10	14,717,412.10	-
Fund Balances, June 30		\$ 12,963,684.10	\$ (2,651,496.74)	\$ 10,312,187.36	\$ 15,854,102.30	\$ 5,541,914.94

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 2,651,497.00
Total	\$ 2,651,497.00

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus	\$ 845,075.61
Excess Surplus - Designated for Subsequent Year's Expenditures	342,369.00
Capital Reserve	4,065,682.11
Maintenance Reserve	4,595,799.00
Assigned Fund Balance:	
Year-end Encumbrances	3,985,957.72
Designated for Subsequent Year's Expenditures	276,770.00
Designated for Subsequent Year's Expenditures-ARRA	50,578.67
Unassigned Fund Balance	1,691,870.19
Subtotal	15,854,102.30
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(1,452,924.00)
Fund Balance per Governmental Funds (GAAP)	14,401,178.30

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2015**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Federal Sources	\$ 1,614,479.00	\$ 675,209.00	\$ 2,289,688.00	\$ 1,897,492.79	\$ (392,195.21)
State Sources	-	172,808.00	172,808.00	141,869.31	(30,938.69)
Other Sources	-	62,056.42	62,056.42	53,510.33	(8,546.09)
Total Revenues	1,614,479.00	910,073.42	2,524,552.42	2,092,872.43	(431,679.99)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 455,336.00	\$ 326,636.54	\$ 781,972.54	\$ 523,433.34	\$ 258,539.20
Purchased Professional & Educational Services	-	292,342.00	292,342.00	257,161.90	35,180.10
Tuition	702,993.00	60,511.00	763,504.00	694,790.71	68,713.29
Out of Direct Placements	-	-	-	-	-
Other Purchased Services	-	9,805.09	9,805.09	-	9,805.09
General Supplies	218,050.00	(70,749.21)	147,300.79	113,025.13	34,275.66
Textbooks	-	7,355.00	7,355.00	6,742.84	612.16
Other Objects	-	2,400.00	2,400.00	2,396.00	4.00
Total Instruction	1,376,379.00	628,300.42	2,004,679.42	1,597,549.92	407,129.50
Support Services:					
Salaries	208,100.00	(45,391.00)	162,709.00	155,483.20	7,225.80
Purchased Support Services	-	84,353.00	84,353.00	66,249.91	18,103.09
Personal Services - Employee Benefits	30,000.00	150,776.00	180,776.00	179,842.00	934.00
Travel	-	7,780.00	7,780.00	-	7,780.00
Miscellaneous Purchased Services	-	-	-	14,772.00	(14,772.00)
Supplies	-	84,255.00	84,255.00	78,975.40	5,279.60
Total Support Services	238,100.00	281,773.00	519,873.00	495,322.51	24,550.49
Total Expenditures	1,614,479.00	910,073.42	2,524,552.42	2,092,872.43	431,679.99
Excess/(Deficiency) of Revenues Over/ Under Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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)	\$ 87,939,177.82	\$ 2,092,872.43
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,436,762.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,452,924.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(36,582.50)
Prior Year	-	33,052.00
	87,923,015.82	2,089,341.93
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	87,923,015.82	2,089,341.93
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	87,338,119.62	2,092,872.43
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	(3,530.50)
	-	(3,530.50)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 87,338,119.62	\$ 2,089,341.93

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.11805%	0.11394%	N/A							
District's proportionate share of the net pension liability (asset)	\$ 22,102,707	\$ 21,776,106	N/A							
District's covered-employee payroll	\$ 8,116,672	\$ 8,074,200	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	272.31%	269.70%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 1,011,456	\$ 973,210	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions in relation to the contractually required contribution	1,011,456	973,210	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contribution deficiency (excess)	\$ -	\$ -	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's covered-employee payroll	\$ 8,116,672	\$ 8,074,200	2,074,797	**N/A						
Contributions as a percentage of covered-employee payroll	12.46%	12.05%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.352445%	0.344233%	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$ 188,370,333	\$ 173,972,871	N/A							
District's covered-employee payroll	\$ 36,894,418	\$ 35,472,354	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A							

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

		NONPUBLIC												
		COMPENSAT- ORY EDUCATION	SUPPLEMENT- ARY INSTRUCTION	NURSING AID	HANDICAP EXAM	CORRECTIVE SPEECH	ESL AID	TEXTBOOKS	TECHNOLOGY	TITLE I PART A	TITLE IIA			
Revenues:														
Federal Sources	\$	-	\$	-	\$	-	\$	-	\$	-	\$	461,213.53	\$	81,393.76
State Sources		45,255.06	15,041.71	12,710.00	41,243.50	17,228.25	-	6,742.84	3,647.95	-	-	-	-	-
Local Sources		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$	45,255.06	15,041.71	12,710.00	41,243.50	17,228.25	-	6,742.84	3,647.95	461,213.53	-	81,393.76		
Expenditures:														
Instruction:														
Salaries of Teachers	\$	-	\$	-	\$	-	\$	-	\$	-	\$	343,902.39	\$	-
Educational Services		45,255.06	15,041.71	-	41,243.50	17,228.25	-	-	-	-	-	-	-	-
Tuition		-	-	-	-	-	-	-	-	-	-	-	-	-
General Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-
Textbooks		-	-	-	-	-	-	3,647.95	-	10,351.09	-	-	-	-
Other Objects		-	-	-	-	-	-	6,742.84	-	-	-	-	-	-
Total Instruction		45,255.06	15,041.71	-	41,243.50	17,228.25	-	6,742.84	3,647.95	354,253.48	-	-	-	-
Support Services:														
Salaries		-	-	-	-	-	-	-	-	-	-	17,460.05	-	-
Purchased Support Services		-	-	-	-	-	-	-	-	-	-	-	-	52,702.92
Personal Services - Employee Benefits		-	-	-	-	-	-	-	-	-	-	89,500.00	-	-
Miscellaneous Purchased Services		-	-	12,710.00	-	-	-	-	-	-	-	-	-	-
Supplies		-	-	-	-	-	-	-	-	-	-	-	-	28,690.84
Total Support Services		-	-	12,710.00	-	-	-	-	-	-	-	106,960.05	-	-
Total Expenditures	\$	45,255.06	15,041.71	12,710.00	41,243.50	17,228.25	-	6,742.84	3,647.95	461,213.53	-	81,393.76		

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE III		I.D.E.A. - PART B		STEM GRANT	TARGET POETRY GRANT	SAFETY GRANT	SQUIBB ROBOTICS GRANT	2015
	EMERGENCY IMMIGRANT EDUCATION		BASIC	PRESCHOOL					
Revenues:									
Federal Sources	\$ 133,000.07	\$	1,189,813.17	\$ 5,464.00	\$ 26,608.26	\$ -	\$ -	\$ -	1,897,492.79
State Sources	-	-	-	-	-	-	-	-	141,869.31
Local Sources	-	-	-	-	-	1,000.00	49,207.00	3,290.72	53,510.33
Total Revenues	\$ 133,000.07	\$	1,189,813.17	\$ 5,464.00	\$ 26,608.26	\$ 1,000.00	\$ 49,207.00	\$ 3,290.72	\$ 2,092,872.43
Expenditures:									
Instruction:									
Salaries of Teachers	99,159.75		80,371.20						523,433.34
Educational Services	-		138,393.38						257,161.90
Tuition	-		694,790.71						694,790.71
General Supplies	8,352.76		60,880.74	5,464.00	20,025.26	1,000.00		3,290.72	113,025.13
Textbooks	-		-						6,742.84
Other Objects	-		-		2,396.00				2,396.00
Total Instruction	107,512.51		974,436.03	5,464.00	22,421.26	1,000.00		3,290.72	1,597,549.92
Support Services:									
Salaries	-		135,898.15		2,125.00				155,483.20
Purchased Support Services	-		13,546.99						66,249.91
Personal Services - Employee Benefits	24,410.00		65,932.00						179,842.00
Miscellaneous Purchased Services	-		-		2,062.00				14,772.00
Supplies	1,077.56		-				49,207.00		78,975.40
Total Support Services	25,487.56		215,377.14		4,187.00		49,207.00		495,322.51
Total Expenditures	\$ 133,000.07	\$	1,189,813.17	\$ 5,464.00	\$ 26,608.26	\$ 1,000.00	\$ 49,207.00	\$ 3,290.72	\$ 2,092,872.43

F. Capital Projects Fund

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended/ (Over Expended) Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Hightstown High School Turf Field Construction	02/14/13	\$ 2,232,000.40	\$ 1,811,225.00	\$ 420,775.40	\$ -
Telecommunication Replacement for Various Schools	01/27/14	578,390.00	-	520,550.00	57,840.00
Roof Replacement for Various Schools	05/12/14	3,790,163.00	270,011.00	2,959,935.00	560,217.00
Class Room Renovations for High School	3/15/2015	3,419,533.54	-	2,246,182.94	1,173,350.60
		<u>10,020,086.94</u>	<u>2,081,236.00</u>	<u>6,147,443.34</u>	<u>1,791,407.60</u>
Less: Unearned Revenue Capital Lease					(1,173,350.60)
Less: Unearned SDA Revenue					<u>(253,807.82)</u>
Fund Balance-GAAP					<u>\$ 364,249.18</u>

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources:	
Capital Lease Proceeds	\$ 3,419,533.54
	<hr/>
Total Revenues	3,419,533.54
	<hr/>
Expenditures and Other Financing Sources:	
Construction Services	6,147,443.34
	<hr/>
Total Expenditures	6,147,443.34
	<hr/>
Excess/(Deficiency) of Revenues	
Over/(Under) Expenditures	(2,727,909.80)
Fund Balance - July 1	4,519,317.00
	<hr/>
Fund Balance - June 30	\$ 1,791,407.20
	<hr/> <hr/>

EAST WINDSOR REGIONAL SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
High School Turf Field Construction Project
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital lease proceeds	\$ 2,232,000.40	\$ -	\$ 2,232,000.40	\$ 2,232,000.40
Total Revenues	\$ 2,232,000.40	\$ -	\$ 2,232,000.40	\$ 2,232,000.40
Expenditures and Other Financing Uses:				
Construction services	\$ 1,811,225.00	\$ 420,775.40	\$ 2,232,000.40	\$ 2,232,000.40
Total Expenditures	\$ 1,811,225.00	\$ 420,775.40	\$ 2,232,000.40	\$ 2,232,000.40
Excess (Deficiency) of revenues over (under) expenses	\$ 420,775.40	\$ (420,775.40)	\$ -	\$ -

Additional Project Information:

Project Number	N/A
Grant Date/Letter of Notification	N/A
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$2,232,000
Additional Authorized Cost	\$0
Revised Authorized Cost	\$2,232,000
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	
Revised Target Completion Date	

EAST WINDSOR REGIONAL SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Telecommunication Replacement for Various Schools
From Inception and for the Year Ended June 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Funding Sources:				
State sources - SDA grant	\$ 237,518.00	\$ -	\$ 237,518.00	\$ 237,518.00
Transfer from capital reserve	340,872.00	-	340,872.00	340,872.00
Total Revenues	578,390.00	-	578,390.00	578,390.00
Expenditures and Other Financing Uses:				
Construction services	-	520,550.00	520,550.00	578,390.00
Total Expenditures	-	520,550.00	520,550.00	578,390.00
Excess (Deficiency) of revenues over (under) expenses	\$ 578,390.00	\$ (520,550.00)	\$ 57,840.00	\$ -

Additional Project Information:

Project Number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005
Grant Date/Letter of Notification	01/06/2014
Bond Authorization/Referendum Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Project Authorized Cost	\$578,390
Additional Authorized Cost	\$0
Revised Authorized Cost	\$578,390
Percentage Increase Over	
Original Authorized Cost	0%
Percentage Completion	90%
Original Target Completion Date	
Actual Completion Date	

EAST WINDSOR REGIONAL SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof and Door Replacement for Various Schools
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Funding Sources:				
State sources - SDA grant	\$ 1,556,446.00	\$ -	\$ 1,556,446.00	\$ 1,556,446.00
Transfer from capital reserve	2,233,717.00	-	2,233,717.00	2,233,717.00
Total Revenues	3,790,163.00	-	3,790,163.00	3,790,163.00
Expenditures and Other Financing Uses:				
Construction services	270,011.00	2,959,935.00	3,229,946.00	3,790,163.00
Total Expenditures	270,011.00	2,959,935.00	3,229,946.00	3,790,163.00
Excess (Deficiency) of revenues over (under) expenses	\$ 3,520,152.00	\$ (2,959,935.00)	\$ 560,217.00	\$ -

Additional Project Information:

Project Number	050-14-1007;055-14-1008;070-14-1010;075-14-1011
Grant Date/Letter of Notification	02/21/14
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$3,790,163
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,790,163
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	85%
Original Target Completion Date	
Actual Completion Date	

EAST WINDSOR REGIONAL SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
High School Science Labs Construction Project
From Inception and for the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital lease proceeds	\$ -	\$ 3,419,533.54	\$ 3,419,533.54	\$ 3,419,533.54
Total Revenues	-	3,419,533.54	3,419,533.54	3,419,533.54
Expenditures and Other Financing Uses:				
Construction services	-	2,246,182.94	2,246,182.94	3,419,533.54
Total Expenditures	-	2,246,182.94	2,246,182.94	3,419,533.54
Excess (Deficiency) of revenues over (under) expenses	\$ -	\$ 1,173,350.60	\$ 1,173,350.60	\$ -

Additional Project Information:

Project Number	N/A
Grant Date/Letter of Notification	N/A
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$3,419,534
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,419,534
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	66%
Original Target Completion Date	
Revised Target Completion Date	

G. Proprietary Funds

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Enterprise Funds

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTALS
	FOOD SERVICE	KIDCARE	
Current Assets:			
Cash & Cash Equivalents	\$ 233,570.51	\$ 798,691.00	\$ 1,032,261.51
Accounts Receivable:			
Federal	171,488.93	-	171,488.93
State	4,287.40	-	4,287.40
Other	-	2,600.00	2,600.00
Inventories	28,219.57	-	28,219.57
Total Current Assets	437,566.41	801,291.00	1,238,857.41
Fixed Assets:			
Equipment	1,064,771.00	-	1,064,771.00
Less: Accumulated Depreciation	(786,376.00)	-	(786,376.00)
Total Fixed Assets	278,395.00	-	278,395.00
Total Assets	715,961.41	801,291.00	1,517,252.41
LIABILITIES			
Accounts Payable	-	127.17	127.17
Deferred Revenue	15,463.28	-	15,463.28
Total Liabilities	15,463.28	127.17	15,590.45
NET POSITION			
Net Investment in Capital Assets	278,395.00	-	278,395.00
Unrestricted	422,103.13	801,163.83	1,223,266.96
Total Net Position	\$ 700,498.13	\$ 801,163.83	\$ 1,501,661.96

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	KIDCARE	TOTALS
Operating Revenues:			
Local Sources:			
Program Income	\$ 725,620.20	\$ 866,156.22	\$ 1,591,776.42
Special Functions	10,651.30	-	10,651.30
	<hr/>		
Total Operating Revenue	736,271.50	866,156.22	1,602,427.72
	<hr/>		
Operating Expenses:			
Salaries	-	558,956.59	558,956.59
Employee Benefits	-	118,099.36	118,099.36
Purchased Professional Services	1,439,361.24	28,064.79	1,467,426.03
Supplies & Materials	198,393.09	48,337.65	246,730.74
Depreciation	43,275.00	-	43,275.00
	<hr/>		
Total Operating Expenses	1,681,029.33	753,458.39	2,434,487.72
	<hr/>		
Operating Income/(Loss)	(944,757.83)	112,697.83	(832,060.00)
	<hr/>		
Nonoperating Revenues:			
Interest Income	51.78	-	51.78
State Sources:			
State School Lunch Program	20,474.36	-	20,474.36
Federal Sources:			
National School Lunch Program	753,300.30	-	753,300.30
Healthy Hunger-Free Kids Act (HHFKA)	24,288.90	-	24,288.90
National Breakfast Program	122,485.02	-	122,485.02
Special Milk Program	5,386.61	-	5,386.61
Food Distribution Program	147,314.99	-	147,314.99
Transfer to General Fund	-	(400,000.00)	(400,000.00)
	<hr/>		
Total Nonoperating Revenues	1,073,301.96	(400,000.00)	673,301.96
	<hr/>		
Net Income/(Loss)	128,544.13	(287,302.17)	(158,758.04)
	<hr/>		
Net Position - July 1	571,954.00	1,088,466.00	1,660,420.00
	<hr/>		
Net Position - June 30	\$ 700,498.13	\$ 801,163.83	\$ 1,501,661.96
	<hr/> <hr/>		

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	KIDCARE	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 747,100.78	\$ 863,556.22	\$ 1,610,657.00
Payments to Employees	-	(677,055.95)	(677,055.95)
Payments to Suppliers	(1,473,609.91)	(76,275.27)	(1,549,885.18)
Net Cash Provided/(Used) by Operating Activities	(726,509.13)	110,225.00	(616,284.13)
Cash Flows From Noncapital Financing Activities:			
State Sources	18,482.96	-	18,482.96
Federal Sources	784,527.90	-	784,527.90
Transfer to General Fund	-	(400,000.00)	(400,000.00)
Net Cash Provided by Noncapital Financing Activities	803,010.86	(400,000.00)	403,010.86
Cash Flows From Investing Activities:			
Interest & Dividends	51.78	-	51.78
Net Cash Provided/(Used) by Investing Activities	51.78	-	51.78
Net Increase/(Decrease) in Cash & Cash Equivalents	76,553.51	(289,775.00)	(213,221.49)
Balances - Beginning of Year	157,017.00	1,088,466.00	1,245,483.00
Balances - Ending of Year	\$ 233,570.51	\$ 798,691.00	\$ 1,032,261.51

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (944,757.83)	\$ 112,697.83	\$ (832,060.00)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	43,275.00	-	43,275.00
Food Distribution Program	147,314.99	-	147,314.99
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	9,911.00	(2,600.00)	7,311.00
(Increase)/Decrease in Inventory	20,050.43	-	20,050.43
Increase/(Decrease) in Accounts Payable	(3,221.00)	127.17	(3,093.83)
Increase/(Decrease) in Deferred Revenue	918.28	-	918.28
Net Cash Provided/(Used) by Operating Activities	\$ (726,509.13)	\$ 110,225.00	\$ (616,284.13)

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Internal Service Fund

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FUELING FACILITY	SENIOR TRANSPORTATION	TOTALS
Other Receivables	\$ 51,877.93	\$ -	\$ 51,877.93
Inventory	29,226.34	-	29,226.34
Total Current Assets	81,104.27	-	81,104.27
Capital Assets:			
Equipment	30,024.70	-	30,024.70
Less: Accumulated Depreciation	(30,024.70)	-	(30,024.70)
Total Capital Assets	-	-	-
Total Assets	81,104.27	-	81,104.27
LIABILITIES			
Cash Deficit	66,282.61	-	66,282.61
Total Liabilities	66,282.61	-	66,282.61
NET POSITION			
Unreserved/(Deficit)	14,821.66	-	14,821.66
Total Net Position	\$ 14,821.66	\$ -	\$ 14,821.66

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES &
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	FUELING FACILITY	SENIOR TRANSPORTATION	TOTALS
Operating Revenues:			
Charges for Services	\$ 542,238.20	\$ -	\$ 542,238.20
Total Operating Revenues	<u>542,238.20</u>	<u>-</u>	<u>542,238.20</u>
Operating Expenses:			
Supplies & Materials	531,504.84	-	531,504.84
Depreciation	359.70	-	359.70
Total Operating Expenses	<u>531,864.54</u>	<u>-</u>	<u>531,864.54</u>
Operating Income/(Loss)	10,373.66	-	10,373.66
Other financing Sources/(Uses):			
Transfer to General Fund	-	(135,632.00)	(135,632.00)
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>(135,632.00)</u>	<u>(135,632.00)</u>
Change in Net Position	10,373.66	(135,632.00)	(125,258.34)
Net Position Beginning of Year	<u>4,448.00</u>	<u>135,632.00</u>	<u>140,080.00</u>
Net Position End of Year	<u>\$ 14,821.66</u>	<u>\$ -</u>	<u>\$ 14,821.66</u>

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	FUELING FACILITY	SENIOR TRANSPORTATION	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 576,340.27	\$ -	\$ 576,340.27
Payments to Suppliers	(502,016.88)	-	(502,016.88)
Net Cash Provided/(Used) by Operating Activities	<u>74,323.39</u>	<u>-</u>	<u>74,323.39</u>
Cash Flows From Investing Activities			
Payments to Operating Fund	-	(135,632.00)	(135,632.00)
Net Cash Provided/(Used) by Investing Activities	<u>-</u>	<u>(135,632.00)</u>	<u>(135,632.00)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents			
Balances - Beginning of Year	74,323.39	(135,632.00)	(61,308.61)
	<u>(140,606.00)</u>	<u>135,632.00</u>	<u>(4,974.00)</u>
Balances - Ending of Year	<u>\$ (66,282.61)</u>	<u>\$ -</u>	<u>\$ (66,282.61)</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 10,373.66	\$ -	\$ 10,373.66
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	359.70	-	359.70
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	34,102.07	-	34,102.07
(Increase)/Decrease in Inventory	29,487.58	-	29,487.58
Total Adjustments	<u>63,949.35</u>	<u>-</u>	<u>63,949.35</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 74,323.01</u>	<u>\$ -</u>	<u>\$ 74,323.01</u>

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H. Fiduciary Fund

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash & Cash Equivalents	\$ 68,265.76	\$ 1,351,583.94	\$ 216,126.70	\$25,926.73	\$ 1,661,903.13
Total Assets	68,265.76	1,351,583.94	216,126.70	25,926.73	1,661,903.13
LIABILITIES					
Liabilities:					
Payroll Deductions & Withholdings	-	-	-	25,926.73	25,926.73
Unemployment Payable	-	2,582.99	-	-	2,582.99
Due to Student Groups	-	-	216,126.70	-	216,126.70
Total Liabilities	-	2,582.99	216,126.70	25,926.73	244,636.42
NET POSITION					
Reserved	68,265.76	1,349,000.95	-	-	1,417,266.71
Total Net Position	\$ 68,265.76	\$ 1,349,000.95	\$ -	\$ -	\$ 1,417,266.71

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	
Operating Revenues:			
Local Sources:			
Interest on Investments	\$ 1,399.95	-	\$ 1,399.95
Scholarship Donations	-	14,265.00	14,265.00
Other Income	78,269.71	-	78,269.71
Total Operating Revenues	79,669.66	14,265.00	93,934.66
Operating Expenditures:			
Scholarship Payments	-	26,375.00	26,375.00
Unemployment Claims	65,515.71	-	65,515.71
Total Operating Expenses	65,515.71	26,375.00	91,890.71
Financing Activities			
Decrease in Market Value	-	(1,307.61)	(1,307.61)
Total Finance Activities	-	(1,307.61)	(1,307.61)
Excess/(Deficit) of Revenues Over/ (Under) Expenditures	14,153.95	(13,417.61)	736.34
Net Position, July 1	1,334,847.00	81,683.37	1,416,530.37
Net Position, June 30	\$ 1,349,000.95	\$ 68,265.76	\$ 1,417,266.71

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Elementary Schools:				
Walter C. Black	\$ 6,152.00	\$ 22,224.47	\$ 24,100.14	\$ 4,276.33
Ethel McKnight	9,693.00	21,199.57	20,561.09	10,331.48
Grace Rogers	8,392.00	12,468.20	13,280.26	7,579.94
Perry L. Drew	2,348.00	22,755.20	23,007.67	2,095.53
Total Elementary Schools	26,585.00	78,647.44	80,949.16	24,283.28
Junior High School:				
Melvin Keeps	68,329.00	164,098.87	169,917.39	62,510.48
Senior High School:				
Hightstown High School	103,266.00	405,960.30	381,029.62	128,196.68
Other Departments:				
Officials Department	356.00	42,620.00	41,839.74	1,136.26
Total Other Departments	356.00	42,620.00	41,839.74	1,136.26
Total Schools & Other Departments	\$ 198,536.00	\$ 691,326.61	\$ 673,735.91	\$ 216,126.70

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 13,185.00	\$ 55,046,505.49	\$ 55,033,763.76	\$ 25,926.73
Total Assets	\$ 13,185.00	\$ 55,046,505.49	\$ 55,033,763.76	\$ 25,926.73
LIABILITIES				
Payroll Deductions & Withholdings Payable	\$ 13,185.00	\$ 25,160,899.49	\$ 25,148,157.76	\$ 25,926.73
Net Payroll	-	29,885,606.00	29,885,606.00	-
Total Liabilities	\$ 13,185.00	\$ 55,046,505.49	\$ 55,033,763.76	\$ 25,926.73

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I. Long-Term Debt

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2015
School Refunding Bonds	7/15/2005	6,330,000	07/15/15	425,000	4.00%	\$ 4,155,000	\$ -	\$ 3,300,000	\$ 430,000	\$ 425,000
School Refunding Bonds	01/10/2012	29,900,000	03/01/16	1,605,000	3.00%	28,325,000	-	-	1,590,000	26,735,000
			03/01/17	1,635,000	4.00%					
			03/01/18	1,680,000	4.00%					
			03/01/19	1,730,000	4.00%					
			03/01/20	1,770,000	5.00%					
			03/01/21	1,830,000	5.00%					
			03/01/22	1,890,000	5.00%					
			03/01/23	2,020,000	5.00%					
			03/01/24	2,080,000	4.00%					
			03/01/25	2,115,000	4.00%					
			03/01/26	2,100,000	4.00%					
			03/01/27	2,110,000	4.00%					
			03/01/28	2,090,000	4.00%					
			03/01/29	2,080,000	4.00%					
School Refunding Bonds	3/18/2015	3,280,000	07/15/15	35,000	3.00%	-	3,280,000	-	-	3,280,000
			07/15/16	435,000	3.00%					
			07/15/17	425,000	3.00%					
			07/15/18	415,000	3.00%					
			07/15/19	410,000	3.00%					
			07/15/20	400,000	3.00%					
			07/15/21	395,000	3.00%					
			07/15/22	390,000	3.00%					
			07/15/23	375,000	3.00%					
Total										
										\$ 32,480,000
										\$ 2,020,000
										\$ 30,440,000

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
			PRINCIPAL	INTEREST					
Artificial Turf Field and Ancillary Improvements	02/14/2013	5 years	2,232,000	94,620	1.34%	\$ 1,796,311.00	\$ -	\$ 1,796,311.00	\$ -
High School Classroom Renovation	10/15/2014	5 years	3,149,534	155,466	1.64%	-	3,419,534.00	-	3,419,534.00
Total						\$ 1,796,311.00	\$ 3,419,534.00	\$ 1,796,311.00	\$ 3,419,534.00

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,201,658.00	\$ -	\$ 3,201,658.00	\$ 3,201,658.00	\$ -
State Sources:					
Debt Service Aid Type II	136,795.00	-	136,795.00	136,795.00	-
Total Revenues	<u>3,338,453.00</u>	<u>-</u>	<u>3,338,453.00</u>	<u>3,338,453.00</u>	<u>-</u>
Expenditures					
Regular Debt Service:					
Interest on Bonds	1,318,453.00	-	1,318,453.00	1,318,452.50	0.50
Redemption of Principal	2,020,000.00	-	2,020,000.00	2,020,000.00	-
Cost of Issuance of Debt	-	-	-	75,882.75	(75,882.75)
Total Expenditures	<u>3,338,453.00</u>	<u>-</u>	<u>3,338,453.00</u>	<u>3,414,335.25</u>	<u>(75,882.25)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,882.25)</u>	<u>(75,882.25)</u>
Other Financing Sources/(Uses):					
Refunding Bond Proceeds	-	-	-	3,442,184.00	3,442,184.00
Deposit with Escrow Agent	-	-	-	(3,366,301.25)	(3,366,301.25)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,882.75</u>	<u>75,882.75</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.50</u>	<u>0.50</u>
Fund Balance, July 1	<u>0.50</u>	<u>-</u>	<u>0.50</u>	<u>0.50</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.50</u>	<u>\$ -</u>	<u>\$ 0.50</u>	<u>\$ 1.00</u>	<u>\$ 0.50</u>

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF EARLY RETIREMENT INCENTIVE PLAN LOANS PAYABLE
JUNE 30, 2015**

PURPOSE	DATE OF LOAN	AMOUNT OF ISSUE	TERM OF LOAN	INTEREST RATE	ANNUAL PAYMENTS		BALANCE JUNE 30, 2014	RETIRED	BALANCE JUNE 30, 2015
					DATE	AMOUNT			
TPAF	1997	\$317,847	20 years	8.25%	4/1/2016	\$ 30,465.00	\$ 58,607.46	\$ 28,142.88	\$ 30,464.58
PERS	1997	76,499	20 years	8.25%	4/1/2016	\$ 9,301.00	17,892.61	8,591.86	9,300.75
Total							<u>\$ 76,500.07</u>	<u>\$ 36,734.74</u>	<u>\$ 39,765.33</u>

STATISTICAL SECTION (Unaudited)

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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. Note that the Exhibits are presented for the last ten fiscal year.

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EAST WINDSOR REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:											
Net Investment,											
In Capital Assets	\$ 64,392,243	\$ 63,790,253	\$ 64,359,111	\$ 67,200,853	\$ 74,974,954	\$ 78,261,276	\$ 79,348,470	\$ 38,604,144	\$ 39,998,845	\$ 36,539,523	\$ 35,327,487
Restricted	9,808,188	12,504,920	1,197,379	1,358,893	160,932	1,651,286	1,416,897	2,731,814	2,120,199	548,428	411,538
Unrestricted	(17,505,642)	1,321,990	11,961,799	5,036,348	3,477,402	(1,867,704)	(2,634,915)	(289,893)	128,394	525,863	1,232,596
Total Governmental Activities	\$ 56,694,789	\$ 77,617,163	\$ 77,518,289	\$ 73,596,094	\$ 78,613,288	\$ 78,044,858	\$ 78,130,452	\$ 41,046,065	\$ 42,247,438	\$ 37,613,814	\$ 36,971,621
Business-Type Activities:											
Invested in Capital Assets,											
Net of Related Debt	\$ 278,395	\$ 32,670	\$ 374,041	\$ 427,651	\$ 259,112	\$ 336,040	\$ 17,427	\$ 26,620	\$ 37,490	\$ 51,510	\$ 63,451
Unrestricted	1,223,267	1,338,750	1,234,892	1,360,951	1,048,146	559,374	783,219	611,530	520,088	517,078	649,878
Total Business-Type Activities	\$ 1,501,662	\$ 1,371,420	\$ 1,608,933	\$ 1,788,602	\$ 1,307,258	\$ 895,414	\$ 800,646	\$ 638,150	\$ 557,578	\$ 568,588	\$ 713,329
Government-Wide:											
Net Investment,											
In Capital Assets	\$ 64,670,638	\$ 64,111,923	\$ 64,733,152	\$ 67,628,504	\$ 75,234,066	\$ 78,597,316	\$ 79,365,897	\$ 38,630,764	\$ 40,036,335	\$ 36,591,033	\$ 35,390,938
Restricted	9,808,188	12,504,920	1,197,379	1,358,893	160,932	1,651,286	1,416,897	2,731,814	2,120,199	548,428	411,538
Unrestricted	(16,282,375)	2,660,740	13,196,691	6,397,299	4,525,548	(1,308,330)	(1,851,696)	321,637	648,482	1,042,941	1,882,474
Total District Net Position	\$ 58,196,451	\$ 79,277,583	\$ 79,127,222	\$ 75,384,696	\$ 79,920,546	\$ 78,940,272	\$ 78,931,098	\$ 41,684,215	\$ 42,805,016	\$ 38,182,402	\$ 37,684,950

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 25,670,386	\$ 1,630,824	\$ 25,042,178	\$ 24,762,899	\$ 24,278,169	\$ 23,886,709	\$ 25,345,118	\$ 23,449,840	\$ 22,073,403	\$ 28,498,880
Special Education	6,096,653	-	5,889,788	5,468,678	5,581,332	5,397,548	4,773,122	5,095,269	5,570,021	7,485,576
Other Instruction	2,992,569	-	2,881,786	2,247,777	1,823,344	2,092,737	1,911,816	1,871,884	1,998,333	4,003,002
Adult/Continuing Education Programs	1,197,485	834,133	1,062,581	978,725	972,437	1,085,409	957,710	1,003,549	1,002,373	29,862
Support Services:										
Tuition	6,491,066	469,718	5,534,737	5,117,547	4,120,939	3,945,612	4,126,763	3,821,728	3,638,173	3,323,905
Student & Instruction Related Services	7,829,405	-	7,619,049	7,332,658	6,960,700	7,823,749	8,251,907	8,072,949	7,293,207	10,289,126
School Administrative Services	3,042,989	-	2,746,109	2,588,907	2,487,568	2,752,790	2,869,315	2,761,945	2,557,995	1,241,730
General & Business Administrative Services	987,075	(250,000)	642,886	624,850	692,000	878,198	3,299,593	751,280	836,058	3,542,804
Central Services	979,006	(3,461)	1,216,913	1,108,804	1,007,249	1,074,239	924,094	899,115	1,200,835	1,174,963
Administrative Information Technology	235,688	-	8,650	2,400	2,400	3,994	19,782	23,435	37,179	123,494
Plant Operations & Maintenance	7,230,915	688,995	7,540,292	6,358,065	6,880,987	7,138,784	7,242,233	7,314,063	6,922,187	7,869,527
Pupil Transportation	3,491,546	-	3,345,266	2,975,875	2,742,578	2,769,108	2,788,233	2,820,432	3,112,398	4,319,277
Business & Other Support Services	-	-	6,500	5,500	5,500	7,591	6,087	11,455	8,243	-
Transfers to Charter Schools	-	-	35,589	21,904	-	4,625	-	-	-	-
Special Schools	42,676	-	33,247	31,247	31,322	90,369	84,087	114,607	250,708	335,164
Interest on Long-Term Debt	1,532,276	1,354,262	1,443,522	1,658,548	1,745,893	1,813,441	1,894,783	1,954,706	2,078,264	1,915,268
Unallocated Employee Benefits	29,249,738	10,140,629	19,902,244	19,353,724	19,713,416	20,955,114	19,138,142	21,608,173	19,517,986	-
Unallocated Amortization of Bond Costs	(119,329)	(115,974)	(95,599)	(33,828)	10,293	10,295	10,295	10,295	10,293	-
Unallocated Depreciation	3,842,200	3,816,984	3,868,597	4,006,499	4,884,213	4,359,390	4,234,890	3,082,090	1,696,202	-
Cancellation of Intergovernmental Accounts Receivable	-	-	-	-	741,280	-	-	-	-	-
Unallocated Compensated Absences	(237,384)	(55,173)	665,839	(177,261)	(34,057)	52,343	108,933	19,059	(383,611)	-
Loss/Adjustment to Fixed Assets	2,509,558	1,283,869	-	-	-	-	-	1,740,424	-	-
Total Governmental Activities Expenses	103,064,517	19,794,806	89,390,174	84,433,518	84,647,563	86,142,045	87,986,903	86,426,298	79,420,247	74,152,578
Business-Type Activities:										
Food Service	2,081,029	1,885,075	2,089,683	1,708,043	1,370,210	1,387,949	1,315,536	1,171,247	1,198,856	1,147,536
Child Care	753,458	714,803	525,226	514,615	484,139	798,266	736,575	767,276	536,211	755,052
Total Business-Type Activities Expense	2,834,488	2,599,878	2,614,909	2,222,658	1,854,349	2,186,215	2,052,111	1,938,523	1,735,067	1,902,588
Total District Expenses	\$ 105,899,005	\$ 22,394,684	\$ 92,005,083	\$ 86,656,176	\$ 86,501,912	\$ 88,328,260	\$ 90,039,014	\$ 88,364,821	\$ 81,155,314	\$ 76,055,166
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 1,146,167	\$ 1,227,497	\$ 1,388,295	\$ 1,341,045	\$ 1,260,235	\$ 1,236,468	\$ 1,384,912	\$ 1,503,227	\$ 1,266,322	\$ 711,614

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating Grants & Contributions	18,026,976	2,100,542	2,269,808	2,273,215	3,147,814	2,204,545	2,002,750	2,436,666	2,480,135	2,271,636
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	19,173,143	3,328,039	3,658,103	3,614,260	4,408,049	3,441,013	3,387,662	3,939,893	3,746,457	2,983,250
Business-Type Activities:										
Charges for Services:										
Food Service	736,272	816,347	794,854	844,718	775,048	811,520	885,664	780,950	805,893	797,133
Child Care	866,156	847,004	727,527	781,268	756,865	745,628	736,575	770,818	500,163	620,280
Operating Grants & Contributions	1,073,302	988,014	912,859	855,844	734,280	723,835	592,368	467,327	418,001	340,434
Total Business Type Activities Program Revenues	2,675,730	2,651,365	2,435,240	2,481,830	2,266,193	2,280,983	2,214,607	2,019,095	1,724,057	1,757,847
Total District Program Revenues	21,848,873	5,979,404	6,093,343	6,096,090	6,674,242	5,721,996	5,602,269	5,958,988	5,470,514	4,741,097
Net/(Expense)/Revenue:										
Governmental Activities	\$ (83,891,374)	\$ (16,466,767)	\$ (85,732,071)	\$ (80,819,258)	\$ (80,239,514)	\$ (82,701,032)	\$ (84,599,237)	\$ (82,486,405)	\$ (75,673,790)	\$ (71,169,328)
Business-Type Activities	(158,758)	51,487	(179,669)	259,172	411,844	94,768	162,496	80,572	(11,010)	(144,741)
Total District-Wide Net Expense	\$ (84,050,132)	\$ (16,415,280)	\$ (85,911,740)	\$ (80,560,086)	\$ (79,827,670)	\$ (82,606,264)	\$ (84,436,741)	\$ (82,405,833)	\$ (75,684,800)	\$ (71,314,069)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 60,278,129	\$ -	\$ 57,937,456	\$ 56,953,654	\$ 55,836,916	\$ 54,619,664	\$ 53,719,279	\$ 52,872,974	\$ 52,392,602	\$ 46,452,931
Taxes Levied for Debt Service	3,201,658	3,231,358	3,364,921	3,477,380	3,498,316	3,399,308	3,487,972	3,392,838	3,418,785	3,266,462
Grants & Contributions	20,526,963	321,361	26,214,282	24,113,975	21,378,829	24,357,173	26,843,711	24,219,874	23,699,464	21,405,898
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	4,806	5,491	2,965	2,774	3,969	323,676	501,227	286,957
Building Rentals	19,457	-	43,045	-	-	-	-	-	-	-
Prior Year Refunds	-	-	1,397,230	-	-	-	-	-	-	-
Transfer to Other Funds	400,000	-	342,288	-	-	-	-	-	-	-
Miscellaneous Income	318,898	412,457	350,238	74,470	90,918	236,519	419,197	160,171	456,028	399,273
Cancel Prior Year Accounts Payable	-	-	-	-	-	-	-	315,499	-	-
Total Governmental Activities	84,745,105	3,965,176	89,654,266	84,624,970	80,807,944	82,615,438	84,474,128	81,285,032	80,468,106	71,811,521
Total District-Wide	\$ 84,745,105	\$ 3,965,176	\$ 89,654,266	\$ 84,624,970	\$ 80,807,944	\$ 82,615,438	\$ 84,474,128	\$ 81,285,032	\$ 80,468,106	\$ 71,811,521
Change in Net Position:										
Governmental Activities	\$ 853,731	\$ (12,501,591)	\$ 3,922,195	\$ 3,805,712	\$ 568,430	\$ (85,594)	\$ (125,109)	\$ (1,201,373)	\$ 4,794,316	\$ 642,193
Business-Type Activities	(158,758)	51,487	(179,669)	259,172	411,844	94,768	162,496	80,572	(11,010)	(144,741)
Total District	\$ 694,973	\$ (12,450,104)	\$ 3,742,526	\$ 4,064,884	\$ 980,274	\$ 9,174	\$ 37,387	\$ (1,120,801)	\$ 4,783,306	\$ 497,452

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 9,848,926	\$ 10,139,379	\$ 10,866,901	\$ 7,583,719	\$ 4,744,225	\$ 2,333,238	\$ 1,970,932	\$ 3,302,724	\$ 2,619,827	\$ 1,719,752
Committed	-	-	-	-	339,549	-	-	-	-	-
Assigned	4,313,306	2,651,497	3,891,165	2,424,858	921,208	-	-	-	-	-
Unassigned	238,946	489,774	367,106	381,295	343,789	405,956	12,824	630,260	1,057,490	1,342,258
Total General Fund	\$ 14,401,178	\$ 13,280,650	\$ 15,125,172	\$ 10,389,872	\$ 6,348,771	\$ 2,739,194	\$ 1,983,756	\$ 3,932,984	\$ 3,677,317	\$ 3,062,010
All Other Governmental Funds:										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,869	\$ 396,333	\$ 2,140,216	\$ -
Restricted, Reported in:										
Capital Projects Fund	364,249	2,836,234	-	-	1,789,041	7,274,856	190,022	444,764	191,242	12,666,228
Special Revenue	-	-	-	-	-	-	(21,816)	-	-	-
Debt Service Fund	1	489,774	-	-	-	93,390	93,390	189,848	201,063	383,515
Total All Other Governmental Funds	\$ 364,250	\$ 3,326,008	\$ -	\$ -	\$ 1,789,041	\$ 7,368,246	\$ 521,465	\$ 1,030,945	\$ 2,532,521	\$ 13,049,743

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 63,479,787	\$ 62,327,563	\$ 61,302,377	\$ 60,431,034	\$ 59,335,232	\$ 58,018,972	\$ 57,207,251	\$ 56,265,812	\$ 55,811,387	\$ 49,719,393
Tuition Charges	560,407.44	541,560	633,498	643,297	651,805	741,119	801,497	791,483	768,993	711,614
Transportation Fees	43,521.24	61,721	79,835	63,778	78,274	-	-	-	-	-
Interest Earnings	-	4,698	4,806	5,491	2,965	2,774	3,969	323,676	501,227	286,957
Lease Proceeds	-	-	-	-	-	-	2,831,000	-	-	-
Miscellaneous	375,525	106,509	410,632	161,779	160,631	253,494	459,257	183,015	477,356	419,302
Prior Year Refunds	-	378,518	1,397,230	-	-	-	-	-	-	-
State Sources	28,221,958	25,843,624	26,347,826	23,479,316	21,395,164	21,778,799	26,978,059	24,821,624	24,153,822	21,851,319
Federal Sources	2,098,887	2,070,475	2,118,915	2,820,565	3,061,766	4,765,944	1,828,931	1,812,072	2,004,449	1,806,186
Total Revenue	94,780,086	91,334,668	92,295,119	87,605,260	84,685,837	85,561,102	90,109,964	84,197,682	83,717,234	74,794,771
Expenditures:										
Instruction:										
Regular Instruction	25,670,386	25,711,382	25,042,178	24,762,899	24,278,169	23,886,709	25,345,118	23,449,840	22,073,403	21,012,318
Special Education Instruction	6,096,653	6,190,211	5,889,788	5,468,678	5,296,541	5,397,548	4,773,122	5,095,269	5,570,021	5,274,184
Other Instruction	2,992,569	2,965,778	2,881,786	2,247,777	1,823,344	2,092,737	1,911,816	1,871,884	1,998,333	2,865,163
Adult/Continuing Education	1,197,485	1,127,451	1,062,581	978,725	972,437	1,085,409	957,710	1,003,549	1,002,373	21,099
Support Services:										
Tuition	6,491,066	6,103,650	5,534,737	5,117,547	4,120,939	3,945,612	4,126,763	3,821,728	3,638,173	3,228,340
Student & Instruction Related Services	7,829,405	7,643,146	7,619,049	7,332,658	6,668,667	7,823,749	8,251,907	8,072,949	7,389,353	7,320,770
School Administrative Services	3,042,989	2,916,851	2,746,109	2,588,907	2,487,568	2,752,790	2,869,315	2,761,945	2,557,995	2,544,261
General & Business Administration Services	1,487,075	1,056,864	892,886	874,850	942,000	1,091,451	1,646,843	846,957	836,058	1,099,747
Central Services	979,006	1,034,212	1,216,913	1,108,804	1,007,249	1,074,239	924,094	899,115	1,200,835	880,800
Admin. Information Technology	235,688	197,839	8,650	2,400	2,400	3,994	19,782	23,435	37,179	110,840
Plant Operations & Maintenance	6,699,051	6,809,832	6,271,234	5,720,704	6,346,535	6,687,831	6,754,205	6,648,420	6,469,226	6,444,024
Pupil Transportation	3,491,546	3,717,215	3,345,266	2,975,875	2,742,578	2,769,108	2,788,233	2,820,432	3,112,398	4,195,094
Other Support Services	-	-	6,500	5,500	5,500	7,591	6,087	11,455	8,243	-
Employee Benefits	20,805,829	19,446,606	19,933,593	19,382,683	19,701,063	21,032,390	19,158,292	21,628,323	19,529,111	15,054,482
Transfers to Charter Schools	-	11,317	35,589	21,904	-	4,625	-	-	-	-
Special Schools	42,676	38,685	33,247	31,247	31,322	90,369	84,087	114,607	250,708	258,129
Capital Outlay	8,513,481	4,461,944	1,871,098	1,315,593	2,083,045	6,959,047	1,923,379	2,007,204	5,207,087	11,952,689
Debt Service:										
Cost of Insurance	-	-	-	-	-	-	-	-	-	86,093
Principal	2,020,000	1,367,153	1,525,903	1,692,408	1,767,264	1,839,670	1,911,658	1,979,882	2,063,007	1,610,000
Interest & Other Charges	1,394,335	2,005,000	1,985,000	1,935,000	1,885,000	1,840,000	1,760,000	1,710,000	1,660,000	2,005,951
Total Expenditures	98,989,240	92,805,136	87,902,107	83,564,159	82,161,621	90,384,869	85,212,411	84,766,994	84,603,503	85,963,984
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(4,209,154)	(1,470,288)	4,393,012	4,041,101	2,524,216	(4,823,767)	4,897,553	(569,312)	(886,269)	(11,169,213)

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing Sources/(Uses):										
Capital Leases (Nonbudgeted)	2,246,183	2,232,000	-	-	-	-	-	-	(2,837,145)	224,524
Proceeds From Refunding	3,442,184	-	-	-	-	-	-	-	-	6,400,084
Payments to Escrow Agent	(3,366,301)	-	-	-	-	-	-	-	-	(6,407,641)
Cancel Prior Year Accounts Payable	-	-	-	-	-	-	-	315,499	-	-
Cancel Prior Year Accounts Receivable	-	-	-	-	(741,280)	-	-	-	-	-
Transfers In	535,632	2,804,589	342,288	-	1,085,361	-	2,000,000	24,262	-	289,496
Transfers Out	-	(2,574,589)	-	-	(1,047,761)	-	(2,000,000)	(24,262)	2,837,145	(289,496)
Total Other Financing Sources/ (Uses)	2,857,698	2,462,000	342,288	-	(703,680)	-	-	315,499	-	216,967
Net Change in Fund Balances	\$ (1,351,457)	\$ 991,712	\$ 4,735,300	\$ 4,041,101	\$ 1,820,536	\$ (4,823,767)	\$ 4,897,553	\$ (253,813)	\$ (886,269)	\$ (10,952,246)

Debt Service as a Percentage of Noncapital Expenditures 32.1% 3.0% 4.1% 4.4% 4.6% 4.4% 4.4% 4.5% 4.7% 4.9%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay

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

FISCAL YEAR ENDING JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	TOTAL
2015	\$ -	\$ 19,457	\$ 560,407	\$ 43,521	\$ -	\$ 318,898	\$ 942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045	-	-	-	355,044	1,795,319
2012	-	28,320	-	-	-	51,641	79,961
2011	-	33,636	-	-	-	60,247	93,883
2010	-	24,198	-	-	-	215,095	239,293
2009	-	380,931	-	-	-	42,824	423,755
2008	147	109,197	-	-	-	346,961	456,305
2007	-	160,074	-	-	-	655,625	815,699
2006	25,690	247,270	-	-	-	998,143	1,271,103

Source: District records

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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

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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30.	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP.	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2015	\$ 36,112,600	\$ 2,007,679,679	\$ 17,725,000	\$ 1,675,100	\$ 421,826,350	\$ 105,287,300	\$ 158,560,400	\$ 4,536,175	\$ 2,753,402,604	\$ 193,637,200	\$ 2,753,402,604	2.01	\$ 273,567,834.00
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,163,718	187,119,800	2,756,163,718	1.91	2,668,935,776
2013	42,318,800	2,017,628,000	11,034,300	1,860,900	434,078,250	109,938,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,903,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
2011	48,562,100	2,048,383,100	11,100,600	1,840,700	457,874,800	120,663,300	155,671,800	4,449,450	2,848,545,850	185,809,900	2,848,545,850	1.81	3,103,069,331
2010	52,958,300	2,041,720,300	10,529,400	1,909,800	459,545,200	122,349,100	168,316,900	5,209,306	2,862,538,306	185,533,900	2,862,538,306	1.76	3,116,896,718
2009	21,696,100	1,028,563,300	5,530,300	1,457,280	224,895,200	66,250,800	72,171,000	1,999,449	1,422,563,429	72,900,600	1,422,563,429	3.49	3,157,202,285
2008	25,868,000	1,024,066,400	5,841,500	1,457,280	224,239,200	52,647,300	72,789,000	1,661,653	1,408,570,313	94,406,400	1,408,570,313	3.46	3,136,963,914
2007	25,567,600	1,019,171,600	5,974,000	1,469,980	230,785,700	52,532,300	73,589,000	1,619,456	1,410,709,636	93,609,900	1,410,709,636	3.43	3,109,938,053
2006	28,624,300	995,644,800	6,120,900	1,543,080	228,037,600	57,120,800	76,160,000	1,815,872	1,395,067,352	9,314,700	1,395,067,352	3.27	2,718,179,950

Hightstown

2015	3,096,100	310,248,700	-	-	57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.01	415,636,477
2014	2,562,400	311,352,900	-	-	57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
2013	2,650,500	311,548,000	-	-	57,767,400	3,959,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000	-	-	66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
2011	4,802,100	388,457,300	-	-	69,680,800	7,051,600	9,540,200	4,212,336	488,347,036	153,254,500	488,347,036	1.69	489,101,889
2010	6,324,300	389,086,800	-	-	72,008,500	7,051,600	9,540,200	4,417,747	488,429,147	152,508,100	488,429,147	1.71	505,157,060
2009	7,038,500	389,033,900	-	-	75,358,900	7,051,600	15,796,500	5,449,518	499,729,008	152,348,100	499,729,008	1.64	532,231,357
2008	3,469,600	168,747,700	-	-	33,275,800	1,936,000	7,468,000	1,957,588	216,854,688	92,561,400	216,854,688	3.64	521,034,810
2007	4,246,900	164,513,800	-	-	38,822,400	1,979,500	7,492,000	1,752,257	218,806,857	92,798,600	218,806,857	3.48	492,827,649
2006	4,189,700	163,483,400	-	-	38,664,800	2,025,900	7,492,000	2,065,525	217,921,325	92,314,700	217,921,325	3.30	427,628,190

East Windsor & Hightstown

2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,436,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	-	689,204,311
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	-	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,100	8,095,608	3,166,840,958	329,382,100	3,166,840,958	-	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,707,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	-	3,382,220,240
2011	28,734,600	1,417,597,290	5,530,300	1,457,280	300,254,100	73,302,400	87,967,500	7,448,967	1,922,292,437	225,248,700	1,922,292,437	-	3,689,433,642
2010	29,337,600	1,192,814,100	5,841,500	1,457,280	257,515,000	54,583,300	80,257,000	3,619,221	1,625,425,001	186,967,800	1,625,425,001	-	3,657,998,724
2009	28,734,600	1,417,597,290	5,530,300	1,457,280	300,254,100	73,302,400	87,967,500	7,448,967	1,922,292,437	225,248,700	1,922,292,437	-	3,689,433,642
2008	29,337,600	1,192,814,100	5,841,500	1,457,280	257,515,000	54,583,300	80,257,000	3,619,221	1,625,425,001	186,967,800	1,625,425,001	-	3,657,998,724
2007	29,814,500	1,183,685,400	5,974,000	1,469,980	269,608,100	54,511,800	81,081,000	3,371,713	1,629,516,493	186,408,500	1,629,516,493	-	3,602,765,702
2006	32,814,000	1,159,128,200	6,120,900	1,543,080	266,702,400	59,146,700	83,652,000	3,881,397	1,612,988,677	9,314,700	1,612,988,677	-	3,145,808,140

Revaluation in 2010

Source: Municipal Tax Assessor

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

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT & OVERLAPPING TAX RATE
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	(From J-6) TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	
East Windsor					
2015	2.014	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.19	1.19	0.42	0.64	2.25
2011	1.81	1.81	0.40	0.61	2.82
2010	1.76	1.76	0.38	0.79	2.93
2009	3.47	3.47	0.63	1.17	5.27
2008	3.46	3.46	0.57	1.14	5.17
2007	3.43	3.43	0.51	1.13	5.07
2006	3.27	3.27	0.48	1.08	4.83
Hightstown					
2015	2.01	2.01	1.16	0.62	3.79
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19
2011	1.69	1.69	0.88	0.56	3.13
2010	1.71	1.71	0.87	0.57	3.15
2009	1.64	1.64	0.74	0.56	2.94
2008	3.64	3.64	1.60	1.23	6.47
2007	3.48	3.48	1.44	1.14	6.06
2006	3.30	3.30	1.31	1.09	5.70

Source: Municipal Tax Collector

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

NOT AVAILABLE

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	\$ 63,479,787	\$ 63,479,787	100.00%	-
2014	62,327,563	62,327,563	100.00%	-
2013	61,302,377	61,302,377	100.00%	-
2012	60,431,034	60,431,034	100.00%	-
2011	59,335,232	59,335,232	100.00%	-
2010	58,018,972	58,018,972	100.00%	-
2009	57,207,251	57,207,251	100.00%	-
2008	56,265,812	56,265,812	100.00%	-
2007	55,811,387	55,811,387	100.00%	-
2006	49,719,395	49,719,395	100.00%	-

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

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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.

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

FISCAL YEAR ENDED JUNE 20,	GENERAL OBLIGATION BONDS ^b	TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF			PER CAPITA ^a
				PERSONAL INCOME ^a	DISTRICT POPULATION		
2015	\$ 30,440,000	\$ 30,440,000	N/A	N/A	N/A	N/A	
2014	32,480,000	32,480,000	N/A	N/A	33,103	N/A	
2013	34,485,000	34,485,000	56,906	1.83%	33,160	1,041.12	
2012	36,470,000	36,470,000	55,714	1.98%	32,984	1,105.69	
2011	40,214,000	40,214,000	54,445	2.29%	32,271	1,246.13	
2010	42,099,000	42,099,000	52,496	2.45%	32,684	1,288.06	
2009	43,939,000	43,939,000	51,947	2.64%	32,062	1,370.44	
2008	45,699,000	45,699,000	53,961	2.64%	32,062	1,425.33	
2007	47,409,000	47,409,000	53,156	2.79%	31,957	1,483.52	
2006	49,069,000	49,069,000	50,471	3.08%	31,947	1,535.95	

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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$ 30,440,000		\$ 30,440,000	1.873%	N/A
2014	32,480,000	\$ -	32,480,000	1.690%	N/A
2013	34,485,000	-	34,485,000	2.122%	1,040
2012	36,470,000	-	36,470,000	2.244%	1,106
2011	40,214,000	-	40,214,000	2.474%	1,246
2010	42,099,000	-	42,099,000	2.590%	1,288
2009	43,939,000	-	43,939,000	2.703%	1,370
2008	45,699,000	-	45,699,000	2.812%	1,425
2007	47,409,000	-	47,409,000	2.909%	1,484
2006	49,069,000	-	49,069,000	3.042%	1,536

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Windsor Township Debt*	\$17,657,802	100.0000%	\$ 21,886,371
Hightstown Borough Debt	14,430,551	100.0000%	7,702,371
Mercer County - Township Share	397,317,932	6.5460%	26,008,539
Mercer County - Borough Share	368,345,779	0.9982%	<u>3,676,727</u>
Subtotal, Overlapping Debt			37,387,637
East Windsor Regional School District Direct Debt			<u>30,440,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 67,827,637</u></u>

* As of December 31, 2014

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

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070	\$ 143,655,538	\$ 144,776,955	\$ 143,752,169	\$ 136,766,781	\$ 122,553,324	\$ 107,648,568
Total Net Debt Applicable to Limit	30,440,000	32,480,000	34,485,000	36,470,000	40,214,000	42,099,000	43,939,000	45,699,000	47,409,000	49,069,000
Legal Debt Margin	\$ 95,920,057	\$ 97,651,016	\$ 101,454,871	\$ 105,324,070	\$ 103,441,538	\$ 102,677,955	\$ 99,813,169	\$ 91,067,781	\$ 75,144,324	\$ 58,579,568
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.09%	24.96%	25.37%	25.72%	27.99%	29.08%	30.57%	33.41%	38.68%	45.58%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis			
	East Windsor	Hightstown	Total
2014	\$ 2,724,548,373	\$ 412,387,751	\$ 3,136,936,124
2013	2,672,545,205	418,913,723	3,091,458,928
2012	2,802,796,844	445,812,354	3,248,609,198
	<u>\$8,199,890,422</u>	<u>\$ 1,277,113,828</u>	<u>\$ 9,477,004,250</u>
Average Equalized Valuation of Taxable Property	<u>\$2,733,296,807</u>	<u>\$ 425,704,609</u>	<u>\$ 3,159,001,417</u>
Debt Limit (4 % of Average Equalization Value) Net Bonded School Debt	\$ 126,360,057		30,440,000
Legal Debt Margin	\$ 95,920,057		\$ 95,920,057

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

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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.

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

EAST WINDSOR

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	56,906	5.11%
2012	32,984	55,933	6.35%
2011	32,271	53,037	7.90%
2010	32,684	51,709	6.55%
2009	32,062	50,991	6.20%
2008	32,062	52,521	3.93%
2007	31,957	51,987	3.65%
2006	31,947	50,199	3.80%

Source:

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

^b Per Capita information provided by the US Dept of Commerce, Bureau of Economic Analysis

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

EXHIBIT J-15**NOT AVAILABLE**

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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.

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	320	339	333	326	326	319	327	330	325	324
Special Education	72	72	69	49	50	46	45	69	72	72
Other Special Education	29	28	28	40	36	39	38	30	30	29
Other Instruction/ Nurse	8	8	6	6	6	6	6	6	6	6
Guidance	15	17	17	17	14	14	15	15	12	12
Support Services:										
Student & Instruction Related Services	39	41	41	8	45	45	46	47	49	50
General Administration	7	10	9	9	9	9	11	11	12	13
School Administrative Services	15	15	14	13	13	13	13	12	12	13
Other Administrative Services	10	9	8	8	9	9	13	8	8	8
Central Services	15	20	19	19	44	44	48	45	46	46
Administrative Information Technology	1	1	1	1	1	1	2	2	2	2
Plant Operations & Maintenance	53	54	55	55	54	55	59	60	58	58
Pupil Transportation	74	65	63	59	57	55	50	50	50	54
Other Support Services VA	34	30	25	26	27	27	31	27	25	25
Campus Monitor	6	6	6	6	6	6	6	6	5	5
Computer Technician	6	6	6	6	4	4	3	4	3	4
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Substitute Assignment Officer										
Child Care	23	23	22	22	20	20	19	19	18	18
Maintenance Supervisor										
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	16	19	16	8	9	9	11	10	8	8
Total	747	767	742	682	734	725	747	755	746	752

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2015	5,216	\$ 85,139,792	13,238	25.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	13,109,239	2,567	-84.16%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,090	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,068	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	(0)	95.95%
2011	5,042	76,426,312	15,158	-4.51%	408	13.7	11.3	11.3	5,025	4,805	-0.16%	95.62%
2010	5,024	79,746,152	15,873	8.42%	431	13.0	10.3	10.8	5,033	4,832	1.41%	96.01%
2009	4,968	79,617,374	14,640	-7.89%	392	13.4	12.1	11.9	5,033	4,806	1.41%	95.49%
2008	4,923	78,249,240	15,895	5.04%	450	13.0	11.4	11.7	4,963	4,719	-1.82%	95.08%
2007	5,001	75,673,409	15,132	7.07%	456	13.6	12.6	12.9	5,055	4,839	2.41%	95.73%
2006	4,815	68,050,959	14,133	5.42%	460	13.6	12.6	12.9	4,936	4,691	0.39%	95.04%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
McKnight ES (1970):										
Square Feet	84,596	84,596	98,976	98,976	98,976	98,976	98,976	98,976	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	508	644	695	640	607	779	772	736	687	643
Drew ES (1975):										
Square Feet	92,224	92,244	105,244	105,244	105,244	105,244	105,244	105,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	668	671	571	569	655	672	643	629	675	684
Waller C Black ES (1949):										
Square Feet	78,697	78,570	97,335	97,335	97,335	97,335	97,335	97,335	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	541	488	485	512	528	554	589	554	577	562
Rogers ES (1924):										
Square Feet	103,470	107,908	105,091	105,091	105,091	105,091	105,091	105,091	105,091	105,091
Capacity (Students)	698	543	543	543	543	543	543	543	543	543
Enrollment	686	699	710	728	640	455	470	487	520	522
Middle School:										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,256	1,105	1,203	1,229	1,201	1,155	1,127	1,109	1,135	1,121
High School:										
Hightstown High School (1966):										
Square Feet	262,435	262,435	259,660	259,660	259,660	259,660	259,660	259,660	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,527	1,458	1,426	1,394	1,411	1,409	1,367	1,408	1,461	1,460
Other Buildings:										
Transportation (1979):										
Square Feet	2,000	2,000	200	200	200	200	200	200	200	200
Central Administration (1846):										
Square Feet	4,140	4,150	1,690	1,690	1,690	1,690	1,690	1,690	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575

Number of Schools at June 30, 2015:
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Other = 3

Source: District Facilities Office

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

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

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2015	\$ 219,651	\$ 187,368	\$ 204,248	\$ 167,112	\$ 609,527	\$ 722,102	\$ 2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
2011	132,864	153,988	75,803	154,690	349,991	455,875	1,323,211
2010	133,605	153,720	88,321	175,455	334,555	424,028	1,309,684
2009	160,077	182,052	104,766	208,292	404,627	512,460	1,572,274
2008	141,171	164,852	140,415	159,105	277,931	529,155	1,412,629
2007	128,863	126,152	112,626	131,451	246,443	601,454	1,346,989
2006	173,179	223,896	113,423	225,333	376,494	457,804	1,570,129
Total	\$ 1,575,699	\$ 1,762,348	\$ 1,362,866	\$ 1,890,775	\$ 3,868,616	\$ 5,452,022	\$ 15,912,326

Source: District records

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 219,949,899	\$ 5,000
Demolition/Increase Cost of Construction	10,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,050,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000	1,000
	-	-
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	5,000
Policy Aggregate	2,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,000,000	1,000
Commercial Auto:		
Liability	11,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	219,949,899	5,000
School Board Legal Liability:		
Coverage A	11,000,000	25,000
Coverage B	50,000/150,000	25,000
Professional Nurses Liability:		
Per Occurrence	1,000,000	
Policy Aggregate	3,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	364,030	
Treasurer	364,030	
Workers Compensation Excess Liability	Statutory	
Group Accident	5,000,000	Excess
CAP Policy	50,000,000	Excess

Source: District records

Note: The coverage above reflects the amounts for all districts that belong to the Fund

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SINGLE AUDIT SECTION

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, New Jersey 08520

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise East Windsor Regional School District's basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered East Windsor Regional 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 East Windsor Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of East Windsor Regional School District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Medford, New Jersey
December 16, 2015



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EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, New Jersey 08520

Report on Compliance for Each Major Federal and State Program

We have audited East Windsor Regional School District’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. East Windsor Regional School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of East Windsor Regional School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state

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

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

Opinion on Each Major Federal and State Program

In our opinion, East Windsor Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and NJ-OMB Circular 04-04 and/or 15-08 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding No 2015-001. Our opinion on each major federal and state program is not modified with respect to these matters.

East Windsor Regional School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. East Windsor Regional School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of East Windsor Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered East Windsor Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of East Windsor Regional School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe

than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Medford, New Jersey
December 16, 2015

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2015	
										(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:											
Food Distribution Program	10.550	147,314.99	7/1/14-6/30/15	\$ -	\$ -	147,314.99	\$ (147,314.99)	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	10.553	122,485.02	7/1/14-6/30/15	-	-	95,359.19	(122,485.02)	-	-	-	(27,125.83)
School Breakfast Program	10.553	111,445.00	7/1/13-6/30/14	(7,785.00)	-	7,785.00	-	-	-	-	-
National School Lunch Program	10.555	753,300.30	7/1/14-6/30/15	-	-	614,342.62	(753,300.30)	-	-	-	(138,957.68)
National School Lunch Program	10.555	702,208.00	7/1/13-6/30/14	(41,093.00)	-	41,093.00	-	-	-	-	-
Healthy Hunger-Free Kids Act (HHFKA)	10.551	24,288.90	7/1/14-6/30/15	-	-	19,790.04	(24,288.90)	-	-	-	(4,498.86)
Healthy Hunger-Free Kids Act (HHFKA)	10.551	23,617.00	7/1/13-6/30/14	(1,359.00)	-	1,359.00	-	-	-	-	-
Special Milk Program	10.556	5,386.61	7/1/14-6/30/15	-	-	4,480.05	(5,386.61)	-	-	-	(906.56)
Special Milk Program	10.556	5,595.00	7/1/13-6/30/14	(319.00)	-	319.00	-	-	-	-	-
Total Enterprise Fund				(50,556.00)	-	931,842.89	(1,052,775.82)	-	-	-	(171,488.93)

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2015	
										(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
General Fund:											
Medical Assistance Program (SEMI) ARRA/SEMI	93.778	138,006.51	7/1/14-6/30/15	-	-	82,308.50	(138,006.51)	-	-	-	(55,698.01)
	93.778	50,578.67	7/1/14-6/30/15	-	-	50,578.67	(50,578.67)	-	-	-	-
Total General Fund				-	-	132,887.17	(188,585.18)	-	-	-	(55,698.01)

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2015	
										(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
Special Revenue Fund:											
Title I:											
Part A	84.010A	490,020.00	7/1/14-6/30/15	-	-	334,865.00	(461,213.53)	-	-	-	(126,348.53)
Part A	84.010A	520,008.00	7/1/13-6/30/14	(145,268.00)	-	145,268.00	-	-	-	-	-
Title II:											
Eisenhower Math/Science	84.367A	88,634.00	7/1/14-6/30/15	-	-	61,599.00	(81,393.76)	-	-	-	(19,794.76)
Eisenhower Math/Science	84.367A	85,794.00	7/1/13-6/30/14	(34,173.00)	-	34,173.00	-	-	-	-	-
Title III:											
Emergency Immigrant Education	84.365A	119,691.00	7/1/13-6/30/14	-	-	99,730.00	(133,000.07)	-	-	-	(33,270.07)
Emergency Immigrant Education	84.365A	115,961.00	7/1/13-6/30/14	(53,205.00)	-	53,205.00	-	-	-	-	-
I.D.E.A. Part B:											
Basic Regular	84.027	1,479,045.00	7/1/14-6/30/15	-	-	978,247.00	(1,189,813.17)	-	-	-	(211,566.17)
Basic Regular	84.027	1,237,459.00	7/1/13-6/30/14	(319,029.00)	-	313,896.00	-	-	1.12	-	(5,131.88)
Preschool Handicapped	84.173	54,610.00	7/1/14-6/30/15	-	-	4,802.00	(5,464.00)	-	-	-	(662.00)
Preschool Handicapped	84.173	49,999.00	7/1/13-6/30/14	(5,963.00)	-	3,981.00	-	-	-	-	(1,982.00)
Perkins Vocational Education Grant	84.048A		7/1/14-6/30/15	-	-	24,985.00	(26,608.26)	-	-	-	(1,623.26)
Perkins Vocational Education Grant	84.048A	35,071.00	7/1/13-6/30/14	(11,143.27)	-	12,314.00	-	-	(1,170.73)	-	-
Total Special Revenue Fund				(568,781.27)	-	2,067,065.00	(1,897,492.79)	-	(1,169.61)	(400,378.67)	-
Total Federal Financial Assistance				\$ (619,337.27)	\$ -	\$ 3,131,795.06	\$ (3,138,853.79)	\$ -	\$ -	\$ (1,169.61)	\$ (627,565.61)

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
				JUNE 30, 2014	JUNE 30, 2015						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
Transportation Aid	15-495-034-5120-014	404,533.00	7/1/14-6/30/15	-	-	404,533.00	(404,533.00)	-	-	-	31,772.56	404,533.00
Equalization Aid	15-495-034-5120-078	14,553,606.00	7/1/14-6/30/15	-	-	14,553,606.00	(14,553,606.00)	-	-	-	1,143,959.66	14,553,606.00
Special Education Aid	15-495-034-5120-089	2,941,036.00	7/1/14-6/30/15	-	-	2,941,036.00	(2,941,036.00)	-	-	-	230,992.90	2,941,036.00
Security Aid	15-495-034-5120-084	499,780.00	7/1/14-6/30/15	-	-	499,780.00	(499,780.00)	-	-	-	39,253.39	499,780.00
PARCC Readiness Aid	15-495-034-5120-098	49,945.00	7/1/14-6/30/15	-	-	49,945.00	(49,945.00)	-	-	-	3,922.75	49,945.00
Per Pupil Growth Aid	15-495-034-5120-097	49,945.00	7/1/14-6/30/15	-	-	49,945.00	(49,945.00)	-	-	-	3,922.75	49,945.00
Extraordinary Aid	15-495-034-5120-473	235,421.00	7/1/14-6/30/15	-	-	-	(235,421.00)	-	(235,421.00)	-	-	235,421.00
Extraordinary Aid	14-495-034-5120-473	268,970.00	7/1/13-6/30/14	(268,970.00)	-	271,779.00	-	(2,809.00)	-	-	-	2,809.00
Nonpublic Transportation Aid	15-495-034-5120-014	51,395.00	7/1/14-6/30/15	-	-	-	-	(51,395.00)	-	-	-	51,395.00
Nonpublic Transportation Aid	14-495-034-5120-014	39,898.00	7/1/13-6/30/14	(39,898.00)	-	39,898.00	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	1,940,168.00	7/1/14-6/30/15	-	-	1,940,168.00	(1,940,168.00)	-	-	-	-	1,940,168.00
On-Behalf TPAF Post-Retirement Medical	15-495-034-5095-006	3,080,017.00	7/1/14-6/30/15	-	-	3,080,017.00	(3,080,017.00)	-	-	-	-	3,080,017.00
TPAF Social Security Contributions	15-495-034-5095-002	2,721,525.30	7/1/14-6/30/15	-	-	2,585,754.67	(2,721,525.30)	-	(135,770.63)	-	-	2,721,525.30
TPAF Social Security Contributions	14-495-034-5095-002	2,731,561.00	7/1/12-6/30/13	(136,106.00)	-	136,106.00	-	-	-	-	-	-
Total General Fund				(444,974.00)	-	26,552,567.67	(26,530,180.30)	-	(422,586.63)	-	1,452,924.01	26,530,180.30
Special Revenue:												
State Department of Education:												
Nonpublic Textbook Aid	15-100-034-5120-064	7,328.00	7/1/14-6/30/15	-	-	7,328.00	(6,742.84)	-	-	585.16	-	6,742.84
Nonpublic Textbook Aid	14-100-034-5120-064	6,582.00	7/1/13-6/30/14	1,042.00	-	-	-	(1,042.00)	-	-	-	-
Nonpublic Nursing	15-100-034-5120-070	23,333.00	7/1/14-6/30/15	-	-	23,333.00	(12,710.00)	-	-	10,623.00	-	12,710.00
Nonpublic Nursing	14-100-034-5120-070	16,985.00	7/1/13-6/30/14	7,643.00	-	-	-	(7,643.00)	-	-	-	-
Nonpublic ESL	14-100-034-5120-066	1,746.00	7/1/13-6/30/14	1,659.00	-	-	-	(1,659.00)	-	-	-	-
Auxiliary Services:												
Compensatory Education	15-495-034-5120-067	45,255.06	7/1/14-6/30/15	-	-	49,269.00	(45,255.06)	-	-	4,013.94	-	45,255.06
Compensatory Education	14-495-034-5120-067	50,503.00	7/1/13-6/30/14	3,851.00	-	-	-	(3,851.00)	-	-	-	-
Handicapped Services:												
Supplementary Instruction	15-100-034-5120-066	16,479.00	7/1/14-6/30/15	-	-	16,479.00	(15,041.71)	-	-	1,437.29	-	15,041.71
Supplementary Instruction	14-100-034-5120-066	13,530.00	7/1/13-6/30/14	417.00	-	-	-	(417.00)	-	-	-	-
Examination & Classification	15-100-034-5120-066	47,904.00	7/1/14-6/30/15	-	-	47,904.00	(41,243.50)	-	-	6,660.50	-	41,243.50
Examination & Classification	14-100-034-5120-066	63,041.00	7/1/13-6/30/14	8,756.00	-	-	-	(8,756.00)	-	-	-	-
Corrective Speech	15-100-034-5120-066	21,204.00	7/1/14-6/30/15	-	-	21,204.00	(17,228.25)	-	-	3,975.75	-	17,228.25
Corrective Speech	14-100-034-5120-066	18,749.00	7/1/13-6/30/14	3,828.00	-	-	-	(3,828.00)	-	-	-	-
Nonpublic Technology	15-100-034-5120-066	7,264.00	7/1/13-6/30/14	-	-	7,264.00	(3,647.95)	-	-	3,616.05	-	3,647.95
Nonpublic Technology	14-100-034-5120-066	4,380.00	7/1/12-6/30/13	2,360.00	-	-	-	(2,360.00)	-	-	-	-
State Department of Agriculture:												
Grow Healthy Mini Grant	021-01245	7,500.00	4/1/11-6/30/12	3,771.00	-	-	-	-	-	3,771.00	-	-
Total Special Revenue Fund				33,327.00	-	172,781.00	(141,869.31)	(29,556.00)	-	34,682.69	-	141,869.31
Capital Projects Fund												
State Department of Education:												
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	129,125.00		-	-	-	(116,212.33)	-	(116,212.33)	-	-	116,212.33
SDA Grant McKnight Elementary School - Telecommunication	1245-055-14-1002-G04	17,231.00		-	-	-	(15,507.94)	-	(15,507.94)	-	-	15,507.94
SDA Grant Rogers Elementary School - Telecommunication	1245-060-14-1003-G04	18,690.00		-	-	-	(16,820.72)	-	(16,820.72)	-	-	16,820.72
SDA Grant Keeps Middle School - Telecommunication	1245-070-14-1004-G04	36,873.00		-	-	-	(33,185.77)	-	(33,185.77)	-	-	33,185.77
SDA Grant Drew Elementary School - Telecommunication	1245-075-14-1005-G04	18,471.00		-	-	-	(16,624.10)	-	(16,624.10)	-	-	16,624.10

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
SDA Grant Black Elementary School - Telecommunication	1245-080-14-1006-G04	17,128.00		-	-	(15,415.17)	-	(15,415.17)	-	-	15,415.17
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	262,937.00		(38,811.00)	168,794.84	(164,390.55)	-	(34,406.71)	-	-	164,390.55
SDA Grant Keeps Middle School - Roof and Door Replacement	1245-070-14-1010-G04	1,231,911.00		(68,449.00)	837,413.89	(1,025,323.86)	-	(256,358.97)	-	-	1,025,323.86
SDA Grant Drew Elementary School - Roof and Door Replacement	1245-075-14-1011-G04	51,332.00		(3,621.00)	15,220.81	(25,794.66)	-	(14,194.85)	-	-	25,794.66
Total Capital Projects				(110,881.00)	1,021,429.54	(1,429,275.10)	-	(518,726.56)	-	-	1,429,275.10
Debt Service											
State Department of Education: Debt Service Aid Type II	15-100-034-5120-125	136,795.00	7/1/14-6/30/15	-	136,795.00	(136,795.00)	-	-	-	-	136,795.00
Total Debt Service					136,795.00	(136,795.00)	-	-	-	-	136,795.00
State Department of Agriculture: National School Lunch Program - State Share	15-100-034-5120-122	20,474.36	7/1/14-6/30/15	-	16,186.96	(20,474.36)	-	(4,287.40)	-	-	20,474.36
National School Lunch Program - State Share	14-100-034-5120-122	20,393.00	7/1/13-6/30/14	(2,296.00)	2,296.00	-	-	-	-	-	-
Total Enterprise Fund				(2,296.00)	18,482.96	(20,474.36)	-	(4,287.40)	-	-	20,474.36
Total State Financial Assistance				(524,824.00)	27,902,056.17	(28,258,594.07)	(29,556.00)	(945,600.59)	34,682.69	1,452,924.01	28,258,594.07

Less: Awards Not Subject to New Jersey OMB Circular 04-04:

On-Behalf Teacher Pension and Annuity Fund
On-Behalf Teacher Post-Retirement Medical

Total State Financial Assistance Subject to New Jersey OMB Circular 04-04

1,940,168.00
3,080,017.00
(23,238,409.07)

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, East Windsor Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. 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 is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(16,162.00) for the general fund and \$(3,530.50) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 3. Relationship to Basic Financial Statements (continued):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 188,585.18	\$ 26,514,018.30	\$ 26,702,603.48
Special Revenue Fund	1,910,301.79	141,869.31	2,052,171.10
Capital Projects Fund	-	1,429,275.10	1,429,275.10
Debt Service Fund	-	136,795.00	136,795.00
Food Service Fund	1,052,775.82	20,474.36	1,073,250.18
Total Financial Assistance	<u>\$ 3,151,662.79</u>	<u>\$ 28,242,432.07</u>	<u>\$ 31,394,094.86</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. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

Note 6. Federal and State Loans Outstanding

The East Windsor Regional School District Board of Education had no loan balances outstanding at June 30, 2015.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA, Basic
84.173	IDEA, Basic, Preschool

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

State Awards

Internal Control over major programs:

- | | |
|--|---------------|
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered
To be material weaknesses? | None Reported |

Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 and/or 15-08, as applicable	Yes
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Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-089	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Grant
1245-070-14-1010-G04	SDA Grant: Kreps Middle School Roof & Door

Dollar threshold used to distinguish between type A and type B programs:	\$697,152
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Auditee qualified as low-risk auditee?	Yes
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**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards and State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

State Aid- Public Cluster:

Finding 2015-001:

Criteria or specific requirement:

Annually in the prebudget year, each district board of education shall establish by school board resolution, a maximum travel expenditure amount for the budget year in accordance with N.J.S.A. 18A:11-12, which the school district shall not exceed in that budget year.

Condition:

The district exceeded its established maximum travel expenditures as set forth by board resolution.

Context:

All districts are required to follow specific guidelines established by N.J.S.A 18A:11-12 related to travel policies and procedures

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Effect:

The Commissioner of Education may reduce state aid payments to any district by any amounts found to be in violation of restrictions placed on travel expenditures in accordance with regulations.

Cause:

Lack of Client oversight

Question Costs:

Unknown

Recommendation:

The district follows specific guidelines established by N.J.S.A 18A:11-12 related to travel policies and procedures.

Views of responsible officials and planned corrective actions:

Effective July 1, 2015 the Board increased the travel maximum for the year more in alignment with the district's travel budget.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings