

SCHOOL DISTRICT  
OF  
**BARRINGTON**



Barrington Board of Education  
Barrington, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013

**Comprehensive Annual  
Financial Report**

**of the**

**Barrington Board of Education**

**Barrington, New Jersey**

**For the Fiscal Year Ended June 30, 2013**

**Prepared by  
Barrington Board of Education  
Finance Department**

# BARRINGTON SCHOOL DISTRICT

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**Introductory Section**

*Barrington School District*

*311 Reading Avenue  
Barrington, NJ 08007*

*(856) 547-8467  
(856) 547-5533 (fax)*

*Anthony Arcodia  
Superintendent*

*Samuel Dutkin  
School Business Administrator/  
Board Secretary*

October 1, 2013

Honorable President and  
Members of the Board of Education  
Barrington School District  
County of Camden, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Barrington School District for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR 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 officers. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 98-07 OMB, "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:** Barrington 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 Barrington Board of Education and all its schools constitute the District's reporting entity.

The District provides the following services:

- K-8 regular education
- Remedial services for at-risk students
- Special Education programs and related services as indicated in the Individual Education Plan (IEP) and required by N.J.A.C. 6:14, including a Preschool Disabilities Program

- Participation in the National School Lunch Program
  - Transportation services, both public and nonpublic
  - Tuition for the students who choose to attend Haddon Heights High School for grades 9-12.
2. **ECONOMIC CONDITION AND OUTLOOK:** The Barrington area is experiencing little change in demographics. Ratables have decreased. The community continues to benefit from grant programs for economic redevelopment of the downtown landscape.
  3. **MAJOR INITIATIVES.** The administration continues to incorporate the common core standards into the educational programs, and to enhance technology use across content areas. Efforts are also being implemented to enhance school/community communications through the use of technology.
  4. **INTERNAL ACCOUNTING CONTROLS.** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate 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.

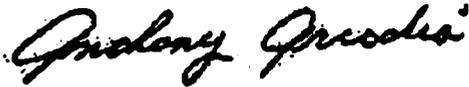
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.  
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as 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, 2012.
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds 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 guided in large part by a state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds

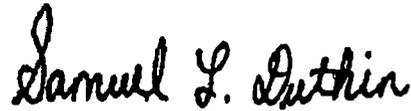
only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

- 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. The Board also carried Builders Risk coverage for the facility expansion and renovation projects.
- 9. OTHER INFORMATION:** **Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart 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 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 98-07 OMB. The auditor's report on the general purpose 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. ACKNOWLEDGMENTS:** We would like to once again express our appreciation to the members of the Barrington School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



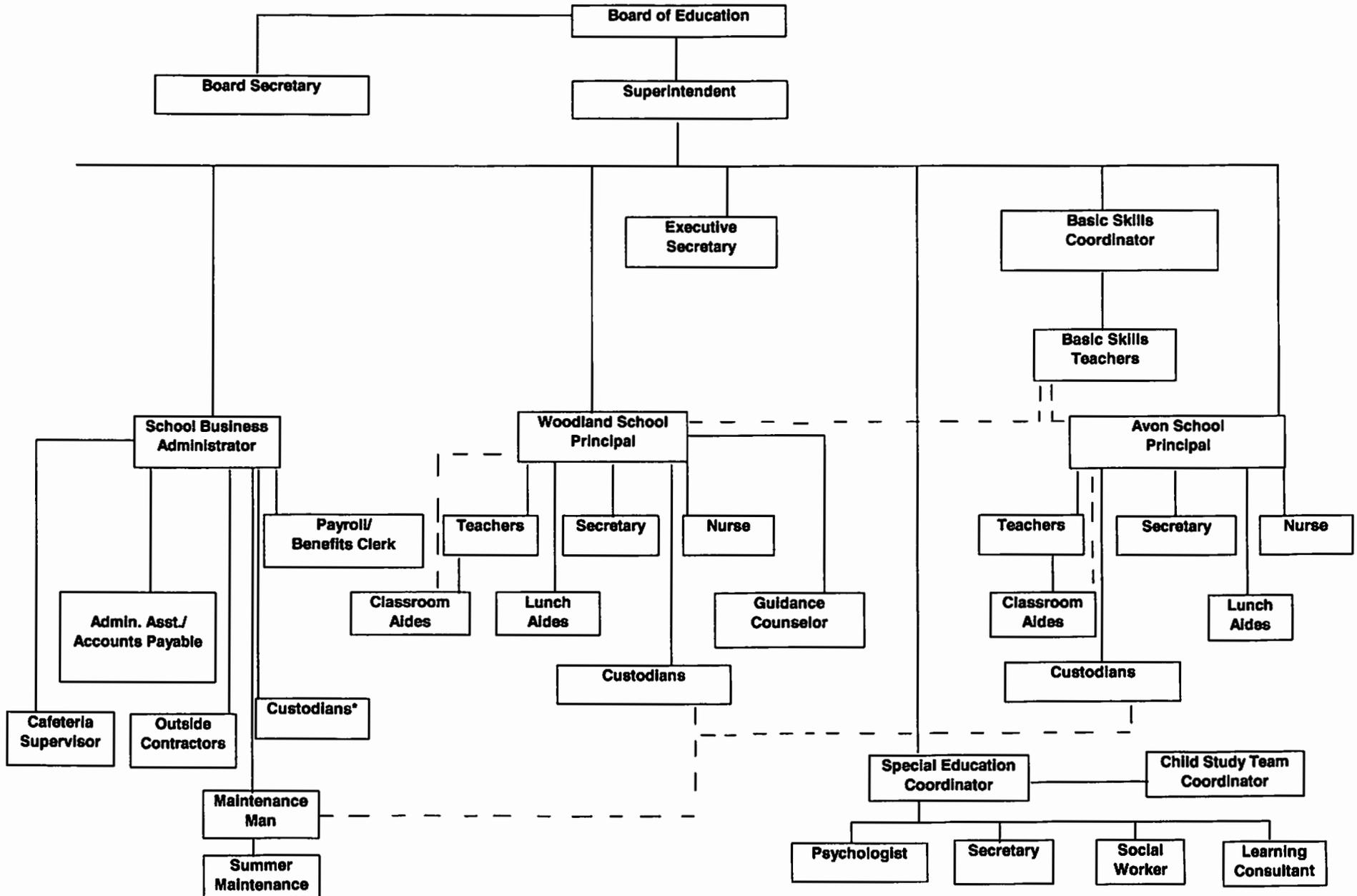
Anthony Arcodia  
Superintendent of Schools



Samuel Dutkin  
School Business Administrator/  
Board Secretary

# BARRINGTON BOARD OF EDUCATION

## Organizational Chart (Unit Control)



5

\*Summer

**BARRINGTON SCHOOL DISTRICT**

**Roster of Officials  
June 30, 2013**

**Members of the Board of Education:**

**Term Expires**

Michael Drumm, President	2015
Carla Bolling, Vice President	2013
D. Wayne Alexander	2014
Sherry Chin-Glaser	2015
Mark Correa	2015
Robert Klopp	2013
G. Scott Manlove	2013
Susan McMichael	2014
Jennifer Schuster	2014

**Other Officials:**

Anthony Arcodia, Superintendent  
Samuel Dutkin, Business Administrator/Board Secretary  
Mary E. Bakey, Treasurer  
Mark Toscano, Esq., Solicitor

**BARRINGTON SCHOOL DISTRICT**

**Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
12000 Lincoln Drive West, Suite 402  
Marlton, NJ 08053

**Attorney**

Mark G. Toscano, Esquire  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

**Broker of Record**

Hardenbergh Insurance Group  
Main Street Plaza 1000, Suite 100  
Voorhees, NJ 08043

**Official Depository**

Susquehanna Bank  
305 White Horse Pike  
Lawnside, NJ 08045

**Financial Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

12000 Lincoln Drive West, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
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-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Barrington School District  
County of Camden  
Barrington, New Jersey

***Report on the Financial Statements***

I 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 Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School 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 School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Opinions***

In my 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 Barrington School District, in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrington 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 State of New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated September 20, 2013 on my consideration of the Barrington School District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrington School District's internal control over financial reporting and compliance.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

Marlton, New Jersey  
September 20, 2013

***INVERSO & STEWART, LLC***

Certified Public Accountants

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 New Jersey Society of CPAs

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
 of the Board of Education  
 Barrington School District  
 County of Camden  
 Barrington, New Jersey

I 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 20, 2013.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Barrington 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Barrington School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Barrington School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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.

I noted certain matters that I reported to management of the Barrington School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 20, 2013.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

Marlton, New Jersey  
September 20, 2013

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

**Barrington School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013**

As management of the Board of Education of the Barrington, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$4,407,164 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$177,829. The accounting treatments in the governmental funds for compensated absences payable, capital lease payables, accrued interest payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$343,286, or a 8.4% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the reduction in long term obligations..
- Fund balance of the School District's governmental funds increased by \$251,799 resulting in an ending fund balance of \$1,400,441. This increase is primarily attributable to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$69,098 which may be used for the operation of the School District's enterprise-related activities (Food Services Program).
- The School District's long-term obligations decreased by \$531,273 which is the reduction of general obligation bonds and capital lease payments for the current year.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-wide Financial Statements**

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund.

### **Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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

## Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

### District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2013. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2013.

The assets of the primary government activities exceeded liabilities by \$4,328,108. As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, capital leases payable, accrued interest payable, the June state aid payment, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net position of the primary government does not include internal balances.

A net investment of \$3,116,852 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's students, accounts for 70.72% of the total net position of the District.

Net position of \$1,399,043 has been restricted as follows:

Designated for the 2013/14 budget	\$ 360,533
Reserved for future budget appropriations	286,563
Emergency Reserve	200,000
Maintenance Reserve	200,000
Capital projects	313,731
Debt service	38,216

**Barrington School District  
Comparative Summary of Net Position  
As of June 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		District-Wide	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current assets	\$ 1,436,435	\$ 1,387,545	\$ 70,199	\$ 71,316	\$ 1,506,634	\$ 1,458,861
Capital assets	8,620,515	8,789,076	9,958	16,596	8,630,473	8,805,672
<b>Total assets</b>	<b>10,056,950</b>	<b>10,176,621</b>	<b>80,157</b>	<b>87,912</b>	<b>10,137,107</b>	<b>10,264,533</b>
<b>Liabilities:</b>						
Current Liabilities	309,358	485,433	1,101	3,674	310,459	489,107
Noncurrent Liabilities	5,142,484	5,677,697			5,142,484	5,677,697
<b>Total liabilities</b>	<b>5,451,842</b>	<b>6,163,130</b>	<b>1,101</b>	<b>3,674</b>	<b>5,452,943</b>	<b>6,166,804</b>
Deferred Inflows	277,000				277,000	
<b>Net position</b>	<b>\$ 4,328,108</b>	<b>\$ 4,013,491</b>	<b>\$ 79,056</b>	<b>\$ 84,238</b>	<b>\$ 4,407,164</b>	<b>\$ 4,097,729</b>
<b>Net position consist of:</b>						
Net investment in capital assets	\$ 3,106,894	\$ 3,082,076	\$ 9,958	\$ 16,596	\$ 3,116,852	\$ 3,098,672
Restricted	1,399,043	1,178,115			1,399,043	1,178,115
Unrestricted	(177,829)	(246,700)	69,098	67,642	(108,731)	(179,058)
<b>Net position</b>	<b>\$ 4,328,108</b>	<b>\$ 4,013,491</b>	<b>\$ 79,056</b>	<b>\$ 84,238</b>	<b>\$ 4,407,164</b>	<b>\$ 4,097,729</b>

**Governmental Activities**

Governmental activities increased the net position of the School District by \$348,468 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Depreciation expense of \$321,052.

**Business-type Activities**

Business-type activities decreased the School District's net position by \$5,182. Key elements of the decrease in net position for business-type activities are as follows:

- The food service fund had a net loss of \$5,182.

**Barrington School District  
Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		District-Wide	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 121,464	\$ 110,915	\$ 121,464	\$ 110,915
Operating grants and Contributions	\$ 1,296,205	\$ 1,045,161	85,072	84,373	1,381,277	1,129,534
<b>General Revenues:</b>						
Property Taxes	9,262,384	9,521,588			9,262,384	9,521,588
Unrestricted State Aid	3,061,305	3,099,923			3,061,305	3,099,923
Other Revenues	11,060	34,541	124	363	11,184	34,904
<b>Total Revenues</b>	<b>13,630,954</b>	<b>13,701,213</b>	<b>206,660</b>	<b>195,651</b>	<b>13,837,614</b>	<b>13,896,864</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	4,064,558	3,743,354			4,064,558	8,800,012
Tuition	3,968,660	4,849,768			3,968,660	344,528
Related Services	911,637	1,006,425			911,637	1,470,419
Administrative Services	584,311	661,028			584,311	1,009,578
Operations and Maintenance	501,324	734,569			501,324	1,721,179
Transportation	415,007	385,491			415,007	1,245,599
Interest on long-term Debt	181,865	246,381			181,865	389,432
Other	295,034	310,297			295,034	58,645
Unallocated benefits	2,360,090	2,023,740			2,360,090	4,038,267
<b>Business-Type Activities:</b>						
Food Service Operations			211,842	205,550	211,842	402,396
<b>Total Expenses</b>	<b>13,282,486</b>	<b>13,961,053</b>	<b>211,842</b>	<b>205,550</b>	<b>13,494,328</b>	<b>20,022,150</b>
<b>Increase in net position</b>						
Before transfers	348,468	(259,840)	(5,182)	(9,899)	343,286	884,993
Transfers						
<b>Changes in net position</b>	<b>348,468</b>	<b>(259,840)</b>	<b>(5,182)</b>	<b>(9,899)</b>	<b>343,286</b>	<b>884,993</b>
Net position, July 1, Restated	3,979,640	4,272,331	84,238	94,137	4,063,878	7,537,379
<b>Net position, June 30,</b>	<b>\$ 4,328,108</b>	<b>\$ 4,013,491</b>	<b>\$ 79,056</b>	<b>\$ 84,238</b>	<b>\$ 4,407,164</b>	<b>\$ 8,422,372</b>

**Financial Analysis of the Governmental Funds**

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

*Governmental Funds* - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,400,441, an increase of \$251,799 in comparison with the prior year. Most of the increase can be attributed to the results of operations in the general fund.

The unassigned General Fund fund balance at the end of the fiscal year is \$1,398. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) restricted cash reserved for future capital outlay expenditures (\$313,731), 2) appropriated as a revenue source in the subsequent year's budget (\$360,533), 3) reserved for future budget appropriation (\$286,563), 4) reserved for emergency (\$200,000), 5) reserved for future maintenance projects (\$200,000) or 6) reserved for future debt service payments (\$38,216).

The general fund is the chief operating fund of the School District. As discussed earlier, the minimal fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

### **General Fund Budgetary Highlights**

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$314,000, while total fund balance (budgetary basis) was \$1,674,827. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$12,536,454. Unassigned fund balance (budgetary basis) represents 2.50% of expenditures while total fund balance (budgetary basis) represents 13.36% of that same amount.

### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totaled \$8,630,473 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$175,199, or a 1.99% decrease.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$321,052

**Barrington School District  
Capital Asset (net of accumulated depreciation)  
June 30, 2013 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2013	2012	2013	2012	2013	2012
Land	\$ 133,067	\$ 133,067			\$ 133,067	\$ 133,067
Construction in Progress		51,708				51,708
Site Improvements	74,107	81,890			74,107	81,890
Buildings and Building Improvements	8,225,929	8,395,051			8,225,929	8,395,051
Equipment	187,412	127,360	\$ 9,958	\$ 16,596	197,370	143,956
<b>Total</b>	<b>\$ 8,620,515</b>	<b>\$ 8,789,076</b>	<b>\$ 9,958</b>	<b>\$ 16,596</b>	<b>\$ 8,630,473</b>	<b>\$ 8,805,672</b>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Long-term debt** – During the fiscal year ended June 30, 2013, the School District had total bonded debt outstanding of \$5,230,000 backed by the full faith and credit of the School District. In addition, the School District has outstanding lease obligations in the amount of \$6,621 and future compensated absences of \$130,164.

General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$16,469,440 and the legal debt margin was \$11,239,440.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

**Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2013-14 fiscal year.

For calendar year 2013, the inflation rate was 2.1 percent. Special education costs continue to escalate, particularly in the areas of tuition costs for private schools for special education where the increases often exceed 10% and the extraordinary expenses for special education students for which the state aid for such extraordinary costs has decreased to a lesser share each year. The budget increase also includes increase in employee benefits premiums which will increase on January 1, 2014.

The community does not have a growing ratable base to rely upon for new revenue sources.

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Barrington School District Business Administrator, 311 Reading Avenue, Barrington, New Jersey, 08007, telephone number (856) 547-8648.

**Basic Financial Statements**

**District-Wide Financial Statements**

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 203,756	\$ 57,230	\$ 260,986
Receivables, net	1,232,679	3,976	1,236,655
Inventory		8,993	8,993
Capital Assets, net (Note 5)	<u>8,620,515</u>	<u>9,958</u>	<u>8,630,473</u>
<b>Total Assets</b>	<u>10,056,950</u>	<u>80,157</u>	<u>10,137,107</u>
<b>LIABILITIES:</b>			
Accounts Payable	24,903	1,101	26,004
Intergovernmental Payable State	11,091		11,091
Unearned Revenue			
Accrued Interest Payable	49,063		49,063
Noncurrent Liabilities (Note 7):			
Due within one year	224,301		224,301
Due beyond one year	<u>5,142,484</u>		<u>5,142,484</u>
<b>Total Liabilities</b>	<u>5,451,842</u>	<u>1,101</u>	<u>5,452,943</u>
<b>Deferred Inflows of Resources</b>			
Unamortized Bond Issuance Premiums	<u>277,000</u>		<u>277,000</u>
<b>NET POSITION:</b>			
Net investment in Capital Assets	3,106,894	9,958	3,116,852
Restricted for:			
Capital Projects	313,731		313,731
Debt Service	38,216		38,216
Other Purposes	1,047,096		1,047,096
Unrestricted (Deficit)	<u>(177,829)</u>	<u>69,098</u>	<u>(108,731)</u>
<b>Total Net Position</b>	<u>\$ 4,328,108</u>	<u>\$ 79,056</u>	<u>\$ 4,407,164</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 2,767,185		\$ 139,718		\$ (2,627,467)	\$ (2,627,467)	
Special Education	1,167,771		263,077		(904,694)	(904,694)	
Other instruction	129,602				(129,602)	(129,602)	
<b>Support Services:</b>							
Tuition	3,968,660			(3,968,660)		(3,968,660)	
Student & instruction related services	911,637		28,041	(883,596)		(883,596)	
General administrative services	140,659			(140,659)		(140,659)	
School administrative services	221,099			(221,099)		(221,099)	
Central services	222,553			(222,553)		(222,553)	
Plant operations and maintenance	501,324			(501,324)		(501,324)	
Pupil transportation	415,007			(415,007)		(415,007)	
Unallocated benefits	2,360,090		865,369	(1,494,721)		(1,494,721)	
Interest on long-term debt	181,865			(181,865)		(181,865)	
Transfer to charter school	8,347			(8,347)		(8,347)	
Unallocated depreciation and amortization	286,687			(286,687)		(286,687)	
<b>Total Governmental Activities</b>	<b>13,282,486</b>		<b>1,296,205</b>		<b>(11,986,281)</b>	<b>(11,986,281)</b>	
<b>Business-Type Activities:</b>							
Food service	211,842	\$ 121,464	85,072		\$ (5,306)	(5,306)	
<b>Total Business-Type Activities</b>	<b>211,842</b>	<b>121,464</b>	<b>85,072</b>		<b>(5,306)</b>	<b>(5,306)</b>	
<b>Total Primary Government</b>	<b>\$ 13,494,328</b>	<b>\$ 121,464</b>	<b>\$ 1,381,277</b>	<b>\$ -</b>	<b>(11,986,281)</b>	<b>(5,306)</b>	<b>(11,991,587)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes, net				8,812,500		8,812,500	
Taxes levied for debt service				449,884		449,884	
Federal and State aid not restricted				3,061,305		3,061,305	
Investment Earnings					124	124	
Miscellaneous Income				11,060		11,060	
<b>Total general revenues, special items, extraordinary items and transfers</b>				<b>12,334,749</b>		<b>12,334,873</b>	
Change in Net Position				348,468	(5,182)	343,286	
Net Position - July 1, 2012 (Restated)				3,979,640	84,238	4,063,878	
Net Position - June 30, 2013				<b>\$ 4,328,108</b>	<b>\$ 79,056</b>	<b>\$ 4,407,164</b>	

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

**Fund Financial Statements**

**BARRINGTON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents				\$ 38,216	\$ 38,216
<b>Receivables, net</b>					
Local tax levy	\$ 1,000,000				1,000,000
State aid	151,049	\$ 346			151,395
Federal aid		81,284			81,284
Interfund	58,404				58,404
<b>Restricted assets:</b>					
Cash and cash equivalents	165,540				165,540
<b>Total Assets</b>	<b>\$ 1,374,993</b>	<b>\$ 81,630</b>	<b>\$ -</b>	<b>\$ 38,216</b>	<b>\$ 1,494,839</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 12,768	\$ 12,135			\$ 24,903
Interfund payable		58,404			58,404
<b>Intergovernmental payable:</b>					
State		11,091			11,091
Deferred revenue					
<b>Total Liabilities</b>	<b>12,768</b>	<b>81,630</b>			<b>94,398</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital reserve	\$ 313,731				\$ 313,731
Maintenance reserve	200,000				200,000
Tuition reserve - current year	286,563				286,563
Tuition reserve - prior year	160,533				160,533
Emergency reserve	200,000				200,000
<b>Assigned to:</b>					
Subsequent year's budget	200,000				200,000
Unassigned	1,398			\$ 38,216	39,614
<b>Total Fund Balances</b>	<b>1,362,225</b>			<b>38,216</b>	<b>1,400,441</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,374,993</b>	<b>\$ 81,630</b>	<b>\$ -</b>	<b>\$ 38,216</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,120,512 and the accumulated depreciation is \$3,499,997. 8,620,515

Bond issuance premiums are recorded as revenue in the Governmental Funds in the year of receipt. The premiums are amortized over the life of the issued bonds. (277,000)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	\$ (5,230,000)	
Compensated Absences Payable	(130,164)	
Capital Leases Payable	(8,621)	
Accrued Interest Payable	(49,063)	
		<u>(5,415,848)</u>

Net position of governmental activities \$ 4,328,108

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes In Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 8,812,500			\$ 449,884	\$ 9,262,384
Interest earned					
Miscellaneous	11,060				11,060
<b>Total local sources</b>	<b>8,823,560</b>			<b>449,884</b>	<b>9,273,444</b>
State sources	4,133,169	\$ 56,605	\$ (206,495)		3,983,279
Federal sources		374,231			374,231
<b>Total Revenues</b>	<b>12,956,729</b>	<b>430,836</b>	<b>(206,495)</b>	<b>449,884</b>	<b>13,630,954</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	2,649,834	139,718			2,789,552
Special education instruction	904,694	263,077			1,167,771
Other instruction	129,602				129,602
Support services and undistributed costs:					
Tuition	3,968,660				3,968,660
Student & instruction related services	883,598	28,041			911,637
General administrative services	139,277				139,277
School administrative services	221,099				221,099
Central services	119,830				119,830
Administrative information technology	102,242				102,242
Plant operations and maintenance	578,674				578,674
Pupil transportation	415,007				415,007
Unallocated employee benefits	2,360,090				2,360,090
Capital outlay	55,502				55,502
Transfer to charter school	8,347				8,347
Debt service:					
Principal				230,000	230,000
Interest and other charges				181,865	181,865
<b>Total Expenditures</b>	<b>12,536,454</b>	<b>430,836</b>		<b>411,865</b>	<b>13,379,155</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>420,275</b>		<b>(206,495)</b>	<b>38,019</b>	<b>251,799</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	90,182				90,182
Transfers out			(90,182)		(90,182)
Costs disallowed by State					
<b>Total Other Financing Sources (Uses)</b>	<b>90,182</b>		<b>(90,182)</b>		
<b>Net Change in Fund Balances</b>	<b>510,457</b>		<b>(296,677)</b>	<b>38,019</b>	<b>251,799</b>
<b>Fund Balances - July 1, 2013</b>	<b>851,768</b>		<b>296,677</b>	<b>197</b>	<b>1,148,642</b>
<b>Fund Balances - June 30, 2013</b>	<b>\$ 1,362,225</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,216</b>	<b>\$ 1,400,441</b>

**BARRINGTON SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 251,799

Amounts reported for governmental activities in the statement of activities (A-2)  
 are different because:

Governmental Funds report capital outlays 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 current period.

Depreciation expense	\$ (321,052)	
Capital Outlay Additions	<u>152,491</u>	(168,561)

Repayment of long-term debt 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.

210,361

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

10,957

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

43,912

Change in net position of Governmental Activities

\$ 348,468

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<u><b>Business-Type Activities Enterprise Funds</b></u>
	<u><b>Food Service Fund</b></u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 57,230
Intergovernmental receivables:	
State	115
Federal	3,861
Inventories	<u>8,993</u>
Total current assets	<u>70,199</u>
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	<u>9,958</u>
Total noncurrent assets	<u>9,958</u>
Total Assets	<u>80,157</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts Payable	<u>1,101</u>
Total current liabilities	<u>1,101</u>
<b>NET POSITION:</b>	
Net investment in capital assets	9,958
Unrestricted	<u>69,098</u>
Total Net Position	<u>\$ 79,056</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
<b>Operating Revenues:</b>	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 73,502
Non-reimbursable programs	47,962
	121,464
<b>Operating Expenses:</b>	
Salaries and fringe benefits	90,841
Supplies and materials	5,606
Management fee	21,212
Other costs	10,620
Depreciation	6,638
Cost of sales	76,925
	211,842
Operating Income (Loss)	(90,378)
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	2,459
Federal sources:	
National school lunch program	62,434
School breakfast program	8,835
Food distribution program	11,344
Local sources:	
Interest earned	124
	85,196
Income (Loss) before Contributions and Transfers	(5,182)
Operating Transfers In	(5,182)
Change in Net Position	(5,182)
Net Position - July 1, 2012	84,238
Net Position - June 30, 2013	\$ 79,056

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 121,465
Cash payments to employees for services	(89,963)
Cash payments to suppliers for goods and services	<u>(119,317)</u>
Net Cash Provided by (used for) Operating Activities	<u>(87,815)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	2,454
Cash received from federal sources	82,081
Cash received from operating transfer in	<u>84,535</u>
Net Cash Provided by (used for) Noncapital Financing Activities	<u>84,535</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of Equipment	<u>                    </u>
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on Cash Equivalents	<u>124</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,156)
Cash and Cash Equivalents - July 1, 2012	<u>60,386</u>
Cash and Cash Equivalents - June 30, 2013	<u>\$ 57,230</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>	
Operating Income (Loss)	\$ (90,378)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	6,638
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	(1,502)
Increase (Decrease) in Accounts Payables	<u>(2,573)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (87,815)</u>
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District received \$11,344 of food commodities from the U.S. Department of Agriculture.	

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

**BARRINGTON SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013**

	<u>Trust Funds Flexible Benefit Trust</u>	<u>Agency Funds</u>
<b>ASSETS:</b>		
Cash and cash equivalents	<u>\$        415</u>	<u>\$      7,311</u>
Total Assets	<u><u>\$        415</u></u>	<u><u>\$      7,311</u></u>
<b>LIABILITIES:</b>		
Payroll deductions and withholdings		\$      5,754
Due to student groups		<u>1,557</u>
Total Liabilities		<u><u>\$      7,311</u></u>
<b>NET Position:</b>		
Held in trust for claims	<u><u>\$        415</u></u>	

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Flexible Benefits Trust Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee	\$ 8,043
Total Additions	<u>8,043</u>
<b>DEDUCTIONS:</b>	
Claims paid	9,055
Total Deductions	<u>9,055</u>
Change in Net Position	(1,012)
Net Position - July 1	<u>1,427</u>
Net Position - June 30	<u><u>\$ 415</u></u>

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Barrington School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend, on a tuition basis, the Haddon Heights High School District. The Barrington School District has an approximate enrollment at June 30, 2013 of 614 students.

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

**Component Units** – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide 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 Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

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

**Government-wide Statements** - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

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

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

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

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

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

The School District's enterprise funds are:

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; a flexible spending account, a student activity fund, and a payroll fund.

**Measurement Focus**

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

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

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues - Exchange and Non-exchange Transactions (Continued)** - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

**Budgets/Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June state aid payments.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

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

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

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

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

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

**Deferred Inflows of Resources** – Unamortized bond issuance premiums arising from the issuance of the refunding school bonds is recorded as a deferred inflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt.

**Accrued Salaries and Wages** - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2013.

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

**Committed** - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

**Assigned** - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition fees for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

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

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

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

**New Accounting Standards Adopted** - During the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Government Accounting Standards Board (GASB):

**GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position**

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. This Statement also identifies net position as the residual of all other elements presented in a statement of financial position and amends the net asset reporting requirements in Statement No. 34, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by naming that measure as net position, rather than net assets.

Implementation of this statement affected the recording of deferred inflows of resources for unamortized bond issuance premiums on the Statement of Activities.

**GASB Statement No. 65, Items Previously Reported as Assets and Liabilities**

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as limiting the use of the term deferred in financial statement presentations.

Implementation of this statement affected the financial statements as noted in Note 20.

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$651,457 as of June 30, 2013, \$250,00 was insured under FDIC and the remaining balance of \$401,457 was collateralized under GUDPA.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**3. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Balance July 1, 2012		\$		223,202
Increased by:				
Interest Earned	\$		347	
Board Resolution	<u>90,182</u>			
			<u>90,529</u>	
				<u>313,731</u>
Decreased by:				
Budget Withdrawal				
Board Resolution	<u>          </u>			
				<u>-</u>
Balance June 30, 2013		\$		<u><u>313,731</u></u>

The June 30, 2013 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All intergovernmental 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 at June 30, 2013 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 Fund	Total
<b>Intergovernmental</b>					
Local	\$ 1,000,000				\$ 1,000,000
State	151,049	\$ 346		\$ 115	151,510
Federal	<u>          </u>	<u>81,284</u>	<u>          </u>	<u>3,861</u>	<u>85,145</u>
<b>Total</b>	<u><u>\$ 1,151,049</u></u>	<u><u>\$ 81,630</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,976</u></u>	<u><u>\$ 1,236,655</u></u>

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<b>Governmental Activities:</b>				
Land	\$ 133,067			\$ 133,067
Construction in Progress	51,708		\$ (51,708)	-
Total Capital Assets not being Depreciated	184,775	-	(51,708)	133,067
Land Improvements	161,200			161,200
Building and Improvements	11,133,858	99,514		11,233,372
Vehicles	30,000			30,000
Equipment	458,188	\$ 104,685		562,873
Total Historical Cost	<u>11,968,021</u>	<u>204,199</u>	<u>(51,708)</u>	<u>12,120,512</u>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	(79,310)	(7,783)		(87,093)
Building and Improvements	(2,738,807)	(268,636)		(3,007,443)
Vehicles	(1,875)	(3,750)		(5,625)
Equipment	(358,953)	(40,883)		(399,836)
Total Accumulated Depreciation	<u>(3,178,945)</u>	<u>(321,052)</u>	<u>-</u>	<u>(3,499,997)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 8,789,076</u></u>	<u><u>\$ (116,853)</u></u>	<u><u>\$ (51,708)</u></u>	<u><u>\$ 8,620,515</u></u>
<b>Business-Type Activities:</b>				
Equipment	\$ 137,670			\$ 137,670
Less - Accumulated Depreciation	(121,074)	\$ (6,638)		(127,712)
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$ 16,596</u></u>	<u><u>\$ (6,638)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,958</u></u>

Depreciation expense in the amount of \$321,052 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 21,545
Central Administration	481
General Administration	1,382
Unallocated	297,644
<b>Total depreciation expense</b>	<u><u>\$ 321,052</u></u>

During the year ended June 30, 2013, management reclassified construction-in-progress costs to their appropriate category. Certain costs were removed from the records as they do not represent capital cost with a useful life.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$	7,448
Supplies		<u>1,545</u>
		<u>\$ 8,993</u>

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 174,076		43,912	\$ 130,164	
Obligations under Capital Leases	16,982		\$ 10,361	6,621	\$ 4,301
General Obligation Bonds	<u>5,707,000</u>	<u>5,030,000</u>	<u>5,507,000</u>	<u>5,230,000</u>	<u>220,000</u>
	<u>\$ 5,898,058</u>	<u>\$ 5,030,000</u>	<u>\$ 5,561,273</u>	<u>\$ 5,366,785</u>	<u>\$ 224,301</u>

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2004 General Obligation Bonds dated April 1, 2004 in the amount of \$220,000 due in annual installments through April 1, 2029, bearing interest rate of 4.00% to 4.30%.

Series 2012 Refunding Bonds dated December 19, 2012 in the amount of \$5,010,000 due in annual installments through April 1, 2029, bearing interest rate of 3.00% to 4.00%.

As of June 30, 2013, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 220,000	\$ 195,450	\$ 415,450
2015	240,000	187,450	427,450
2016	245,000	180,250	425,250
2017	255,000	172,900	427,900
2018-2022	1,490,000	732,000	2,222,000
2023-2027	1,930,000	409,400	2,339,400
2028-2030	<u>850,000</u>	<u>51,000</u>	<u>901,000</u>
	<u>\$ 5,230,000</u>	<u>\$ 1,928,450</u>	<u>\$ 7,158,450</u>

As of June 30, 2013 the School District had no authorizations to issue additional bonded debt.

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**7. LONG-TERM OBLIGATIONS (Continued)**

**Capital Leases Payable** - The School District has entered into the following capital lease agreements:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
School Vehicle	October 15, 2012	6.90%	\$ 30,158
VOIP Phone System	August 11, 2015	5.75%	8,620

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,301	\$ 284	\$ 4,585
2015	2,160	253	2,413
2016	160	21	181
	<u>\$ 6,621</u>	<u>\$ 558</u>	<u>\$ 7,179</u>

**8. OPERATING LEASES**

At June 30, 2013, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$18,359 for the fiscal year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 15,707
2015	15,707
2016	8,450
2017	199
	<u>\$ 40,063</u>

**9. PENSION PLANS**

**Description of Plans** – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**9. PENSION PLANS (Continued)**

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

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2013	\$ 20,414	\$ 48,810	\$ 4,120	\$ 73,344
2012	27,816	55,633	5,317	88,766
2011	27,162	43,280	5,350	75,792

***Defined Contribution Retirement Program (DCRP)***

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**9. PENSION PLANS (Continued)**

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2013	\$ 2,499	\$ 1,617	\$ 882
2012	289	187	102
2011	267	173	94

**Related Party Investments** – The Division of Pensions and Benefits does not invest in securities issued by the School District.

**10. POST-RETIREMENT BENEFITS**

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

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, 2012 there were 97,661 retirees eligible for post-retirement medical benefits. 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 premiums 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 free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2013 was \$303,152, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures \$268,099 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$294,118 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**12. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The School 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.

**Joint Insurance Pool** - The School District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

The Fund publishes its own financial report which can be obtained at [www.njsbaig.com](http://www.njsbaig.com).

**New Jersey Unemployment Compensation Insurance** - The School District elected the "Contributory Method" to fund its New Jersey Unemployment Compensation Insurance, which requires the School District to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The School District paid \$28,781 and \$10,542 for this benefit for the years ended June 30, 2013 and 2012 respectively.

**13. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

**14. COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2013, the liability for compensated absences in the governmental activities fund types was \$130,164.

**Barrington School District  
Notes to Basic Financial Statements  
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**15. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2013. The following interfund balances were recorded on the various balance sheets as of June 30, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 58,404	
Special Revenue		\$ 58,404
	<u>\$ 58,404</u>	<u>\$ 58,404</u>

**16. CONTINGENCIES**

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2013, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. FLEXIBLE BENEFITS PROGRAM**

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ -	\$ 8,043	\$ 9,055	\$ 415
2012	-	6,825	5,398	1,427
2011	-	-	-	-

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**18. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2013, a deficit of \$177,829 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2013	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 1,398
Liabilities:	
Accrued interest Payable	(49,063)
Compensated Absences	<u>(130,164)</u>
Unrestricted Net Position (Deficit)	<u>\$ (177,829)</u>

**19. FUND BALANCES**

**RESTRICTED**

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

**General Fund:**

**Tuition Reserve** – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2013 in the amount of \$447,096 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. \$160,533 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014 and \$286,563 is reserved for use in the June 30, 2015 year.

**Capital Reserve** – As of June 30, 2013, the balance in the capital reserve account is \$313,731. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2013, the balance in the maintenance reserve account is \$200,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Emergency Reserve** – As of June 30, 2013, the balance in the emergency reserve is \$200,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Debt Service Fund** – As of June 30, 2013, the restricted fund balance amount was \$38,216, which is restricted for future debt service expenditures.

**ASSIGNED**

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

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014, \$200,000 of general fund balance at June 30, 2013.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**19. FUND BALANCES (Continued)**

**UNASSIGNED**

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

**General Fund** – As of June 30, 2013, the fund balance of the general fund was \$1,398, thus resulting in the fund balance classification of unassigned.

**20. RESTATEMENT OF NET POSITION**

As a result of the implementation of *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, net position as of June 30, 2012 has been restated as follows:

Net Position, June 30, 2012	\$	4,013,491
Expense of Bond Issuance Costs (1)		<u>(33,851)</u>
Net Position, June 30, 2012 (Restated)	\$	<u>3,979,640</u>

(1) Formerly reported as a deferred asset and amortized over the life of the related debt.

**21. CAPITAL DEBT REFUNDING**

On December 19, 2012 the District issued refunding bonds in the amount of \$5,030,000. The bonds were issued to refund \$5,277,000 of its outstanding callable 2004 Issue and to pay the costs of issuing the bonds. The bonds bear interest rates of 2.00% to 4.00% with principal maturities from April 2013 through June 2029.

As a result of the above transaction, the 2004 callable debt is considered to be defeased and the liability for this debt has been removed from the records. The advance refunding decreased total debt service by \$520,341 and resulted in a present value economic savings of \$523,434. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

**Required Supplementary Information - Part II**

**Budgetary Comparison Schedules**

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 8,812,500	\$ -	\$ 8,812,500	\$ 8,812,500	\$ -
Unrestricted misc. revenues	8,400		8,400	11,060	2,660
<b>Total local sources</b>	<b>8,820,900</b>		<b>8,820,900</b>	<b>8,823,560</b>	<b>2,660</b>
State sources:					
Categorical special education aid	509,881		509,881	509,881	
Equalization aid	2,683,732		2,683,732	2,683,732	
Security Aid	20,280		20,280	20,280	
Transportation aid	23,025		23,025	23,025	
Extraordinary Aid				60,009	60,009
Nonpublic Transportation aid				4,002	4,002
On-behalf TPAF pension contrib.. (non-budgeted)				268,099	268,099
On-behalf Post Retirement Medical (non-budgeted)				303,152	303,152
Reimbursed TPAF social security contribution (non-budgeted)				294,118	294,118
<b>Total state sources</b>	<b>3,236,918</b>		<b>3,236,918</b>	<b>4,166,298</b>	<b>929,380</b>
<b>TOTAL REVENUES</b>	<b>12,057,818</b>		<b>12,057,818</b>	<b>12,989,858</b>	<b>932,040</b>
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	246,100	25,638	271,738	271,738	
Grades 1-5	1,310,543	15,168	1,325,711	1,325,711	
Grades 6-8	717,128	57,319	774,447	774,447	
Regular Programs - Home Instruction:					
Salaries of teachers		4,000	4,000	113	3,887
Purchased professional - educational services	4,000	(3,046)	954	954	
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	35,867		35,867	15,961	19,906
Purchased professional - educational services	29,300	(11,587)	17,713	17,713	
Purchased technical services	15,000	16,554	31,554	29,232	2,322
Other purchased services	1,604	(500)	1,104	570	534
General supplies	200,232	(1,300)	198,932	198,098	834
Textbooks	13,000	1,732	14,732	14,446	286
Other objects	2,000	(1,149)	851	851	
<b>Total - Regular Programs - Instruction</b>	<b>2,574,774</b>	<b>102,829</b>	<b>2,677,603</b>	<b>2,649,834</b>	<b>27,769</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Multiple Disabilities:</b>					
Salaries of teachers	\$ 52,450	\$ 1,770	\$ 54,220	\$ 53,720	\$ 500
Other salaries for instruction	55,968		55,968		55,968
General supplies	100		100		100
<b>Total multiple disabilities</b>	<b>108,518</b>	<b>1,770</b>	<b>110,288</b>	<b>53,720</b>	<b>56,568</b>
<b>Resource room/resource center:</b>					
Salaries of teachers	689,730	30,645	720,375	720,375	
Other salaries for instruction	19,648	40,572	60,220	60,220	
General supplies	7,000	(4,288)	2,712	1,346	1,366
Textbooks	4,000	(2,759)	1,241	852	389
<b>Total resource room/resource center</b>	<b>720,378</b>	<b>64,170</b>	<b>784,548</b>	<b>782,793</b>	<b>1,755</b>
<b>Preschool disabilities - full time:</b>					
Salaries of teachers	60,110	1,032	61,142	57,125	4,017
Other salaries for instruction	49,236	458	49,694	11,056	38,638
General supplies	500	(458)	42		42
<b>Total preschool disabilities - full time</b>	<b>109,846</b>	<b>1,032</b>	<b>110,878</b>	<b>68,181</b>	<b>42,697</b>
<b>Total Special Education - Instruction</b>	<b>938,742</b>	<b>66,972</b>	<b>1,005,714</b>	<b>904,694</b>	<b>101,020</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	169,195	859	170,054	79,560	90,494
General supplies	3,000		3,000	1,617	1,383
<b>Total basic skills/remedial - instruction</b>	<b>172,195</b>	<b>859</b>	<b>173,054</b>	<b>81,177</b>	<b>91,877</b>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	11,690	13,263	24,953	24,953	
General supplies	100		100		100
<b>Total bilingual education - instruction</b>	<b>11,790</b>	<b>13,263</b>	<b>25,053</b>	<b>24,953</b>	<b>100</b>
<b>School Sponsored Cocurricular Activities - Instruc.</b>					
Salaries	4,306	2,922	7,228	7,228	
<b>School Sponsored Athletics - Instruc.</b>					
Salaries	13,104	(1,500)	11,604	10,920	684
Purchased services	1,500	500	2,000	1,930	70
General supplies	3,500		3,500	3,394	106
<b>Total school sponsored athletics - instruc</b>	<b>18,104</b>	<b>(1,000)</b>	<b>17,104</b>	<b>16,244</b>	<b>860</b>
<b>Total Instruction</b>	<b>3,719,911</b>	<b>185,845</b>	<b>3,905,756</b>	<b>3,684,130</b>	<b>221,626</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - reg.	\$ 3,517,921	\$ 11,688	\$ 3,529,609	\$ 3,514,784	\$ 14,825
Tuition to other LEAs within the state - spec	296,690		296,690	294,119	2,571
Tuition to County Voc. School Districts - reg.	29,000	14,500	43,500	43,500	
Tuition to County Voc. School Districts - spec.	29,000	(14,800)	14,200		14,200
Tuition to CSSD & Reg. Day Schools	217,800	(141,117)	76,683	72,724	3,959
Tuition to priv. sch. for the disabled in state	150,000	(98,581)	51,419	31,504	19,915
Tuition - other		12,029	12,029	12,029	
<b>Total undistributed expenditures - instruction</b>	<b>4,240,411</b>	<b>(216,281)</b>	<b>4,024,130</b>	<b>3,968,660</b>	<b>55,470</b>
<b>Attendance and Social Work Services:</b>					
Salaries	12,044	143	12,187	8,442	3,745
Purchased professional and technical services					
Supplies and materials					
<b>Total attendance and social work services</b>	<b>12,044</b>	<b>143</b>	<b>12,187</b>	<b>8,442</b>	<b>3,745</b>
<b>Health Services:</b>					
Salaries	170,300	3,515	173,815	165,445	8,370
Purchased professional and technical services	2,050	7,035	9,085	7,499	1,586
Other purchased services	600	(300)	300		300
Supplies and materials	4,000		4,000	3,768	232
Other objects	950	(635)	315		315
<b>Total health services</b>	<b>177,900</b>	<b>9,615</b>	<b>187,515</b>	<b>176,712</b>	<b>10,803</b>
<b>Speech, OT, PT &amp; Related Services:</b>					
Salaries	88,750	17,375	106,125	106,125	
Purchased professional - educational services	20,000	(6,243)	13,757	13,436	321
Supplies and materials	400		400		400
Other objects	100		100		100
<b>Total speech, ot, pt &amp; related services</b>	<b>109,250</b>	<b>11,132</b>	<b>120,382</b>	<b>119,561</b>	<b>821</b>
<b>Other Support Services Student - Extra. Serv.</b>					
Salaries	62,784	19,904	82,688	82,688	
Purchased professional - educational services	158,000	(25,899)	132,101	105,810	26,291
Supplies and materials	800		800		800
<b>Total other support services student - extra. serv.</b>	<b>221,584</b>	<b>(5,995)</b>	<b>215,589</b>	<b>188,498</b>	<b>27,091</b>
<b>Guidance:</b>					
Salaries of other professional staff	59,550	3,250	62,800	59,830	2,970
Salaries of secretarial and clerical assistants	17,068		17,068		17,068
Other purchased prof. and technical services	500	550	1,050	1,050	
Supplies and materials	500	240	740	740	
<b>Total guidance</b>	<b>77,618</b>	<b>4,040</b>	<b>81,658</b>	<b>61,620</b>	<b>20,038</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Child Study Teams:</b>					
Salaries of other professional staff	\$ 232,715	\$ 4,881	\$ 237,596	\$ 222,103	\$ 15,493
Salaries of secretarial and clerical assistants	37,192	768	37,960	37,960	
Purchased professional - educational services	10,000	(8,899)	1,101	525	576
Other purchased prof. and technical services	1,000		1,000		1,000
Miscellaneous purchased services	500		500	380	120
Supplies and materials	3,400		3,400	1,602	1,798
Other objects	200		200		200
<b>Total child study teams</b>	<b>285,007</b>	<b>(3,250)</b>	<b>281,757</b>	<b>262,570</b>	<b>19,187</b>
<b>Improvement of Instructional Services:</b>					
Salaries of supervisors of instruction	81,499	(6,597)	74,902	50,180	24,722
Other purchased services	163		163		163
Supplies and materials	400		400		400
<b>Total improvement of instructional services</b>	<b>82,062</b>	<b>(6,597)</b>	<b>75,465</b>	<b>50,180</b>	<b>25,285</b>
<b>Educational Media Services/School Library:</b>					
Salaries	12,073		12,073	9,251	2,822
Purchased professional and technical services	3,200	(782)	2,418	325	2,093
Other purchased services (400-500 series)	3,325		3,325		3,325
Supplies and materials	3,800	783	4,583	4,583	
Other objects	200		200		200
<b>Total educational media services/school library</b>	<b>22,598</b>	<b>1</b>	<b>22,599</b>	<b>14,159</b>	<b>8,440</b>
<b>Instructional Staff Training Services:</b>					
Other salaries	450		450		450
Purchased professional - educational services	2,500		2,500	1,364	1,136
Other purchased services	1,000		1,000	490	510
Supplies and materials					
<b>Total instructional staff training services</b>	<b>3,950</b>		<b>3,950</b>	<b>1,854</b>	<b>2,096</b>
<b>General Administration:</b>					
Salaries	58,328	1,882	60,210	58,275	1,935
Legal services	20,000	(2,332)	17,668	13,971	3,697
Audit fees	25,000	1,000	26,000	22,569	3,431
Architectural/Engineering Services	1,000	(1,000)			
Purchased technical services	7,000		7,000	6,090	910
Communications / telephone	24,900		24,900	20,207	4,693
BOE other purchased services	1,400		1,400	1,075	325
Other purchased services	5,000		5,000	4,170	830
Supplies and materials	1,500	1,922	3,422	3,422	
BOE In-House Training/Meeting supplies	100		100	98	2
Miscellaneous expenditures	4,260	(1,472)	2,788	2,663	125
BOE membership dues and fees	7,900		7,900	6,737	1,163
<b>Total general administration</b>	<b>156,388</b>		<b>156,388</b>	<b>139,277</b>	<b>17,111</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School Administration:</b>					
Salaries of principals/assist. principals	\$ 184,123	\$ -	\$ 184,123	\$ 135,412	\$ 48,711
Salaries of secretarial and clerical assistants	56,308	21,308	77,616	77,616	
Other purchased services	1,100	(1,100)			
Supplies and materials	2,500	879	3,379	3,379	
Other objects	3,300	1,392	4,692	4,692	
<b>Total school administration</b>	<b>247,331</b>	<b>22,479</b>	<b>269,810</b>	<b>221,099</b>	<b>48,711</b>
<b>Central Services:</b>					
Salaries	98,115	1,763	99,878	99,878	
Purchased technical services	13,376	3,901	17,277	15,944	1,333
Misc. purchased services	200		200	100	100
Supplies and materials	2,500	111	2,611	2,599	12
Other objects	1,200	109	1,309	1,309	
<b>Total central services</b>	<b>115,391</b>	<b>5,884</b>	<b>121,275</b>	<b>119,830</b>	<b>1,445</b>
<b>Administrative Information Technology:</b>					
Salaries	51,980		51,980	51,980	
Purchased technical services	26,800	8,117	34,917	34,699	218
Other purchased services	250		250		250
Supplies and materials	35,000	(16,460)	18,540	15,563	2,977
<b>Total admin. information technology</b>	<b>114,030</b>	<b>(8,343)</b>	<b>105,687</b>	<b>102,242</b>	<b>3,445</b>
<b>Required Maintenance School Facilities:</b>					
Salaries	44,493	437	44,930	44,930	
Cleaning, repair and maintenance services	50,000	21,390	71,390	71,208	182
General supplies	5,000	(437)	4,563	3,989	574
<b>Total required maintenance school facilities</b>	<b>99,493</b>	<b>21,390</b>	<b>120,883</b>	<b>120,127</b>	<b>756</b>
<b>Custodial Services:</b>					
Salaries	230,828	(7,020)	223,808	222,013	1,795
Purchased prof. and technical services	5,000		5,000	1,575	3,425
Cleaning, repair and maintenance services	40,000	(17,000)	23,000	15,594	7,406
Other purchased property services	28,000		28,000	16,846	11,154
Insurance	51,000	(4,390)	46,610	30,786	15,824
General Supplies	20,000		20,000	20,000	
Energy (Electricity)	155,000		155,000	102,802	52,198
Energy (Natural Gas)	95,000		95,000	48,931	46,069
<b>Total custodial services</b>	<b>624,828</b>	<b>(28,410)</b>	<b>596,418</b>	<b>458,547</b>	<b>137,871</b>
<b>Security:</b>					
Salaries					
<b>Total operation &amp; maint. of plant services</b>	<b>724,321</b>	<b>(7,020)</b>	<b>717,301</b>	<b>578,674</b>	<b>138,627</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
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**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Student Transportation Services:</b>					
Management fee - ESC Transp. programs	\$ 6,000	\$ -	\$ 6,000	\$ 5,686	\$ 314
Contr. serv. (between home & sch) - vendor	231,000	22,638	253,638	253,637	1
Contr. serv. (not between home & sch) - vendor	10,000	711	10,711	10,534	177
Contr. serv. (special educ.) - vendors					
Contr. Serv. (Regular Students) - ESC	32,000		32,000	32,000	
Contr. Serv. (Spl. Ed. Students) - ESC	175,000	(15,123)	159,877	108,116	51,761
Contr. Serv. - Aid in Lieu of Payments - nonpublic	8,840	(7,956)	884	884	
Contr. Serv. - Aid in Lieu of Payments - charter sch	884		884		884
Contr. Serv. - Aid in Lieu of Payments - choice sch	4,420	(270)	4,150	4,150	
<b>Total student transportation services</b>	<b>468,144</b>		<b>468,144</b>	<b>415,007</b>	<b>53,137</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social security contributions	87,000		87,000	79,109	7,891
Other retirement contributions - regular	100,000		100,000	73,451	26,549
Unemployment compensation	15,000	13,781	28,781	28,781	
Workmen's compensation	52,000	(4,895)	47,105	44,700	2,405
Health benefits	1,366,400	(20,204)	1,346,196	1,228,586	117,610
Tuition reimbursement	10,000		10,000	9,489	531
Other employee benefits	20,000	11,318	31,318	30,625	693
<b>Total unallocated benefits - employee benefits</b>	<b>1,650,400</b>		<b>1,650,400</b>	<b>1,494,721</b>	<b>155,679</b>
On-behalf TPAF pension contr. (non-budgeted)				268,099	(268,099)
On-behalf Post Retirement Medical (non-budgeted)				303,152	(303,152)
Reimbursed TPAF social security contr. (non-budgeted)				294,118	(294,118)
<b>Total Undistributed Expenditures</b>	<b>8,708,429</b>	<b>(194,192)</b>	<b>8,514,237</b>	<b>8,788,475</b>	<b>(274,238)</b>
<b>Total General Current Expense</b>	<b>12,428,340</b>	<b>(8,347)</b>	<b>12,419,993</b>	<b>12,472,605</b>	<b>(52,612)</b>
<b>CAPITAL OUTLAY:</b>					
Interest Deposit to Capital Reserve					
<b>Facilities Acquisition and Constr. Services:</b>					
Architectural/engineering services					
Construction services	105,514		105,514	34,379	71,135
Assessment for Debt Service on SDA Funding	21,123		21,123	21,123	
<b>Total facilities acq. and constr. services</b>	<b>126,637</b>		<b>126,637</b>	<b>55,502</b>	<b>71,135</b>
<b>Total Capital Outlay</b>	<b>126,637</b>		<b>126,637</b>	<b>55,502</b>	<b>71,135</b>
Transfer to Charter Schools		8,347	8,347	8,347	
<b>TOTAL EXPENDITURES</b>	<b>12,554,977</b>		<b>12,554,977</b>	<b>12,536,454</b>	<b>18,523</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>	<b>(497,159)</b>		<b>(497,159)</b>	<b>453,404</b>	<b>950,563</b>

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
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**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources:					
Capital reserve transfer from capital projects				\$ 90,182	\$ 90,182
Total Other Financing Sources				90,182	90,182
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	\$ (497,159)	\$ -	\$ (497,159)	543,585.86	1,040,744.86
Fund Balance - July 1, 2011	1,131,241		1,131,241	1,131,241	
Fund Balance - June 30, 2013	<u>\$ 634,082</u>	<u>\$ -</u>	<u>\$ 634,082</u>	<u>\$ 1,674,827</u>	<u>\$ 1,040,745</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 313,731	
Tuition reserve - current year				286,563	
Tuition reserve - prior year				160,533	
Maintenance reserve				200,000	
Emergency reserve				200,000	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				200,000	
Unassigned Fund Balance				314,000	
				<u>1,674,827</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis					<u>(312,602)</u>
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,362,225</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 22,802	\$ 44,894	\$ 67,696	\$ 56,605	\$ (11,091)
Federal sources	145,459	237,549	383,008	374,231	(8,777)
<b>Total Revenues</b>	<b>168,261</b>	<b>282,443</b>	<b>450,704</b>	<b>430,836</b>	<b>(19,868)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	40,000	50,777	90,777	82,000	8,777
Purchased professional - educ. services	-	67,994	67,994	57,056	10,938
Purchased professional - tech services	5,459	(5,459)	-	-	-
Tuition	100,000	103,534	203,534	203,534	-
Other purchased services	11,811	3,444	15,255	15,102	153
Textbooks	10,991	-	10,991	10,991	-
General supplies	-	34,112	34,112	34,112	-
<b>Total Instruction</b>	<b>168,261</b>	<b>254,402</b>	<b>422,663</b>	<b>402,795</b>	<b>19,868</b>
<b>Support Services:</b>					
Salaries of other professional staff	-	6,000	6,000	6,000	-
Personal services - employee benefits	-	18,886	18,886	18,886	-
Purchased professional - educ. services	-	750	750	750	-
General supplies	-	2,056	2,056	2,056	-
Travel	-	349	349	349	-
<b>Total Support Services</b>	<b>-</b>	<b>28,041</b>	<b>28,041</b>	<b>28,041</b>	<b>-</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional equipment	-	-	-	-	-
<b>Total Facilities Acq. and Const. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>168,261</b>	<b>282,443</b>	<b>450,704</b>	<b>430,836</b>	<b>19,868</b>
<b>Total Outflows</b>	<b>168,261</b>	<b>282,443</b>	<b>450,704</b>	<b>430,836</b>	<b>19,868</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**BARRINGTON SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2013**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 12,989,858	\$ 430,836
<b>Difference - budget to GAAP:</b>		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	279,473	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(312,602)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.</b>	<u>\$ 12,956,729</u>	<u>\$ 430,836</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,536,454	\$ 430,836
<b>Differences - budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 12,536,454</u>	<u>\$ 430,836</u>

Other Supplementary Information

**Special Revenue Fund**

**BARRINGTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
 Combining Statement of Revenues and Expenditures  
 Budgetary Basis  
 for the Fiscal Year ended June 30, 2013

	Nonpublic Auxiliary Services		Nonpublic Handicapped Services				Individuals with Disabilities Act		Race to the Top	NCLB Title I	Total
	Home Instruction	Suppl. Instruction	Exam. & Classification	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Basic	Preschool			
<b>REVENUES:</b>											
State sources	\$346	\$1,277	\$24,833	\$10,991	\$15,102	\$4,056					\$56,605
Federal sources							\$266,632	\$5,280	\$2,806	\$99,513	374,231
<b>Total revenues</b>	<b>\$346</b>	<b>\$1,277</b>	<b>\$24,833</b>	<b>\$10,991</b>	<b>\$15,102</b>	<b>\$4,056</b>	<b>\$266,632</b>	<b>\$5,280</b>	<b>\$2,806</b>	<b>\$99,513</b>	<b>\$430,836</b>
<b>EXPENDITURES:</b>											
<u>Instruction:</u>											
Salaries of teachers										82,000	82,000
Purchased professional educational services	346	1,277	24,833				30,600				57,056
Tuition							203,534				203,534
Other purchased services					15,102						15,102
Textbooks				10,991							10,991
General Supplies						4,056	24,012	4,931		1,113	34,112
<b>Total instruction</b>	<b>346</b>	<b>1,277</b>	<b>24,833</b>	<b>10,991</b>	<b>15,102</b>	<b>4,056</b>	<b>258,146</b>	<b>4,931</b>	<b>-</b>	<b>83,113</b>	<b>402,795</b>
<u>Support services:</u>											
Salaries of other professional staff							6,000				6,000
Personal services-employee benefits							2,488			16,400	18,886
Purchased professional educational services									750		750
Supplies and materials									2,056		2,056
Travel								349			349
<b>Total support services</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8,488</b>	<b>349</b>	<b>2,606</b>	<b>16,400</b>	<b>28,041</b>
<u>Facilities acquisition &amp; construction services</u>											
Instructional equipment											
Noninstructional equipment											
<b>Total facilities acquisition &amp; construction services</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total expenditures</b>	<b>\$346</b>	<b>\$1,277</b>	<b>\$24,833</b>	<b>\$10,991</b>	<b>\$15,102</b>	<b>\$4,056</b>	<b>\$266,632</b>	<b>\$5,280</b>	<b>\$2,806</b>	<b>\$99,513</b>	<b>\$430,836</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)											

**Capital Projects Fund**

**BARRINGTON SCHOOL DISTRICT  
Capital Projects Fund  
Summary Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year ended June 30, 2013**

<b>Revenues and Other Financing Sources:</b>	
State sources - SDA Grant	\$ (404,568)
Total revenues and other financing sources	<u>(404,568)</u>
 <b>Expenditures and Other Financing (Uses):</b>	
Construction services	\$ -
Transfer to Capital reserve	90,182
Total expenditures and other financing (uses)	<u>90,182</u>
Excess (deficiency) or revenues over (under) expenditures	(494,750)
Fund Balance - July 1, 2012	<u>494,750</u>
Fund Balance - June 30, 2013	<u>\$ -</u>

**BARRINGTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Avon School Additions and Renovations**  
**From Inception and for the Fiscal Year ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 1,993,558		\$ 1,993,558	\$ 1,993,558
Bond proceeds	4,793,351	\$ -	4,793,351	4,793,351
<b>Total revenues</b>	<u>6,786,909</u>		<u>6,786,909</u>	<u>6,786,909</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	599,660		599,660	599,660
Construction services	6,185,501		6,185,501	6,185,501
Equipment	1,748		1,748	1,748
	<u>6,786,909</u>		<u>6,786,909</u>	<u>6,786,909</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	0190-010-04-1000			
Grant Date	10/21/03			
Bond Authorization Date	04/01/04			
Bonds Authorized	\$ 4,363,781			
Bonds Issued	\$ 4,363,781			
Original Authorized Cost	\$ 6,357,339			
Additional Authorized Cost	\$ 385,000			
Revised Authorized Cost	\$ 6,742,339			
Percentage Increase over Original Authorized Cost	4.17%			
Percentage Completion	100.00%			
Original target completion date	12/01/05			
Revised target completion date	01/01/09			

**BARRINGTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Woodland School Additions and Renovations**  
**From Inception and for the Fiscal Year ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 1,318,290	\$ (295,388)	\$ 1,022,902	\$ 1,022,902
Bond proceeds	1,888,649		1,888,649	1,888,649
<b>Total revenues</b>	<b>3,206,939</b>	<b>(295,388)</b>	<b>2,911,551</b>	<b>2,911,551</b>
 <b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	320,692		320,692	320,692
Construction services	2,586,392	\$ (2,600)	2,583,792	2,583,792
Equipment	7,067		7,067	7,067
	<b>2,914,151</b>	<b>(2,600)</b>	<b>2,911,551</b>	<b>2,911,551</b>
 Excess (deficiency) or revenues over (under) expenditures	 <b>\$ 292,788</b>	 <b>\$ (292,788)</b>	 <b>\$ -</b>	 <b>\$ -</b>
 <b>Additional project information:</b>				
Project Number	0190-030-04-1000			
Grant Date	10/21/03			
Bond Authorization Date	04/01/04			
Bonds Authorized	\$ 2,318,219			
Bonds Issued	\$ 2,318,219			
Original Authorized Cost	\$ 3,636,509			
Additional Authorized Cost	\$ (385,000)			
Revised Authorized Cost	\$ 3,251,509			
 Percentage Increase over Original Authorized Cost				
	-7.29%			
Percentage Completion				
	100.00%			
Original target completion date				
	09/01/05			
Revised target completion date				
	12/01/08			

**BARRINGTON SCHOOL DISTRICT  
Capital Projects Fund  
Statement of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Woodland School Roof and Boiler Replacement  
From Inception and for the Fiscal Year ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 294,814	\$ (109,180)	\$ 185,634	\$ 185,634
Transfer from Capital Outlay	442,220		442,220	442,220
<b>Total revenues</b>	<u>737,034</u>	<u>(109,180)</u>	<u>627,854</u>	<u>627,854</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	46,735		46,735	46,735
Construction services	488,337	2,600	490,937	490,937
Transfer to capital reserve		90,182	90,182	90,182
	<u>535,072</u>	<u>92,782</u>	<u>627,854</u>	<u>627,854</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<u>\$ 201,962</u>	<u>\$ (201,962)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	0190-030-09-1002			
Grant Date	03/20/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 737,034			
Additional Authorized Cost				
Revised Authorized Cost	\$ 737,034			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	100.00%			
Original target completion date	06/30/10			
Revised target completion date	06/30/10			

**Proprietary Funds**

**BARRINGTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	<u>Food Service Fund</u>
<b>ASSETS:</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 57,230
<b>Accounts receivable:</b>	
State	115
Federal	3,861
Inventories	<u>8,993</u>
<b>Total Current Assets</b>	<u>70,199</u>
<b>Noncurrent Assets:</b>	
Equipment	137,670
Less - accumulated depreciation	<u>(127,712)</u>
<b>Total Noncurrent Assets</b>	<u>9,958</u>
<b>Total Assets</b>	<u>80,157</u>
<b>LIABILITIES:</b>	
<b>Current Liabilities:</b>	
Accounts Payable	<u>1,101</u>
<b>Total Current Liabilities</b>	<u>1,101</u>
<b>NET POSITION:</b>	
Invested in capital assets	9,958
Unrestricted	<u>69,098</u>
<b>Total Net Position</b>	<u>\$ 79,056</u>

**BARRINGTON SCHOOL DISTRICT  
Enterprise Funds  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2013**

	<b>Food Service Fund</b>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 73,502
Daily sales non-reimbursable programs	
Adult and a la carte sales	47,962
	121,464
<b>OPERATING EXPENSES:</b>	
Salaries and fringe benefits	90,841
Supplies and materials	5,606
Management fee	21,212
Other costs	10,620
Depreciation	6,638
Cost of sales	76,925
	211,842
Total Operating Expenses	211,842
Operating Income (Loss)	(90,378)
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	2,459
Federal sources:	
National school lunch program	62,434
School breakfast program	8,835
Food distribution program	11,344
Local sources:	
Interest earned	124
	85,196
Total Non-Operating Revenues	85,196
Income (Loss) before Contributions and Transfers	(5,182)
Operating Transfers In	(5,182)
Change in Net Position	(5,182)
Net Position - July 1, 2012	84,238
Net Position - June 30, 2013	\$ 79,056

**BARRINGTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 121,465
Cash payments to employees for services	(89,963)
Cash payments to suppliers for goods and services	<u>(119,317)</u>
Net cash provided by (used for) operating activities	<u>(87,815)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	2,454
Cash received from federal sources	82,081
Cash received from operating transfer in	<u>          </u>
Net cash provided by noncapital financing activities	<u>84,535</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	<u>          </u>
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	<u>124</u>
Net increase (decrease) in cash and cash equivalents	(3,156)
Cash and Cash Equivalents - July 1, 2012	<u>60,386</u>
Cash and Cash Equivalents - June 30, 2013	<u>\$ 57,230</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)</b>	
<b>Operating Activities:</b>	
Operating income (loss)	\$ (90,378)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	6,638
Change in assets and liabilities:	
(Increase) decrease in inventories	(1,502)
Increase (decrease) in accounts payable	<u>(2,573)</u>
Net cash provided by (used for) operating activities	<u>\$ (87,815)</u>
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District received \$11,344 of food commodities from the U.S. Department of Agriculture.	

**Fiduciary Funds**

**BARRINGTON SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2013**

	<b>Trust Funds</b>	<b>Agency Funds</b>		
	<b>Flexible Benefits Trust</b>	<b>Student Activity</b>	<b>Payroll</b>	<b>Total</b>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 415	\$ 1,557	\$ 5,754	\$ 7,726
Total Assets	\$ 415	\$ 1,557	\$ 5,754	\$ 7,726
 <b>LIABILITIES:</b>				
Liabilities:				
Payroll deductions and withholdings			\$ 5,754	\$ 5,754
Due to student groups		\$ 1,557		1,557
Total Liabilities		\$ 1,557	\$ 5,754	7,311
 <b>NET POSITION:</b>				
Held in trust for payment of claims	\$ 415			415
Total Net Position	\$ 415			\$ 415

**BARRINGTON SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2013**

	<u>Flexible Benefits Trust Fund</u>
<b>ADDITIONS:</b>	
Contributions	\$ 8,043
	8,043
Total Additions	8,043
<b>DEDUCTIONS:</b>	
Claims paid	9,055
	9,055
Total Deductions	9,055
Change in Net Position	(1,012)
Net Position-- July 1, 2012	1,427
	1,427
Net Position -- June 30, 2013	\$ 415
	415

**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2013</u>
Avon School	\$ 739	\$ 6,710	\$ 5,940		\$ 1,509
Woodland School	1,678	11,204	12,834		48
<b>Total all schools</b>	<u>\$ 2,417</u>	<u>\$ 17,914</u>	<u>\$ 18,774</u>	<u>\$ -</u>	<u>\$ 1,557</u>

**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,707	\$ 5,477,796	\$ 5,474,749	\$ 5,754
<b>Total Assets</b>	<u>\$ 2,707</u>	<u>\$ 5,477,796</u>	<u>\$ 5,474,749</u>	<u>\$ 5,754</u>
 <b>LIABILITIES:</b>				
Net payroll	\$ 1,933	\$ 2,998,400	\$ 3,000,275	\$ 58
Payroll deductions and withholdings	<u>774</u>	<u>2,479,396</u>	<u>2,474,474</u>	<u>5,696</u>
<b>Total Liabilities</b>	<u>\$ 2,707</u>	<u>\$ 5,477,796</u>	<u>\$ 5,474,749</u>	<u>\$ 5,754</u>

**Long-Term Debt Schedules**

**BARRINGTON SCHOOL DISTRICT  
Statement of Serial Bonds  
For the Fiscal Year Ended June 30, 2013**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds of 2004	4/1/04	\$ 6,682,000	4/01/14	\$ 220,000	4.000%	\$ 5,707,000		\$ 5,487,000	\$ 220,000
Series 2012 Refunding Bonds	12/19/12	\$ 5,030,000	4/01/15	240,000	3.000%		\$ 5,030,000	20,000	5,010,000
			4/01/16	245,000	3.000%				
			4/01/17	255,000	3.000%				
			4/01/18	270,000	3.000%				
			4/01/19	285,000	3.000%				
			4/01/20	295,000	4.000%				
			4/01/21	315,000	4.000%				
			4/01/22	325,000	4.000%				
			4/01/23	345,000	4.000%				
			4/01/24	370,000	4.000%				
			4/01/25	385,000	4.000%				
			4/01/26	405,000	4.000%				
			4/01/27	425,000	4.000%				
			4/01/28	425,000	4.000%				
			4/01/29	425,000	4.000%				
						<u>\$ 5,707,000</u>	<u>\$ 5,030,000</u>	<u>\$ 5,507,000</u>	<u>\$ 5,230,000</u>

**BARRINGTON SCHOOL DISTRICT  
Statement of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2013**

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2012	Issued	Retired	Amount Outstanding June 30, 2013
				Principal	Interest				
VOIP Phone System	08/11/11	08/11/15	5.75%	\$ 8,620	\$ 1,033	\$ 6,640	\$ -	\$ 2,160	\$ 4,480
Toyota Tacoma	10/15/09	10/15/12	6.90%	30,158	4,500	10,342		8,201	2,141
						<u>\$ 16,982</u>	<u>\$ -</u>	<u>\$ 10,361</u>	<u>\$ 6,621</u>

**BARRINGTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 449,884		\$ 449,884	\$ 449,884	
<b>Total Revenues</b>	<u>449,884</u>		<u>449,884</u>	<u>449,884</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on Bonds	240,081		240,081	181,865	\$ 58,216
Principal on Bonds	210,000		210,000	230,000	(20,000)
<b>Total Expenditures</b>	<u>450,081</u>		<u>450,081</u>	<u>411,865</u>	<u>38,216</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	(197)		(197)	38,019	38,216
<b>Other Financing Sources:</b>					
Transfers from other funds					\$ -
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):</b>	(197)		(197)	38,019	38,216
<b>Fund Balance - July 1, 2012</b>	<u>197</u>		<u>197</u>	<u>197</u>	
<b>Fund Balance - June 30, 2013</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,216</u>	<u>\$ 38,216</u>
<b>Recapitulation of Excess (Deficiency) or revenues over (under) expenditures</b>					
<b>Budgeted Fund Balance</b>	<u>\$ (197)</u>	<u>\$ -</u>	<u>\$ (197)</u>	<u>\$ 38,019</u>	<u>\$ 38,216</u>

**Statistical Section**

Barrington School District  
 Net Position by Component,  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Net investment in capital assets	\$ (6,059,209)	\$ 2,951,916	\$ 3,473,799	\$ 3,625,879	\$ 2,876,484	\$ 2,831,996	\$ 3,488,688	\$ 3,498,016	\$ 3,082,076	\$ 3,106,894
Restricted for:										
Capital projects	6,590,076	597,274	293,798	339,093	277,962	238,213	382,311	381,021	520,226	313,731
Debt service	252,430	340,283	256,432	113,460	165,418	83,958	826	1,023	197	38,216
Special revenue							27,297	21,333	-	-
Other purposes	599,691	971,279	1,352,328	1,601,426	2,395,448	3,016,688	1,790,833	849,692	657,692	1,047,096
Unrestricted	207,419	(65,677)	(58,541)	(47,056)	(32,887)	(180,417)	(166,615)	(108,583)	(246,700)	(177,829)
<b>Total governmental activities net position</b>	<b>\$ 1,590,407</b>	<b>\$ 4,795,075</b>	<b>\$ 5,317,816</b>	<b>\$ 5,632,802</b>	<b>\$ 5,682,425</b>	<b>\$ 5,990,436</b>	<b>\$ 5,523,340</b>	<b>\$ 4,642,502</b>	<b>\$ 4,013,491</b>	<b>\$ 4,328,108</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 30,183	\$ 29,940	\$ 43,245	\$ 48,671	\$ 57,387	\$ 43,325	\$ 36,294	\$ 29,263	\$ 16,596	\$ 9,959
Unrestricted	50,306	62,437	57,483	53,774	47,429	56,961	68,308	64,874	67,642	69,098
<b>Total business-type activities net position</b>	<b>\$ 80,489</b>	<b>\$ 92,377</b>	<b>\$ 100,738</b>	<b>\$ 102,445</b>	<b>\$ 104,816</b>	<b>\$ 100,286</b>	<b>\$ 104,602</b>	<b>\$ 94,137</b>	<b>\$ 84,238</b>	<b>\$ 79,056</b>
<b>District-wide:</b>										
Net investment in capital assets	\$ (6,029,026)	\$ 2,981,856	\$ 3,517,044	\$ 3,674,550	\$ 2,933,871	\$ 2,875,321	\$ 3,524,982	\$ 3,527,279	\$ 3,098,672	\$ 3,116,852
Restricted:										
Capital projects	6,590,076	597,274	293,798	339,093	277,962	238,213	382,311	381,021	520,226	313,731
Debt service	252,430	340,283	256,432	113,460	165,418	83,958	826	1,023	197	38,216
Special revenue							27,297	21,333	-	-
Other purposes	599,691	971,279	1,352,328	1,601,426	2,395,448	3,016,688	1,790,833	849,692	657,692	1,047,096
Unrestricted	257,725	(3,240)	(1,048)	8,718	14,542	(123,456)	(88,307)	(43,709)	(179,058)	(108,731)
<b>Total district net position</b>	<b>\$ 1,670,896</b>	<b>\$ 4,887,452</b>	<b>\$ 5,418,554</b>	<b>\$ 5,735,247</b>	<b>\$ 5,787,241</b>	<b>\$ 6,090,722</b>	<b>\$ 5,627,942</b>	<b>\$ 4,736,639</b>	<b>\$ 4,097,729</b>	<b>\$ 4,407,184</b>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Barrington School District  
 Changes in Net Position, Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 3,032,797	\$ 3,226,541	\$ 2,671,517	\$ 2,618,270	\$ 2,800,749	\$ 2,964,105	\$ 3,227,596	\$ 3,075,513	\$ 2,356,419	\$ 2,767,185
Special education	793,279	886,828	680,549	685,475	704,224	666,103	912,498	875,724	1,253,984	1,167,771
Other instruction	104,694	148,693	145,061	139,183	185,749	163,770	121,054	114,440	132,951	129,602
Support Services:										
Tuition	3,699,544	3,670,291	3,593,566	3,974,470	4,488,479	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660
Student & instruction related services	1,334,468	1,568,557	1,279,382	1,141,360	1,056,512	1,015,097	1,112,276	974,562	1,006,425	911,637
School administrative services	324,285	341,833	256,122	196,000	241,820	243,180	233,613	232,984	242,768	221,099
General and business administrative services	433,153	568,978	514,882	552,690	533,826	624,892	491,402	438,662	418,260	383,212
Plant operations and maintenance	444,991	533,076	538,828	620,402	688,279	705,217	715,660	633,014	734,569	501,324
Pupil transportation	390,235	359,321	442,983	516,015	528,241	439,960	503,433	395,754	385,491	415,007
Business and other support services	193,931									
Unallocated employee benefits			1,527,192	1,853,109	1,874,877	1,575,531	1,667,966	1,727,132	2,023,740	2,360,090
Transfer to Charter School							25,165	41,726		8,347
Interest on long-term debt	25,667	367,464	296,266	407,065	370,177	275,760	264,756	254,181	246,381	181,665
Unallocated depreciation	14,934	16,925	16,925	17,775	43,890	43,888	43,669	43,690	310,297	266,687
Total governmental activities expenses	<u>10,792,178</u>	<u>11,708,507</u>	<u>11,963,313</u>	<u>12,721,814</u>	<u>13,516,823</u>	<u>13,429,641</u>	<u>14,634,747</u>	<u>14,184,261</u>	<u>13,961,053</u>	<u>13,282,486</u>
Business-type activities:										
Food service	183,323	179,388	180,980	176,399	174,882	176,020	182,806	186,009	205,550	211,842
Total business-type activities expense	<u>183,323</u>	<u>179,388</u>	<u>180,980</u>	<u>176,399</u>	<u>174,882</u>	<u>176,020</u>	<u>182,806</u>	<u>186,009</u>	<u>205,550</u>	<u>211,842</u>
Total district expenses	<u>\$ 10,975,501</u>	<u>\$ 11,887,895</u>	<u>\$ 12,144,293</u>	<u>\$ 12,898,213</u>	<u>\$ 13,691,705</u>	<u>\$ 13,605,661</u>	<u>\$ 14,817,553</u>	<u>\$ 14,370,270</u>	<u>\$ 14,166,603</u>	<u>\$ 13,494,328</u>
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	\$ 1,019,843	\$ 1,060,703	\$ 1,160,346	\$ 1,411,366	\$ 1,562,810	\$ 1,112,922	\$ 1,216,402	\$ 1,024,704	\$ 1,045,161	\$ 1,296,205
Charges for services - Tuition					26,474					
Capital grants and contributions										
Total governmental activities program revenues	<u>1,019,843</u>	<u>1,060,703</u>	<u>1,160,346</u>	<u>1,411,366</u>	<u>1,611,284</u>	<u>1,112,922</u>	<u>1,216,402</u>	<u>1,024,704</u>	<u>1,045,161</u>	<u>1,296,205</u>

(Continued)

Barrington School District  
 Changes in Net Position, Last Ten Fiscal Years  
 (accrual basis of accounting)

J-2

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 137,616	\$ 149,130	\$ 147,906	\$ 122,111	\$ 116,649	\$ 125,399	\$ 120,077	\$ 107,730	\$ 110,915	\$ 121,464
Operating grants and contributions	42,704	38,742	38,945	43,272	47,025	52,813	66,770	67,569	84,373	85,072
Capital grants and contributions										
<b>Total business-type activities program revenues</b>	<b>180,320</b>	<b>187,872</b>	<b>186,851</b>	<b>165,383</b>	<b>163,674</b>	<b>178,212</b>	<b>186,847</b>	<b>175,299</b>	<b>195,288</b>	<b>206,536</b>
Total district program revenues	\$ 1,200,163	\$ 1,248,575	\$ 1,347,197	\$ 1,578,749	\$ 1,774,958	\$ 1,291,134	\$ 1,403,249	\$ 1,200,003	\$ 1,240,449	\$ 1,502,741
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (9,772,335)	\$ (10,647,804)	\$ (10,802,967)	\$ (11,310,448)	\$ (11,905,539)	\$ (12,316,719)	\$ (13,418,345)	\$ (13,139,557)	\$ (12,915,892)	\$ (11,988,281)
Business-type activities	(3,003)	8,486	5,871	(11,016)	(11,208)	2,192	4,041	(10,710)	(10,262)	(5,306)
<b>Total district-wide net expense</b>	<b>\$ (9,775,338)</b>	<b>\$ (10,639,318)</b>	<b>\$ (10,797,096)</b>	<b>\$ (11,321,464)</b>	<b>\$ (11,916,747)</b>	<b>\$ (12,314,527)</b>	<b>\$ (13,414,304)</b>	<b>\$ (13,150,267)</b>	<b>\$ (12,926,154)</b>	<b>\$ (11,991,587)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 7,102,239	\$ 7,229,141	\$ 7,659,054	\$ 7,933,863	\$ 8,740,030	\$ 8,761,095	\$ 9,179,832	\$ 8,886,209	\$ 9,063,933	\$ 8,812,500
Taxes levied for debt service	3,394	338,109	253,343	397,733	470,026	359,001	499,351	446,081	457,655	449,884
Unrestricted grants and contributions	3,232,481	3,069,444	3,079,493	3,047,495	3,129,155	3,408,769	2,963,040	2,877,280	3,099,923	3,061,305
State aid restricted for capital projects	89,490	2,946,089	151,296	17,236	(7,529)	(2,801)	229,531	779		
Investment earnings	34,746	107,684	79,339	80,432	9,102	1,005	488		347	
Miscellaneous income	48,201	104,153	103,469	148,675	339,032	97,661	79,007	47,892	34,194	11,060
Loss on disposal of assets					(724,654)					
Transfers	(1,940)	(2,148)	(268)							
<b>Total governmental activities</b>	<b>10,508,611</b>	<b>13,652,472</b>	<b>11,325,708</b>	<b>11,625,434</b>	<b>11,955,162</b>	<b>12,624,730</b>	<b>12,951,249</b>	<b>12,258,719</b>	<b>12,656,052</b>	<b>12,334,749</b>
Business-type activities:										
Investment earnings	164	1,254	2,204	2,593	1,008	309	275	245	363	124
Prior year payables canceled				10,125	12,571	(7,031)				
Transfers	1,940	2,148	266							
<b>Total business-type activities</b>	<b>2,104</b>	<b>3,402</b>	<b>2,490</b>	<b>12,723</b>	<b>13,579</b>	<b>(6,722)</b>	<b>275</b>	<b>245</b>	<b>363</b>	<b>124</b>
<b>Total district-wide</b>	<b>\$ 10,510,715</b>	<b>\$ 13,655,874</b>	<b>\$ 11,328,198</b>	<b>\$ 11,638,157</b>	<b>\$ 11,968,741</b>	<b>\$ 12,618,008</b>	<b>\$ 12,951,524</b>	<b>\$ 12,258,964</b>	<b>\$ 12,656,415</b>	<b>\$ 12,334,873</b>
<b>Change in Net Position:</b>										
Governmental activities	\$ 736,276	\$ 3,204,668	\$ 522,741	\$ 314,988	\$ 49,623	\$ 308,011	\$ (467,096)	\$ (880,839)	\$ (269,840)	\$ 348,468
Business-type activities	(636)	11,888	8,361	1,707	2,371	(4,530)	4,316	(10,465)	(9,899)	(5,182)
<b>Total district-wide</b>	<b>\$ 735,377</b>	<b>\$ 3,216,556</b>	<b>\$ 531,102</b>	<b>\$ 316,693</b>	<b>\$ 51,994</b>	<b>\$ 303,481</b>	<b>\$ (462,780)</b>	<b>\$ (891,303)</b>	<b>\$ (269,739)</b>	<b>\$ 343,286</b>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund:</b>										
Restricted for:										
Capital reserve	\$ 38,885	\$ 39,871	\$ 41,851	\$ 43,884	\$ 45,402	\$ 45,891	\$ 22,921	\$ 23,202	\$ 223,549	\$ 313,731
Maintenance reserve										200,000
Emergency reserve										200,000
Tuition reserve					405,000	805,000	805,000		160,533	447,096
Excess surplus	229,690	405,128	770,228	797,270	1,051,207	597,150		252,249		
Assigned to:										
Year end encumbrances		10,150	22,100		141,971	182,355	48,683	17,443	105,514	-
Designated for subsequent year's budget	370,001	556,001	560,000	804,156	797,270	1,246,207	937,150	580,000	391,645	200,000
Unassigned	335,729	156,620	152,131	162,362	150,238	9,521	41,052	108,101	(29,473)	1,398
<b>Total general fund</b>	<b>\$ 974,305</b>	<b>\$ 1,167,770</b>	<b>\$ 1,546,110</b>	<b>\$ 1,807,672</b>	<b>\$ 2,591,088</b>	<b>\$ 2,988,124</b>	<b>\$ 1,854,806</b>	<b>\$ 980,995</b>	<b>\$ 851,768</b>	<b>\$ 1,362,225</b>
<b>All Other Governmental Funds</b>										
Restricted for, reported in:										
Special revenue fund	\$ (943)	\$ (943)	\$ (943)	\$ (943)	\$ (2,143)	\$ 140,083	\$ 27,297	\$ 21,333		
Capital projects fund	6,767,957	714,169	343,913	295,209	307,899	238,213	359,390	357,819	\$ 296,677	\$ -
Debt service fund	35,664	183,517	164,666	113,460	90,079	83,958	826	1,023	197	38,216
<b>Total all other governmental funds</b>	<b>\$ 6,802,678</b>	<b>\$ 896,743</b>	<b>\$ 507,636</b>	<b>\$ 407,726</b>	<b>\$ 395,835</b>	<b>\$ 462,254</b>	<b>\$ 387,513</b>	<b>\$ 380,175</b>	<b>\$ 296,874</b>	<b>\$ 38,216</b>

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

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	\$ 7,105,633	\$ 7,627,250	\$ 7,912,397	\$ 8,331,596	\$ 9,210,056	\$ 9,120,096	\$ 9,679,183	\$ 9,332,290	\$ 9,521,588	\$ 9,262,384
Tuition		13,269			28,474					
Transportation fees	19,905	12,898								
Interest earnings		986	79,339	80,432	9,102	1,005	488	478	347	-
Miscellaneous	52,189	184,684	103,469	149,675	339,032	97,661	79,007	47,892	34,194	11,060
State sources	4,053,193	6,792,113	4,099,686	4,205,189	4,427,218	4,144,516	3,368,440	3,481,610	3,705,289	3,983,279
Federal sources	288,616	284,124	291,449	269,908	284,747	377,175	1,040,533	421,153	439,795	374,231
<b>Total revenue</b>	<b>11,519,541</b>	<b>14,915,324</b>	<b>12,486,340</b>	<b>13,036,800</b>	<b>14,298,629</b>	<b>13,740,453</b>	<b>14,167,651</b>	<b>13,283,423</b>	<b>13,701,213</b>	<b>13,630,954</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,416,574	2,522,803	2,619,249	2,560,099	2,682,842	2,832,388	3,076,326	2,902,188	2,354,150	2,789,552
Special education instruction	622,782	676,721	680,549	685,475	704,224	666,103	912,488	875,724	1,253,984	1,167,771
Other instruction	84,004	115,833	145,061	139,183	185,749	163,770	121,054	114,440	132,951	129,602
<b>Support Services:</b>										
Tuition	3,699,544	3,670,291	3,593,586	3,974,470	4,488,479	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660
Student & instruction related services	1,080,431	1,254,100	1,279,382	1,141,360	1,056,512	1,015,097	1,112,276	974,562	1,006,425	911,637
School administrative services	254,644	261,519	256,122	196,000	241,820	243,180	233,613	232,984	242,768	221,099
General and business admin. services	530,758	483,194	507,415	544,798	512,878	603,944	470,454	417,714	416,397	361,349
Plant operations and maintenance	432,746	462,429	536,586	620,402	687,829	683,964	667,907	650,774	635,652	578,674
Pupil transportation	390,235	359,321	442,983	516,015	528,241	439,960	503,433	395,754	385,491	415,007
Other support services	1,227,122	1,435,197	1,545,483	1,853,109	1,874,877	1,575,531	1,667,958	1,727,132	2,023,740	2,360,090
Transfer to Charter School							25,165	41,728		8,347
Capital outlay	220,299	8,950,794	458,794	85,997	35,197		624,435	28,816	153,934	55,502
<b>Debt service:</b>										
Principal	60,000	135,000	140,000	145,000	150,000	165,000	275,000	190,000	210,000	230,000
Interest and other charges	25,687	298,444	291,611	413,240	370,927	275,122	268,144	256,081	248,481	181,865
<b>Total expenditures</b>	<b>11,044,806</b>	<b>20,625,646</b>	<b>12,496,821</b>	<b>12,875,148</b>	<b>13,519,575</b>	<b>13,376,197</b>	<b>15,273,710</b>	<b>14,164,572</b>	<b>13,913,741</b>	<b>13,379,155</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>474,735</b>	<b>(5,710,322)</b>	<b>(10,481)</b>	<b>161,652</b>	<b>779,054</b>	<b>364,256</b>	<b>(1,106,059)</b>	<b>(881,149)</b>	<b>(212,528)</b>	<b>251,799</b>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	6,682,000									
Accrued interest on sale of bonds	10,853									
Prior year payable canceled					(7,529)	(2,801)				
Capital reserve transfer to Capital Projects							(23,253)			
Capital outlay transfer to Capital Projects							(367,220)			
Transfers in	34,709		80	77,980	6,340	855	390,677	197		90,182
Transfers out	(36,649)	(2,148)	(366)	(77,980)	(6,340)	(855)	(204)	(197)		(90,182)
<b>Total other financing sources (uses)</b>	<b>6,690,913</b>	<b>(2,148)</b>	<b>(286)</b>	<b>-</b>	<b>(7,529)</b>	<b>(2,801)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 7,165,648</b>	<b>\$ (5,712,470)</b>	<b>\$ (10,767)</b>	<b>\$ 161,652</b>	<b>\$ 771,525</b>	<b>\$ 361,455</b>	<b>\$ (1,106,059)</b>	<b>\$ (881,149)</b>	<b>\$ (212,528)</b>	<b>\$ 251,799</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.79%</b>	<b>3.71%</b>	<b>3.59%</b>	<b>4.36%</b>	<b>3.86%</b>	<b>3.29%</b>	<b>3.71%</b>	<b>3.16%</b>	<b>3.33%</b>	<b>3.09%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Contributions</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Transportation Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 17,958			\$ 9,367		\$ 19,585	\$ 291	\$ 47,201
2005	38,780	\$ 13,269		40,192		12,898		105,139
2006	167,477			14,918			413	182,808
2007	203,531		\$ 9,579	4,158	4,786		7,053	229,107
2008	124,726	28,474		219,949	205		3,254	376,608
2009	35,278			62,928	460			98,666
2010	57,011			21,689			795	79,495
2011	16,947			30,850			573	48,370
2012	12,673			21,357			511	34,541
2013	3,646			-			7,414	11,060
	<u>\$ 678,027</u>	<u>\$ 41,743</u>	<u>\$ 9,579</u>	<u>\$ 425,408</u>	<u>\$ 5,451</u>	<u>\$ 32,483</u>	<u>\$ 20,304</u>	<u>\$ 1,212,995</u>

Source: District records

**Berrington School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

J-6

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Ofarm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities a</b>	<b>Net Valuation Taxable</b>	<b>Tax-Exempt Property</b>	<b>Total Direct School Tax Rate b</b>	<b>Estimated Actual (County Equalized) Value</b>
2004	\$ 1,527,300	\$ 212,704,800	\$ 298,700	\$ 6,800	\$ 20,432,100	\$ 16,619,400	\$ 17,746,200	\$ 269,335,300	\$ 543,743	\$ 269,879,043	\$ 65,029,400	\$ 2.748	\$ 335,785,077
2005	2,244,800	212,639,200	304,000	-	20,701,700	16,268,600	16,746,200	268,904,500	464,949	269,369,449	65,164,900	2.900	370,843,504
2006	1,523,200	216,219,200	304,000	-	20,701,700	16,268,600	16,746,200	271,762,900	366,308	272,129,208	65,273,100	2.978	446,453,328
2007	1,328,300	217,142,600	304,000	-	19,133,900	18,268,600	16,921,300	271,098,700	327,558	271,426,258	66,938,200	3.222	505,617,974
2008	1,699,000	217,466,000	304,000	-	19,162,000	18,061,400	16,921,300	273,613,700	411,346	274,025,046	65,793,400	3.382	550,204,210
2009	1,646,000	218,339,000	304,000	-	19,582,900	20,061,400	16,499,500	276,432,600	427,049	276,859,649	65,956,600	3.368	592,849,692
2010 R	3,961,800	455,758,000	521,200	-	41,750,600	44,350,800	45,198,600	591,541,000	1,323,638	592,864,638	145,746,400	1.603	607,642,268
2011	3,718,800	451,117,000	521,200	-	40,934,300	30,174,100	44,707,700	571,173,100	1,072,135	572,245,235	146,126,700	1.647	563,323,573
2012	3,931,000	448,796,300	521,200	-	40,940,900	30,174,100	44,707,700	569,071,200	1,027,921	570,099,121	145,896,800	1.648	549,911,838
2013	3,639,000	446,818,000	521,200	-	40,054,500	30,174,100	37,129,900	558,536,700	986,545	559,523,245	146,061,300	1.668	c

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.
- c Not available.
- R Revaluation

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

Fiscal Year Ended June 30,	Barrington School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Barrington	Camden County	
2004	\$ 2.747	\$ 0.001	\$ 2.748	\$ 0.823	\$ 1.102	\$ 4.673
2005	2.753	0.147	2.900	0.943	1.141	4.984
2006	2.832	0.146	2.978	1.031	1.327	5.336
2007	3.049	0.173	3.222	1.175	1.308	5.705
2008	3.193	0.189	3.382	1.409	1.279	6.070
2009	3.187	0.181	3.368	1.482	1.328	6.178
2010 R	1.528	0.075	1.603	0.742	0.670	3.015
2011	1.572	0.075	1.647	0.811	0.694	3.152
2012	1.573	0.075	1.648	0.857	0.739	3.244
2013	1.594	0.074	1.668	0.903	0.718	3.289

Source: Municipal Tax Collector

R Revaluation

**Barrington School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

J-8

**Update Assessments**

Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Sr. Housing of barrington Mews	\$ 18,121,400	3.24%
East Coast, The Willows	17,000,000	3.04%
1 Commerce Dr Holdings	15,500,000	2.77%
Lighthouse Haddonfield LLC	15,500,000	2.77%
International Paper Company	7,390,300	1.32%
Daniel Kamin/Rite Aid	5,000,000	0.89%
Edmunds Optics	4,300,000	0.77%
Berg Enterprises Associates	3,632,100	0.65%
Sieck Brothers/Royal Courts	2,088,500	0.37%
JVS 1100 Barrington LLC	1,834,900	0.33%
<b>Total</b>	<b>\$ 90,367,200</b>	<b>16.15%</b>

Taxpayer	2004	
	Taxable Assessed Value	% of Total District Net Assessed Value
Haddonfield Manor, LLC	\$ 8,421,800	3.12%
Greenville Gardens Limited	6,602,900	2.45%
AP-KEERA Barrington, LLC	6,300,000	2.33%
Weyerhaeuser Paper Co.	5,498,800	2.04%
Berg Enterprise Associates	2,500,000	0.93%
Norman & Pauline Edmund	2,419,100	0.90%
BVW Associates, LP	1,814,700	0.67%
Sieck Brothers/Royal Courts	1,288,700	0.48%
Maureen Lenahan	1,140,600	0.42%
FBV Inc.	1,057,200	0.39%
<b>Total</b>	<b>\$ 37,041,800</b>	<b>13.73%</b>

Source: Municipal Tax Assessor

**Barrington School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2004	\$ 7,105,633	\$ 5,574,538	78.45%	-
2005	7,627,250	7,105,633	93.16%	-
2006	7,912,397	7,627,250	96.40%	-
2007	8,331,596	7,912,397	94.97%	-
2008	9,210,056	9,210,056	100.00%	-
2009	9,120,096	9,120,096	100.00%	-
2010	9,179,832	9,179,832	100.00%	-
2011	9,332,290	9,332,290	100.00%	-
2012	9,521,588	9,521,588	100.00%	-
2013	9,262,384	8,262,384	89.20%	-

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

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

**Barrington School District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2003	\$ 495,000	\$ -	\$ -	\$ -	\$ 495,000	0.22%	\$ 70
2004	7,117,000	-	-	-	7,117,000	3.00%	1,012
2005	6,982,000	-	-	-	6,982,000	2.85%	997
2006	6,842,000	-	-	-	6,842,000	2.69%	975
2007	6,697,000	-	-	-	6,697,000	2.47%	957
2008	6,547,000	-	-	-	6,547,000	2.33%	939
2009	6,382,000	21,253	-	-	6,403,253	2.19%	922
2010	6,107,000	35,751	-	-	6,142,751	2.14%	885
2011	5,917,000	17,991	-	-	5,934,991	1.99%	850
2012	5,707,000	16,982	-	-	5,723,982	c	820
2013	5,230,000	6,621	-	-	5,236,621	c	c

**Sources:**

- a District Records
- b Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- c Information not available.

**Barrington School District  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years**

J-11

<b>Fiscal Year Ended June 30,</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Net Assessed Valuation Taxable <sup>b</sup></b>	<b>Per Capita <sup>c</sup></b>
	<b>General Obligation Bonds</b>	<b>Deductions</b>	<b>Net General Bonded Debt Outstanding <sup>a</sup></b>		
2004	\$ 7,117,000	\$ -	\$ 7,117,000	2.64%	\$ 1,012
2005	6,982,000	-	6,982,000	2.57%	997
2006	6,842,000	-	6,842,000	2.52%	975
2007	6,697,000	-	6,697,000	2.44%	957
2008	6,547,000	-	6,547,000	2.36%	939
2009	6,382,000	-	6,382,000	1.08%	922
2010	6,697,000	-	6,697,000	1.17%	885
2011	6,547,000	-	6,547,000	1.15%	850
2012	5,707,000	-	5,707,000	1.00%	820
2013	5,230,000	-	5,230,000	0.93%	c

**Sources:**

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

**Barrington School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Barrington	\$ 12,058,162 (1)	100.000%	\$ 12,058,162
Camden County General Obligation Debt	197,386,394 (1)	1.380% (2)	2,723,932
			14,782,094
Subtotal, overlapping debt			14,782,094
Barrington School District Direct Debt			5,460,000
Total direct and overlapping debt			\$ 20,242,094

**Sources:**

- (1) Entity's Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2012 Equalized Valuation. The source for this computation was the 2012 County Abstract of Ratables, provided by the County Board of Taxation.

**Barrington School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 (dollars in thousands)**

J-13

**Legal Debt Margin Calculation for Fiscal Year 2013**

Equalized valuation basis (1)	
2012	\$ 529,565,608
2011	543,456,803
2010	573,921,607
	<u>\$1,646,944,016</u>

Average equalized valuation of taxable property	<u>\$ 548,981,339</u>
Debt limit (3% of average equalized valuation) (2)	16,469,440
Net bonded school debt (3)	5,230,000
Legal debt margin	<u>\$ 11,239,440</u>

66

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 9,139,436	\$ 9,948,647	\$ 11,279,381	\$ 12,987,630	\$ 14,711,483	\$ 16,148,257	\$ 17,115,174	\$ 17,483,972	\$ 17,132,672	\$ 16,469,440
Total net debt applicable to limit (3)	<u>7,117,000</u>	<u>6,982,000</u>	<u>6,842,000</u>	<u>6,697,000</u>	<u>6,547,000</u>	<u>6,382,000</u>	<u>6,107,000</u>	<u>5,917,000</u>	<u>5,707,000</u>	<u>5,230,000</u>
Legal debt margin	<u>\$ 2,022,436</u>	<u>\$ 2,966,647</u>	<u>\$ 4,437,381</u>	<u>\$ 6,290,630</u>	<u>\$ 8,164,483</u>	<u>\$ 9,766,257</u>	<u>\$ 11,008,174</u>	<u>\$ 11,566,972</u>	<u>\$ 11,425,672</u>	<u>\$ 11,239,440</u>
Total net debt applicable to the limit as a percentage of debt limit	77.87%	70.18%	60.66%	51.56%	44.50%	39.52%	35.68%	33.84%	33.31%	31.76%

**Sources:**

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Barrington School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2004	7,002	\$ 244,754,910	\$ 34,955	3.8%
2005	7,019	254,782,681	36,299	2.9%
2006	7,000	270,697,000	38,671	4.5%
2007	6,974	280,773,240	40,260	3.1%
2008	6,948	291,760,416	41,992	4.2%
2009	6,941	287,399,046	41,406	6.6%
2010	6,982	298,271,040	42,720	7.0%
2011	6,978	300,744,822	43,099	6.8%
2012	6,985	e	e	6.9%
2013	e	e	e	e

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been established based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- <sup>e</sup> Information not available

**Barrington School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**J-16**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	37.6	37.6	37.6	38.0	38.0	36.8	34.8	31.0	38.0	41.0
Special education	12.0	12.0	11.0	12.0	12.0	15.0	15.0	13.0	13.0	13.0
Support Services:										
Student & instruction related services	38.4	38.0	36.0	38.0	38.0	24.7	24.4	24.4	22.0	19.0
School administrative services	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	5.5
General and business administrative services	2.5	2.5	2.0	3.0	3.0	1.4	1.4	1.4	0.6	0.6
Plant operations and maintenance	6.0	6.0	6.0	6.0	6.0	8.1	6.5	6.5	6.5	7.0
Business and other support services	2.5	2.5	3.0	3.0	3.0	2.7	1.3	1.3	1.7	1.7
<b>Total</b>	<u><u>103.0</u></u>	<u><u>102.6</u></u>	<u><u>99.6</u></u>	<u><u>104.0</u></u>	<u><u>104.0</u></u>	<u><u>91.7</u></u>	<u><u>86.4</u></u>	<u><u>80.6</u></u>	<u><u>84.8</u></u>	<u><u>87.8</u></u>

**Source:**  
District Personnel Records

**Barrington School District  
Operating Statistics,  
Last Ten Fiscal Years**

J-17

<u>Fiscal Year</u>	<u>Resident Enrollment</u>	<u>Operating Expenditures <sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff <sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) <sup>c</sup></u>	<u>Average Daily Attendance (ADA) <sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2004	604	\$ 9,613,140	\$ 15,915.79	0.00%	63	1:12	604.3	571.1	3.76%	94.51%
2005	606	10,738,840	17,720.86	11.34%	67	1:10	606.4	576.4	0.49%	95.05%
2006	605	11,241,408	18,580.84	4.85%	58	1:10	596.0	564.1	0.35%	94.65%
2007	577	11,606,416	20,115.11	8.26%	58	1:10	571.0	560.0	-4.19%	98.07%
2008	588	12,230,911	20,800.87	3.41%	58	1:10	580.1	559.8	1.60%	96.49%
2009	578	12,963,451	22,428.12	7.82%	52	1:10	577.8	547.3	-0.40%	94.72%
2010	612	12,936,075	21,137.38	-5.76%	58	1:10	604.5	574.5	4.62%	95.04%
2011	608	14,106,131	23,200.87	9.76%	56	1:10	625.6	594.5	3.49%	95.03%
2012	614	13,301,326	21,663.40	-6.63%	51	1:10	619.2	592.5	-1.02%	95.69%
2013	625	12,903,441	20,645.51	-4.70%	54	1:10	615.3	587.8	-0.63%	95.53%

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).

**Barrington School District  
School Building Information  
Last Ten Fiscal Years**

**J-18**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Woodland Elementary (1982)										
Square Feet	48,400	48,400	49,100	49,100	49,100	51,462	51,462	51,462	51,462	51,462
Capacity (students)	317	350	350	350	350	353	353	353	353	353
Enrollment	328	347	354	198	198	170	198	252	237	250
Avon Elementary (1982)										
Square Feet	21,590	21,590	21,590	21,590	21,590	45,390	45,876	45,876	45,876	45,876
Capacity (students)	173	173	173	173	173	380	308	308	308	308
Enrollment	277	257	238	379	379	408	412	356	377	375
<b><u>Other</u></b>										
Central Administration (1982)										
Square Feet	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
<b>Number of Schools at June 30, 2013</b>										
Elementary = 1										
Middle School = 1										
Senior High School = 0										
Other = 0										

**Source:** District Facilities Office

**Barrington School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years**

J-19

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
<b>* School Facilities</b>											
Woodland School	\$ 55,786	\$ 44,063	\$ 44,785	\$ 43,250	\$ 33,400	\$ 43,649	\$ 38,031	\$ 43,672	\$ 30,122	\$ 61,265	\$ 438,023
Avon School	25,871	33,878	34,059	59,850	31,900	33,085	35,390	42,185	35,844	55,258	387,320
Other Facilities		3,086	1,080	131	13,800		7,450	3,358	11,087	3,604	43,596
<b>Total School Facilities</b>	<b>\$ 81,657</b>	<b>\$ 81,027</b>	<b>\$ 79,924</b>	<b>\$ 103,231</b>	<b>\$ 79,100</b>	<b>\$ 76,734</b>	<b>\$ 80,871</b>	<b>\$ 89,215</b>	<b>\$ 77,053</b>	<b>\$ 120,127</b>	<b>\$ 868,939</b>

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

Source: District records

**Barrington School District  
Insurance Schedule  
June 30, 2013**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
<b>School Package Policy (1)</b>			
<b>Building and Contents (All Locations)</b>			
Limits of liability per occurrence	\$ 300,000,000		\$ 5,000
Boiler and Machinery	100,000,000		5,000
General Liability	16,000,000		
Automobile Liability	16,000,000		1,000
Workers' Compensation	Statutory		
School Board Legal Liability	6,000,000	\$ 10,000	5,000
Crime Coverage	250,000		1,000
Electronic Data Processing Equipment	500,000		1,000
<b>Student Accident (1)</b>	1,000,000		
<b>Surety Bonds (2)</b>			
Treasurer	200,000		
Board Secretary	50,000		

- (1) New Jersey School Boards Association Insurance Group  
(2) Selective Insurance

**Source: District records**

**Single Audit Section**

**INVERSO & STEWART, LLC**  
**Certified Public Accountants**

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-Member of-  
 American Institute of CPAs  
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
 AS REQUIRED BY OMB CIRCULAR A-133  
 AND NEW JERSEY OMB CIRCULAR 04-04**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
 of the Board of Education  
 Barrington School District  
 County of Camden  
 Barrington, New Jersey

**Report on Compliance for Each Major State Program**

I have audited Barrington School District (School District), in the County of Camden, State of New Jersey'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 School District's major state programs for the fiscal year ended June 30, 2013. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of the School District's state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

### Opinion on Each Major State Program

In my opinion, the Barrington School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2013.

### Report on Internal Control Over Compliance

Management of the Barrington 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 my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Barrington's School District's internal control over compliance.

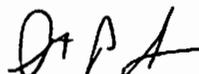
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

Marlton, New Jersey  
September 20, 2013

BARRINGTON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2012			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2013		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education:</b>													
<b>General Fund:</b>													
Education Jobs Fund	84.410A	Not Available	\$ 117,353	7/1/11 - 6/30/12	\$ (55,164)			\$ (3,565)	\$ 58,729				
<b>Special Revenue Fund:</b>													
<b>Title I:</b>													
Fiscal Year 2013	84.010	NCLB019013	99,513	9/1/12 - 8/31/13					\$ (99,513)				
Fiscal Year 2012	84.010	NCLB019012	69,958	9/1/11 - 8/31/12	(20,558)	\$ 11,372		(1,827)	11,013				
ARRA	84.389	ARRA377011	18,048	9/1/09 - 8/31/11	(8,578)				8,576				
<b>Title II A:</b>													
Fiscal Year 2013	84.367	NCLB019013	8,777	9/1/12 - 8/31/13									
Fiscal Year 2012	84.367	NCLB019012	19,426	9/1/11 - 8/31/12	(3,238)	1,238		(784)	2,784				
<b>I.D.E.A. Part B - Basic:</b>													
Fiscal Year 2013	84.027	FT019013	290,667	9/1/12 - 8/31/13				944					
Fiscal Year 2012	84.027	FT019012	266,219	9/1/11 - 8/31/12	(44,291)	45,235		(944)	189,684	(266,632)		\$ (76,004)	
<b>I.D.E.A. Part B - Preschool:</b>													
Fiscal Year 2013	84.173	PS019013	8,869	9/1/12 - 8/31/13						(5,280)		(5,280)	
Fiscal Year 2012	84.173	PS019012	8,919	9/1/11 - 8/31/12	(1,919)				1,919				
<b>Race to the Top</b>													
Fiscal Year 2013	84.413A	RTT3019012	5,459	9/1/12 - 8/31/13					2,806	(2,806)			
<b>Total U.S. Department of Education</b>					<b>(133,746)</b>	<b>57,845</b>	<b>-</b>	<b>(6,176)</b>	<b>375,024</b>	<b>(374,231)</b>	<b>-</b>	<b>(61,284)</b>	
<b>U.S. Department of Agriculture</b>													
<b>Passed-through State Department of Education:</b>													
<b>Enterprise Fund:</b>													
<b>Food Distribution Program</b>													
Fiscal Year 2013	10.550	N/A	\$ 11,344	7/1/12 - 6/30/13					11,344	(11,344)			
<b>School Breakfast Program:</b>													
Fiscal Year 2013	10.553	N/A	8,835	7/1/12 - 6/30/13					8,356	(8,835)		(479)	
Fiscal Year 2012	10.555	N/A	6,837	7/1/11 - 6/30/12	(317)				317				
<b>National School Lunch Program:</b>													
Fiscal Year 2013	10.555	N/A	62,434	7/1/12 - 6/30/13					59,052	(62,434)		(3,382)	
Fiscal Year 2012	10.555	N/A	84,725	7/1/11 - 6/30/12	(3,012)				3,012				
<b>Total U.S. Department of Agriculture</b>					<b>(3,329)</b>	<b>-</b>	<b>-</b>	<b>(6,176)</b>	<b>82,081</b>	<b>(82,613)</b>	<b>-</b>	<b>(3,861)</b>	
<b>Total Federal Awards</b>					<b>\$ (137,075)</b>	<b>\$ 57,845</b>	<b>\$ -</b>	<b>\$ (6,176)</b>	<b>\$ 457,105</b>	<b>\$ (456,844)</b>	<b>\$ -</b>	<b>\$ (85,145)</b>	<b>\$ -</b>

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

BARRINGTON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2013

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2012			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2013		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	13-495-034-5120-078	\$ 2,683,732	7/1/12 - 6/30/13					\$ 2,424,553	\$ (2,683,732)		\$ (259,179)		
Equalization Aid	12-495-034-5120-078	2,532,982	7/1/11 - 6/30/12	\$ (279,473)				279,473					
Special Education Categorical Aid	13-495-034-5120-089	509,881	7/1/12 - 6/30/13					460,640	(509,881)		(49,241)		
Categorical Security Aid	13-495-034-5120-084	20,280	7/1/12 - 6/30/13					18,322	(20,280)		(1,958)		
Categorical Transportation Aid	13-495-034-5120-014	23,025	7/1/12 - 6/30/13					20,801	(23,025)		(2,224)		
Extraordinary Special Education Costs Aid	13-100-034-5120-473	60,009	7/1/12 - 6/30/13						(60,009)		(60,009)		
Extraordinary Special Education Costs Aid	12-100-034-5120-473	28,995	7/1/11 - 6/30/12	(28,995)				28,995					
Nonpublic Transportation Aid	13-495-034-5120-014	4,002	7/1/12 - 6/30/13						(4,002)		(4,002)		
Nonpublic Transportation Aid	12-495-034-5120-014	4,178	7/1/11 - 6/30/12	(4,178)				4,178					
On-behalf TPAF Pension Contribution	13-495-034-5095-006	268,099	7/1/12 - 6/30/13					268,099	(268,099)				
On-behalf TPAF Post Retirement Medical	13-495-034-5095-001	303,152	7/1/12 - 6/30/13					303,152	(303,152)				
Reimbursed TPAF Social Security Contr.	13-495-034-5095-002	294,118	7/1/12 - 6/30/13					207,060	(294,118)		(87,038)		
Reimbursed TPAF Social Security Contr.	12-495-034-5095-002	294,249	7/1/11 - 6/30/12	(28,494)				28,494					
<b>Total General Fund</b>				<b>(341,140)</b>				<b>4,043,787</b>	<b>(4,166,298)</b>		<b>(463,651)</b>		
Special Revenue Fund:													
NJ Nonpublic Aid:													
Textbook Aid	13-100-034-5120-064	10,991	7/1/12 - 6/30/13					10,991	(10,991)				
Nursing Aid	13-100-034-5120-070	15,255	7/1/12 - 6/30/13					15,255	(15,102)			\$ 153	
Nursing Aid	12-100-034-5120-070	17,756	7/1/11 - 6/30/12			\$ 158				\$ (158)			
Technology Aid	13-100-034-5120-373	4,056	7/1/12 - 6/30/13					4,056	(4,056)				
Handicapped Services:													
Supplemental Instruction	13-100-034-5120-066	1,388	7/1/12 - 6/30/13					1,388				1,388	
Supplemental Instruction	12-100-034-5120-066	1,403	7/1/11 - 6/30/12			1,403				(1,403)			
Examination & Classification	13-100-034-5120-066	35,660	7/1/12 - 6/30/13					35,660	(26,110)			9,550	
Examination & Classification	12-100-034-5120-066	33,158	7/1/11 - 6/30/12			1,935				(1,935)			
Home Instruction	13-100-034-5120-067	346	7/1/12 - 6/30/13						(346)		(346)		
<b>Total Special Revenue Fund</b>						<b>3,496</b>		<b>67,350</b>	<b>(56,605)</b>		<b>(3,496)</b>	<b>11,091</b>	
<b>New Jersey Schools Construction Corporation:</b>													
Capital Projects Fund:													
EDA Educational Facilities Construction and Financing Act - Section 15:													
Woodland School Remodeling Project	0190-030-04-1000	1,318,290	7/1/04 - 6/30/12	(870,668)	\$ 118,067		177,321	575,280					
Avon School Site Damage	0190-010-09-1001	15,502	7/1/09 - 6/30/12	(15,502)				15,502					
Woodland School Roof & Boiler Replacement	0190-030-09-1002	294,814	7/1/09 - 6/30/12	(294,814)	80,006		29,174	185,634					
<b>Total Capital Projects Fund</b>				<b>(1,180,984)</b>	<b>198,073</b>		<b>206,495</b>	<b>776,416</b>					
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Program (State Share)	13-100-010-3350-023	2,459	7/1/12 - 6/30/13					2,344	(2,459)		(115)		
National School Lunch Program (State Share)	12-100-010-3350-023	2,423	7/1/11 - 6/30/12	(110)				110					
<b>Total Enterprise Fund</b>				<b>(110)</b>				<b>2,454</b>	<b>(2,459)</b>		<b>(115)</b>		
<b>Total State Financial Assistance</b>				<b>\$ (1,522,234)</b>	<b>\$ 198,073</b>	<b>\$ 3,496</b>	<b>\$ 206,495</b>	<b>\$ 4,890,007</b>	<b>\$ (4,225,362)</b>	<b>\$ (3,496)</b>	<b>\$ (464,112)</b>	<b>\$ 11,091</b>	

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

**Barrington School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2013**

**I. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Barrington 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, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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.

**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 the 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 (\$33,129) for the general fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 4,133,169	\$ 4,133,169
Special Revenue	\$ 374,231	56,605	430,836
Capital Projects			-
Food Service	<u>82,613</u>	<u>2,459</u>	<u>85,072</u>
Total	<u>\$ 456,844</u>	<u>\$ 4,192,233</u>	<u>\$ 4,649,077</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Barrington School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2013  
(Continued)**

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

**6. MAJOR PROGRAMS**

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

**7. ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>	<u>State</u>
Adjustment to prior year receivable	\$ 3,565	
Prior year expense not recorded	(2,611)	
Cancellation of state aid receivable		\$ 206,495
	<u>954</u>	<u>206,495</u>
Total	<u>\$ 954</u>	<u>\$ 206,495</u>





**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

***Section 2 – Schedule of Financial Statement Findings***

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

None

**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

***Section 3 – Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State programs, as required by OMB Circular A-133 and New Jersey Circular 04-04-OMB.

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

No findings and/or questioned costs identified.

**BARRINGTON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENED JUNE 30, 2013**

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

No findings identified.

**FEDERAL AWARDS**

**Condition:**

Certain employees charged to the IDEA - Basic grant, and their related salaries, were not documented in the minutes of the Board of Education.

**Current Status:**

Corrective action has been taken.

**STATE AWARDS**

**Condition:**

The School District reported and received FICA reimbursement from the State of New Jersey for salaries of TPAF members that were not eligible for reimbursement.

**Current Status:**

Corrective action has been taken.