

BORDENTOWN REGIONAL SCHOOL DISTRICT

Bordentown Township, New Jersey
County of Burlington

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
BORDENTOWN REGIONAL SCHOOL DISTRICT

BORDENTOWN TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Prepared by

Bordentown Regional School District
Business Administrator's Office

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INTRODUCTORY SECTION

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**Mark Drew
President**

**William Mercantini
Vice President**

Bordentown Regional School District

**318 WARD AVENUE
BORDENTOWN, NJ 08505**

**Edward Forsthoffer, III, Ed.D.
Superintendent**

**Eloi A. Richardson, CPA
Business Administrator**

Business Office (609) 298-0025 Extension 1204	FAX (609) 298-2515	Superintendent's Office (609) 298-0025 Extension 1211
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Internet Web Site: www.bordentown.k12.nj.us

Honorable President and Members of the Board of Education
Bordentown Regional School District
Bordentown, NJ 08505

Dear Board Members and Citizens of the Regional District:

The Comprehensive Annual Financial Report of the Bordentown Regional School District ("District") for the fiscal year ended June 30, 2016 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 (the Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three major sections; Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The Financial section includes, under Governmental Accounting Standard Board Statement No. 34 as amended, the Report of Independent Accountants, the Management's Discussion and Analysis, the Basic Financial Statements, and the combining and individual fund statements. Required Supplementary Information includes Budgetary Comparison Schedules, Special Revenue Fund Schedules, as well as Capital Projects, Enterprise, Fiduciary Fund and Long Term Debt schedules. The Statistical section includes selected financial; demographic; and operational information.

In addition, the District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to the Single Audit requirement is included in a separate section.

The financial statements include:

1. A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
2. Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure.
3. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to financial statements.

1. **REPORTING ENTITY AND ITS SERVICES:** The Bordentown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. The District provides a full range of educational services appropriate to regular and special education students in grade levels K through 12. The District's on-roll enrollment as of October 15, 2015 was 2,559 which notably included high school students received from the New Hanover Public Schools on a tuition basis.

This Comprehensive Annual Financial Report for the year ended June 30, 2016 is presented in GASB 34 format. The Bordentown Regional Board of Education and all its schools constitute the District's reporting entity. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community District Alliance functions are classified as business-type activities. All funds of the district are included in this report.

2. **MAJOR ACTIVITIES AND INITIATIVES:**

During 2015-16, the District continued its focus on preparing students to face the evolving learning environments and expectations before them. This encompassed providing staffing and other resources to meet the needs of diverse student learners in basic skills, special education, English language acquisition, and gifted education.

Included therein was continuation of full day kindergarten and preschool programs; before and after school as well as extended school year programs for students "at risk"; support for staff professional development. In addition, all academic and extra-curricular programs and activities were maintained without requiring participation contributions. Moreover, the District made increased targeted investments in additional staffing towards its Advanced Placement programs and for full implementation of enhancements to the mathematics and reading programs.

Also, during this past year the District undertook development of a strategic plan to help guide its educational, operational, and financial direction for the foreseeable future. This plan will help inform each annual budget process, commencing with development of the upcoming 2016-17 budget.

In the operational areas, the District maintained its full complement of support resources, including a comprehensive level of transportation services as well as continued capital outlay investments. The latter most notably included continued funding of the planned multi-year upgrade of the District's network infrastructure to enhance network bandwidth capabilities to address increasing instructional and operational needs.

3. 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 no 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 require estimates and judgments by management.

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

4. 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 certified/adopted by the Board. Annual appropriated budgets are certified/adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. These final annual budgets, as amended, are reflected in the financial section. Project-length budgets are approved for capital improvements and accounted for in the Capital Projects Fund.

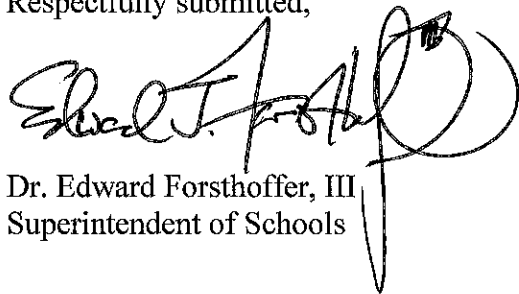
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

5. ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.
6. CASH MANAGEMENT: The investment policy of the District is guided in substantial part by New Jersey State statute(s) 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 by requiring such units

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

7. 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.
8. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by an independent certified public accountant or registered municipal accountant. The accounting/auditing firm of Holman Frenia Allison, P.C. was selected by the Board to conduct the annual audit. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the OMB Circular Letter A-133, Audits of States, Local Governments and Non-Profit Organizations and the related NJ Circular 04-04-OMB. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report relating specifically to the single audit is included in the Single Audit section of this report.
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the Board members of the Bordentown Regional School District for their fiscal stewardship on behalf of the citizens and taxpayers of the school district and as well as to our District's financial and other staff for their support and dedicated services without whom we would not be able to serve the students entrusted to us by our constituent communities.

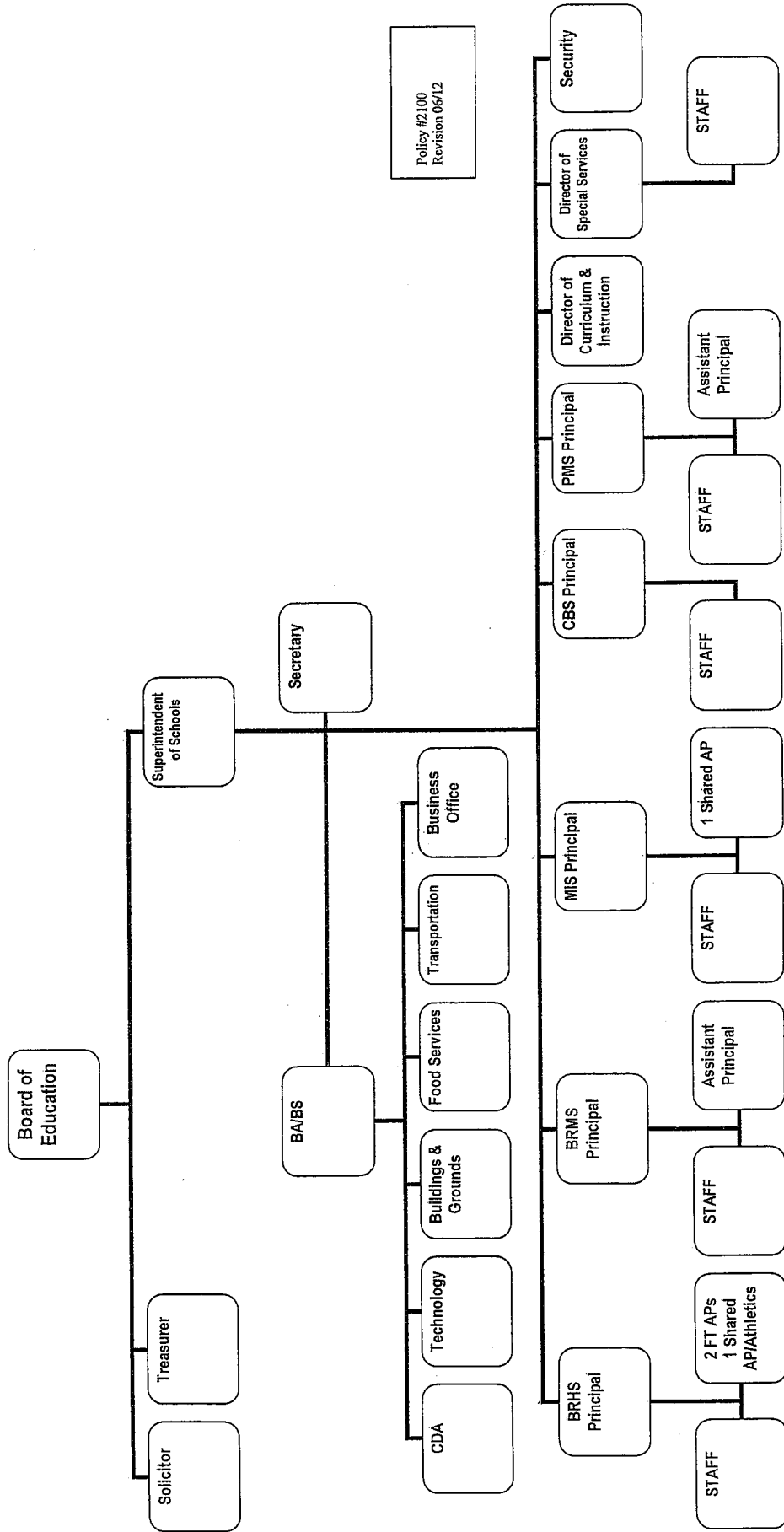
Respectfully submitted,



Dr. Edward Forsthoffer, III
Superintendent of Schools



Eloi Richardson, CPA
School Business Administrator/Board Secretary



Policy #2100
Revision 06/12

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BORDENTOWN REGIONAL SCHOOL DISTRICT

318 WARD AVENUE
BORDENTOWN, NEW JERSEY 08505

ROSTER OF OFFICIALS JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Mark Drew, President	2016
William Mercantini, Vice President	2017
Kevin Creegan	2018
Joshua Fausti	2018
Salvatore Schiano	2018
Steven Heberling	2016
Kimberly Zablow	2016
Mark Roselli	2017
Edward G. Tyler, Jr.	2017

OTHER OFFICIALS

Dr. Edward Fortshoffer, III, Superintendent

Eloi Richardson, Business Administrator/Board Secretary

BORDENTOWN REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

John J. Maley, Jr., CPA
Holman Frenia Allison, P. C.
6 E. Park Street
Bordentown, New Jersey 08505

Attorney

Cameron Morgan, Esq.
Parker, McCay, P.A.
9000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054-5054

OFFICIAL DEPOSITORY

PNC Bank
Bordentown, New Jersey 08505

TD Bank
1006 Astoria Boulevard
Cherry Hill, New Jersey 08034

Wells Fargo Bank
284 Dunns Mill Road
Bordentown, New Jersey 08505



INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Bordentown Regional School District
County of Burlington
Bordentown, New Jersey 08505

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bordentown Regional School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bordentown Regional School District, County of Burlington, State of New Jersey, as of June 30, 2016, 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, budgetary comparison information and the schedules related to accounting and reporting for pensions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bordentown Regional School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2016 on our consideration of the Bordentown Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bordentown Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
October 6, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Bordentown Regional School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the Transmittal Letter at the beginning of this report and with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS:

Per Exhibit B-2, District revenues for the major governmental funds were \$45,715,106 with corresponding expenditures of \$44,544,865. Reported revenues reflect a \$1,593,967 (3.6%) increase over the prior year. The most significant contributors to revenue growth was the \$789,740 increase in combined general purpose and debt service tax levies, as well as, \$115,925 net increase in Tuition, Transportation, and Miscellaneous revenues. Overall spending grew approximately \$280,738 (.6%).

The State and Federal aid funding shown principally represented annual State aid based on enrollment and other factors, as well as other grant funds received. The Individuals with Disabilities Education Act (IDEA) grant and the No Child Left Behind (NCLB) grant represented the two significant ongoing Federal funding resources for the District. IDEA helped to offset tuition costs for special education students requiring placement at outside settings best able to meet their needs, while NCLB helped to support Basic Skills Education, staff development, class size reduction, and English as a Second Language programs. Federal aid also reflected \$94,438 of reimbursements for services to Medicaid eligible special education students from State mandated participation in the Special Education Medicaid Initiative (SEMI).

In July of 2002, the District sold \$37,447,000 in bonds to finance the building of a new high school and renovations to the other existing schools, followed in March 2010 with another bonding of \$8,499,000 to fund completion of various renovations and improvements at the high school complex, including installation of athletic fields and a photovoltaic (solar energy) system on the high school roof. Both of these bond projects are completed. Unexpended bond proceeds from both the 2002 and the 2010 projects are being used to reduce future debt service obligations, with \$50,000 used for such purposes in 2015-16. Revenues from the sale of excess energy produced by the solar system, in the form of Solar Renewal Energy Certificates [SREC's], partially offset ongoing operating costs; \$114,275 was applied for this purpose in 2015-16.

New Accounting Standard(s)

As referenced under Note 1 to the financial statements, ("Summary of Significant Accounting Policies"), these financial statements reflect initial implementation of certain accounting pronouncements promulgated by the Governmental Accounting Standards Board who is charged with developing generally accepted accounting principles for state and local governments. These new pronouncements, which collectively did not have a significant impact on the District's financial results, were as follows:

- GASB Statement No. 72, *Fair Value Measurement and Application*
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- GASB Statement No. 76, *The Hierarchy of General Accepted Accounting Principles for State and Local Governments*

OVERVIEW OF THE FINANCIAL STATEMENTS

The charts below illustrate how the various parts of the District’s reports are arranged and relate to one another.

ORGANIZATION OF THE DISTRICT'S ANNUAL FINANCIAL REPORT

<i>Management's Discussion And Analysis</i>	Basic Financial Statements	Required Supplementary Information
District–Wide Financial Statements	Fund Financial Statements	<i>Notes to the Financial Statements</i>
Summary	↔	Detail

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district–wide financial statements that provide both short–term and long term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district and report on the District's operations in more detail than the district–wide statements. For example, the District has two Enterprise Funds – Food Service and Community District Alliance (“CDA”). These funds are broken out in detail in the fund financial statements, but are combined into the overall District financial statements. The fund financial statements also show the changes in the Capital Projects fund, which is significant in our district.
- The Governmental Funds statements reports how basic services like regular and special education and overall operating expenses were financed for the school year, as well as an analysis of fund balance remaining for future spending or tax relief.
- Proprietary funds statements offer short and long–term financial information about the activities the district operates in a business-like manner, namely our Food Service and Community and District Alliance mentioned above.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. In the Bordentown Regional School District, these include funds held for Unemployment Insurance, Scholarships, Student Activities, and Payroll Agency.
- The financial statements also include notes that further explain some of the information in the statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

DISTRICT-WIDE STATEMENTS

MAJOR FEATURES OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District Except Fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates similar to private businesses – Food Service and CDA	Instances in which the district administers resources on behalf of someone else such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual Accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and along-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

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

The district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial

health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. However to more fully assess the overall financial health of the District; a reader should also consider other non-financial factors, such as changes in the District's property tax base; debt levels; and the condition of school buildings and other facilities.

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

- Governmental activities – Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities, with property taxes being the largest percentage of the revenue base.
- Business-type activities (“Enterprise Funds”) – This encompasses the District's food service and the Community District Alliance operations.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District's funds are those recognized in Generally Accepted Accounting Practices (GAAP), and are prescribed by law.

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out, and; (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information is provided with the governmental funds statements to explain the relationship (or differences) between them.
- Proprietary funds – Services for which the District charges a fee are reported in proprietary funds. In Bordentown's case, these include the enterprise fund previously mentioned.
- Fiduciary funds include the Scholarship, Student Activity, and Payroll Agency funds – funds in which the district is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance other District operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A-1 shows the comparison of the District's net position (Total Assets less Total Liabilities).

TABLE A-1
Bordentown Regional Net Position
(in 000 of dollars)

	Governmental Type Activities		Business Type Activities		School District Totals		% Change
	2015	2016	2015	2016	2015	2016	2015-2016
Current and other assets	2,579	4,097	901	945	3,480	5,042	44.9%
Capital Assets – Net	49,140	47,469	113	92	49,253	47,561	-3.4%
Deferred Outflows	2,249	3,296	-	-	2,249	3,296	46.6%
Total Assets and Deferred Outflows	53,968	54,862	1,014	1,037	54,982	55,899	1.7%
Long-term debt outstanding	54,165	54,924	-	-	54,165	54,924	1.4%
Other liabilities	1,465	906	402	420	1,867	1,326	-29.0%
Deferred Inflows	766	276			766	276	-64.0%
Total liabilities	56,396	56,106	402	420	56,032	56,526	0.9%
NET POSITION							
Net Investment in Capital Assets	11,311	10,577	113	92	11,424	10,669	-6.6%
Restricted	842	1,389			842	1,389	65.0%
Unrestricted	(14,581)	(13,210)	497	525	(14,084)	(12,685)	-9.9%
Total net position	(2,428)	(1,244)	610	617	(1,818)	(627)	-65.5%

Source: Exhibit A-1

As summarized above, the District's net position was (\$626,465) at June 30, 2016 versus (\$1,817,700) at June 30, 2015, for an increase of \$1,191,235, primarily reflecting improvements in total assets and deferred outflows related to the District's allocable share of the State' pension obligations (See Note 8 "Pension Obligations" for further details).

TABLE A-2 shows the changes in net position for both revenues and expenses, as well as total dollar and percentage changes.

TABLE A-2
Changes in Bordentown's Net Position
(in 000 of dollars)

	Governmental Activities		Business-Type Activities		School District Totals		% Change
	2015	2016	2015	2016	2015	2016	2015-2016
REVENUES:							
Program revenues:							
Charges for services	-	-	1,357	1,395	1,357	1,395	2.80%
Federal and State Cat. Grants	7,818	7,905	413	435	8,231	8,340	1.32%
General revenues:							
Property taxes	29,674	30,463	-	-	29,674	30,463	2.66%
Federal or State Aid	8,366	12,384	-	-	8,366	12,384	48.03%
Tuition	881	1,048	-	-	881	1,048	18.96%
Other	785	787	(1)	-	784	787	0.38%
Total Revenues	47,524	52,587	1,769	1,830	49,293	54,417	10.39%
EXPENSES							
Instruction Related	18,432	14,773	-	-	18,432	14,773	-19.85%
Tuition	1,888	1,809	-	-	1,888	1,809	-4.18%
Student & Inst. Related Svcs	6,459	5,607	-	-	6,459	5,607	-13.19%
Administrative Services	3,196	2,647	-	-	3,196	2,647	-17.18%
Maintenance	4,371	3,576	-	-	4,371	3,576	-18.19%
Transportation	2,551	1,928	-	-	2,551	1,928	-24.42%
Benefits	6,715	17,767	-	-	6,715	17,767	164.59%
Other	3,582	3,636	1,744	1,811	5,326	5,447	2.27%
Total expenses	47,194	51,743	1,744	1,811	48,938	53,554	9.43%
Transfers	31	-	(31)	(11)	-	(11)	
Increase (decrease) in net position	361	844	(6)	8	355	863	

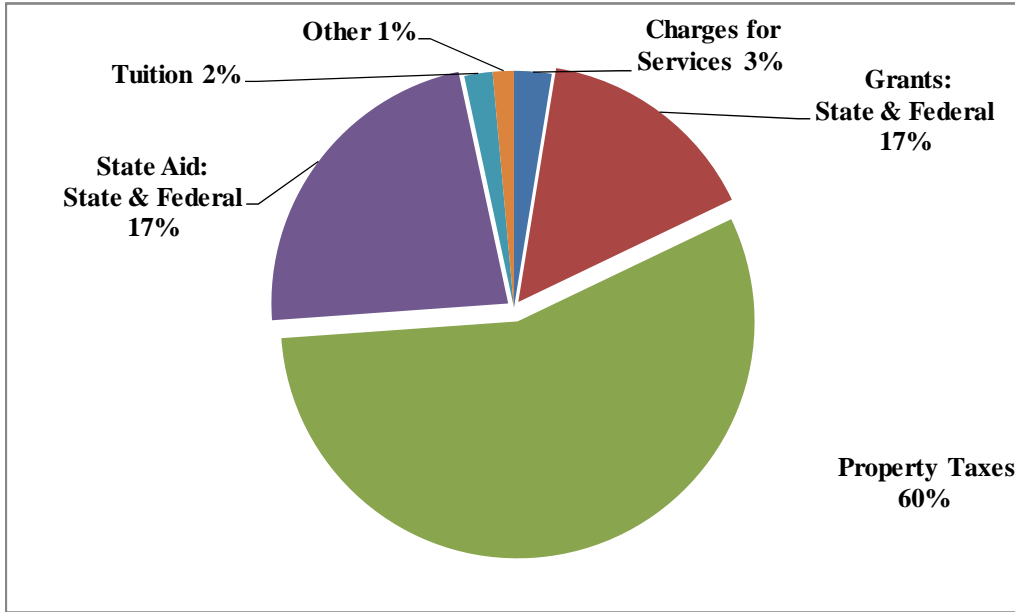
Sources: Exhibits B-2 and B-5 Note: Totals may not add due to rounding

Changes in net position – Property taxes, at approximately 58%, and Federal/State aid at approximately 23%, account for the two largest sources of General Fund revenues. While not nearly as material as the above two sources just mentioned, tuition revenue, at nearly \$1 million for 2015-16, serves as an important alternative revenue resource to help minimize tax levy reliance. The District accepts tuition students from the New Hanover School District, as well as for a general education preschool program offered to parents on a tuition basis. The above increase in benefits expense in 2016 from 2015 is due to a change in reporting of the District’s proportionate share of the State’s unfunded TPAF net pension liability.

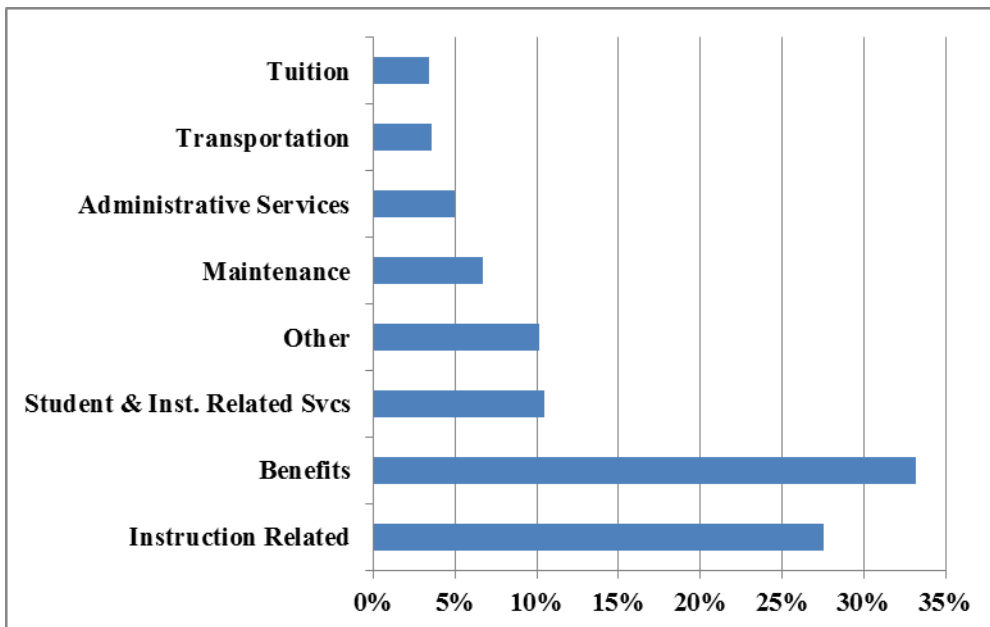
Business-type Activities – The District's business activities are its food service operation which provides breakfast and lunch to students and the Community District Alliance (C.D.A.) which operates before- and-after-school and summer programs, as well as manages an adult education program and operations of the performance arts center. Combined, food services and CDA reported net income of \$18,537 before transfers to other funds. After adjusting for such transfers, their combined net position increased \$7,672.

Charts A-1 and A-2, illustrating total revenues and total expenses, respectively, for Fiscal Year 2016 based on information from Table A-2.

2015-16 SCHOOL DISTRICT TOTAL REVENUES



2015-16 SCHOOL DISTRICT TOTAL EXPENSES



*The above chart is based on the District's government-wide financial statements which include long term liabilities and specifically the District's proportionate share of the State's unfunded TPAF net pension liability. Due to the inclusion of these pension related items, the District's benefits expense above is shown as the largest expense in 2016. These amounts above do not reflect the District's budgetary basis financial activity.

Table A-3 provides a summary of the cost of all governmental activities (net of program revenues) for the 2015-16 school year.

TABLE A-3
Net Cost of Governmental Activities
(in 000 of dollars)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2015	2016	2015-2016	2015	2016	2015-2016
Instruction Related	18,432	14,773	-19.85%	17,611	13,875	-21.21%
Tuition	1,888	1,809	-4.18%	1,888	1,757	-6.94%
Stud.& Instr. Rel. Svs	6,459	5,606	-13.21%	6,353	5,550	-12.64%
Administrative Services	3,196	2,648	-17.15%	3,196	2,648	-17.15%
Maintenance	4,371	3,576	-18.19%	4,371	3,576	-18.19%
Transportation	2,551	1,927	-24.46%	2,551	1,927	-24.46%
Benefits	6,715	17,768	164.60%	-	10,868.00	
Other	3,582	3,637	1.54%	3,404	3,637	6.84%
Total	47,194	51,744		39,374	43,838	

Sources: Exhibit A-2 Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As shown in Exhibit C-1, at June 30, 2016 the combined fund balance of the General Fund was \$3,447,879. Of that amount, \$600,437 is reserved as encumbrances to be applied in 2016-17 against purchase orders outstanding at year end; \$1,375,000 represents anticipated surplus that was appropriated as revenues for the 2016-17 budget; \$415,758 is retained in Capital Reserves and \$300,553 in Maintenance Reserves for future long-term use as and if needed; leaving a balance of \$756,131 as undesignated.

GENERAL FUND BUDGETARY HIGHLIGHTS

After adjusting for “on-behalf payments”, the net actual result shown in Exhibit C-1 for 2015-16 was \$2,550,160 favorable to budget¹. Both revenues (exceeding budget) and expenditures (less than budgeted) showed favorable variances. The major favorable revenue variances include: (a) \$58,566 in additional Medicaid Reimbursement (SEMI) reflecting very aggressive programmatic endeavors in serving the intended targeted student body; (b) \$50,004 in unanticipated State reimbursement for the costs of providing non-public transportation (\$18,086) and homeless services (\$31,918) to students; and (c) \$47,641 in Miscellaneous Revenues, primarily related to unanticipated P.I.L.O.T. (payment-in-lieu of taxes) from Bordentown Township.

The overall favorable expense variance primarily reflect the following savings: (a) \$531,632 in regular instructional program costs; (b) \$135,038 in total general and administrative costs, essentially attributable to favorable legal, communication, and professional services expenses; (c) \$221,579 in total building operation and maintenance costs; (d) \$181,359 in total transportation cost, with lower than expected fuel rates contributing approximately 75% of this total; (e) \$526,153 in overall benefits, with approximately 70% representing more favorable health benefits demographic and/or rates; and (f) \$130,286 in total capital outlay, with \$100,000 attributed to an unforeseen deferral of a renovation project.

¹ “On-behalf payments” represent reimbursements by the State for certificated staff’s pension and social security benefits as well as for retiree’s medical coverage; they are shown as unbudgeted revenues of \$3,804,106 for 2015-16 and deducted as unbudgeted expenses by the same amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

TABLE A-4 provides information regarding Bordentown's capital assets.

TABLE A-4
Bordentown's Capital Assets
(net of depreciation, in 000 of dollars)

	Governmental Activities		Business Type Activities		Total School District		% Change
	2015	2016	2015	2016	2015	2016	2015-16
Land	1,779	1,779	-	-	1,779	1,779	0.00%
Construction in Progress	-	62	-	-	-	62	-
Site Improvements	4,037	2,931	-	-	4,037	2,931	-27.40%
Buildings	39,843	39,537	-	-	39,843	39,537	-0.77%
Equipment and furniture	3,481	3,160	113	92	3,594	3,252	-9.52%
Total	49,140	47,469	113	92	49,253	47,561	-3.44%

Source: Note 5—"Capital Assets" Note: Totals may not add due to rounding

In August of 2003, bids were awarded for renovations projects in the amount of \$4,481,120 and those projects were completed in 2005-06 year. Bids for the construction of the new high school were awarded in March of 2004 for a total of \$31,170,300; the new high school opened September 11, 2006, with only a slight increase over original budgeted costs. Remaining bond funds were utilized for field development and landscaping which were part of the original plan but not included in the project as bid. A successful referendum in December of 2009 secured \$8,499,000 in bond funds to construct turf athletic and physical education fields and to place solar panels on the roof of the new high school. This project is also now completed. Unexpended bond proceeds from both these projects are being used to reduce future debt service obligations, with \$50,000 used for this purpose in FY2015-16. Revenues from the sale of excess energy produced by the solar panels in the form of Solar Renewal Energy Certificate [SREC's] are used to partially offset ongoing operating costs; \$114,275 was applied for this purpose in 2015-16.

LONG TERM DEBT

TABLE A-5 provides information regarding Bordentown's long term debt obligations

TABLE A-5
Bordentown's Outstanding Long-Term Debt
(in 000 of dollars)

	Total School District		Total % Change
	2015	2016	2015-16
General Obligation Bonds	39,544	37,664	-4.75%
Capital Leases	560	470	-16.07%
Unamortized Bond Premium	61	57	-6.56%
Deferred PERS Pension Payment	109	100	-8.26%
Compensated Absences	1,894	2,039	7.66%
Net Pension Liability	11,998	14,594	21.64%
Total	54,166	54,924	1.40%

Source: Note 7—"Long-Term Obligations" Note: Totals may not add due to rounding

Excluding the net pension liability representing its proportionate share of the State's overall pension obligations, the District began the year with \$42,166,922 in direct general obligation bonds and other long-term debts outstanding. During the year, a net \$1,836,868 was retired as part of the planned normal activities in the Debt Service Fund and/or the General Fund.

Of note, as a participant under New Jersey's Fund for Support of Free Public Schools, the District's general obligation bonds carry an A rating from Standard & Poor's Rating Service. However, in its own right, the District carries an AA-1 underlying rating by Standard and Poor's, with an outlook upgrade from "Negative" to "Stable" based on their credit review in December 2015. More detailed information about the District's long-term liabilities is presented in Notes 7, 8, 9, and 14 to the financial statements

Finally, as explained in Note 18, "Subsequent Events", the District is pursuing a refinance of all or a portion of certain outstanding callable bonds. .

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing outstanding litigations or other circumstances that could significantly affect the District's financial health in future. However, recent legislations limiting school districts to undesignated surplus of no more than 2% of their general fund budget and further limiting annual increases in general fund tax levies to essentially 2% over the prior year, continue to have a significant impact on New Jersey school district's budgets in the face of ever increasing cost challenges. Moreover, there are competing proposals to possibly adjust future state aid funding to school districts that bear vigilant monitoring.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, vendors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have any questions about this report or desire additional financial information, please contact the School Business Administrator, Bordentown Regional School District, 318 Ward Avenue, Bordentown, New Jersey, 08505, or call 609/298-0025, ext. 1204.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BORDENTOWN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 2,864,328	\$ 906,047	\$ 3,770,375
Receivables, Net	516,764	19,911	536,675
Internal Balances	52	-	52
Inventory	-	19,245	19,245
Restricted Cash & Cash Equivalents	716,311	-	716,311
Capital Assets, Net (Note 5)	47,468,728	92,380	47,561,108
Total Assets	51,566,183	1,037,583	52,603,766
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	2,063,431	-	2,063,431
Unamortized Charge on Refunding of Debt	1,232,415	-	1,232,415
Total Deferred Outflow of Resources	3,295,846	-	3,295,846
Total Assets and Deferred Outflow of Resources	54,862,029	1,037,583	55,899,612
LIABILITIES			
Accounts Payable	159,416	48,228	207,644
Unearned Revenue	72,759	371,945	444,704
Accrued Interest Payable	673,811	-	673,811
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,726,141	-	2,726,141
Due Beyond One Year	52,197,913	-	52,197,913
Total Liabilities	55,830,040	420,173	56,250,213
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	275,864	-	275,864
Total Deferred Inflows of Resources	275,864	-	275,864
Total Liabilities and Deferred Inflow of Resources	56,105,904	420,173	56,526,077
NET POSITION			
Net Investment in Capital Assets	10,577,418	92,380	10,669,798
Restricted For:			
Capital Projects	1,087,691	-	1,087,691
Other Purposes	300,553	-	300,553
Unrestricted	(13,209,537)	525,030	(12,684,507)
Total Net Position	\$ (1,243,875)	\$ 617,410	\$ (626,465)

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 9,965,239	\$ -	-	(9,965,239)	\$ -	\$ (9,965,239)
Special Education	3,139,589	-	897,695	(2,241,894)	-	(2,241,894)
Other Instructional	858,422	-	-	(858,422)	-	(858,422)
School Sponsored	809,589	-	-	(809,589)	-	(809,589)
Support Services & Undistributed Costs:						
Tuition	1,808,883	-	52,261	(1,756,622)	-	(1,756,622)
Student & Instruction Related Services	4,941,175	-	57,038	(4,884,137)	-	(4,884,137)
Health Services	390,674	-	-	(390,674)	-	(390,674)
Educational Media Services/School Library	274,718	-	-	(274,718)	-	(274,718)
School Administrative Services	1,486,937	-	-	(1,486,937)	-	(1,486,937)
General Administration	496,433	-	-	(496,433)	-	(496,433)
Central Services	372,411	-	-	(372,411)	-	(372,411)
Administrative Information Technology	291,967	-	-	(291,967)	-	(291,967)
Plant Operations & Maintenance	3,576,440	-	-	(3,576,440)	-	(3,576,440)
Pupil Transportation	1,927,589	-	-	(1,927,589)	-	(1,927,589)
Unallocated Benefits	17,666,768	-	10,702,597	(7,064,171)	-	(7,064,171)
Interest on Long-Term Debt and Other Charges	1,783,349	-	-	(1,783,349)	-	(1,783,349)
Unallocated Depreciation	1,708,492	-	-	(1,708,492)	-	(1,708,492)
Unallocated Compensated Absences	145,112	-	-	(145,112)	-	(145,112)
Total Governmental Activities	51,743,787	-	11,709,591	(40,034,196)	-	(40,034,196)
Business-Type Activities:						
Food Service	792,625	408,372	376,865	-	(7,388)	(7,388)
Community District Alliance	1,018,752	986,957	57,720	-	25,925	25,925
Total Business-Type Activities	1,811,377	1,395,329	434,585	-	18,537	18,537
Total Primary Government	\$ 53,555,164	\$ 1,395,329	\$ 12,144,176	\$ (40,034,196)	\$ 18,537	\$ (40,015,659)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				27,203,066	-	27,203,066
Taxes Levied for Debt Service				3,260,409	-	3,260,409
Federal & State Aid Not Restricted				8,580,348	-	8,580,348
Tuition Received				1,047,875	-	1,047,875
Transportation				113,504	-	113,504
Rents and Royalties				3,287	-	3,287
Miscellaneous Income				695,517	-	695,517
Transfers				(26,407)	(10,865)	(37,272)
Cancellation of Accounts Payable				20	-	20
Total General Revenues, Special Items, Extraordinary Items & Transfers				40,877,619	(10,865)	40,866,754
Change In Net Position				843,423	7,672	851,095
Net Position - Beginning, as previously stated				(2,427,438)	609,738	(1,817,700)
Prior Period Adjustment				340,140	-	340,140
Net Position - Beginning, restated				(2,087,298)	609,738	(1,477,560)
Net Position - Ending				(1,243,875)	617,410	(626,465)

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

B. Fund Financial Statements

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Governmental Funds

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash & Cash Equivalents	\$ 1,718,553	\$ 94,464	\$ 1,051,311	\$ 2,864,328
Receivables from Other Governments	366,685	20,406	25,538	412,629
Due from Other Funds	69	-	-	69
Receivables, Net	104,135	-	-	104,135
Restricted Cash & Cash Equivalents	716,311	-	-	716,311
 Total Assets	 <u>\$ 2,905,753</u>	 <u>\$ 114,870</u>	 <u>\$ 1,076,849</u>	 <u>\$ 4,097,472</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Unearned Revenue	\$ 10,150	\$ 62,609	\$ -	\$ 72,759
Accounts Payable	105,155	52,261	2,000	159,416
Due to Other Funds	-	-	17	17
 Total Liabilities	 <u>115,305</u>	 <u>114,870</u>	 <u>2,017</u>	 <u>232,192</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	415,758	-	-	415,758
Maintenance Reserve Account	300,553	-	-	300,553
Capital Projects Fund	-	-	1,074,832	1,074,832
Assigned to:				
Other Purposes	600,437	-	-	600,437
Designated for Subsequent Year's Expenditures	1,375,000	-	-	1,375,000
Unassigned	98,700	-	-	98,700
 Total Fund Balances	 <u>2,790,448</u>	 <u>-</u>	 <u>1,074,832</u>	 <u>3,865,280</u>
 Total Liabilities & Fund Balances	 <u>\$ 2,905,753</u>	 <u>\$ 114,870</u>	 <u>\$ 1,076,849</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$74,529,749 and the accumulated depreciation is \$27,061,021 (See Note 6).	47,468,728
Long-term liabilities, including deferred pension obligation, bonds payable, compensated absences payable and capital leases payable are not due and payable in the current period and, therefore, are not reported as liabilities in the funds (See Note 8).	(40,273,228)
Deferred charge on School Refunding Bonds (amortized as interest expense).	
Deferred Charge	1,998,507
Less: Accumulated Amortization	(766,092)
Premium on Bonds (amortized as a credit to interest expense).	
Deferred Charge	(92,150)
Less: Accumulated Amortization	35,324
Accrued interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(673,811)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(14,594,000)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows	2,063,431
Deferred inflows	(275,864)
Net Position of Governmental Activities	<u>\$ (1,243,875)</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 27,203,066	\$ -	\$ -	\$ 3,260,409	\$ 30,463,475
Tuition	1,047,875	-	-	-	1,047,875
Transportation	113,504	-	-	-	113,504
Rents and Royalties	3,287	-	-	-	3,287
Miscellaneous	637,228	58,272	17	-	695,517
Total Local Sources	29,004,960	58,272	17	3,260,409	32,323,658
State Sources	12,127,869	-	25,538	193,881	12,347,288
Federal Sources	95,438	948,722	-	-	1,044,160
Total Revenues	41,228,267	1,006,994	25,555	3,454,290	45,715,106
Expenditures:					
Current Expense:					
Regular Instruction	9,965,239	-	-	-	9,965,239
Special Education Instruction	2,241,894	897,695	-	-	3,139,589
Other Instruction	858,422	-	-	-	858,422
School Sponsored	809,589	-	-	-	809,589
Support Services:					
Tuition	1,808,883	-	-	-	1,808,883
Health Services	390,674	-	-	-	390,674
Student & Instruction Related Services	4,884,137	57,038	-	-	4,941,175
Educational Media Services/School Library	274,718	-	-	-	274,718
General Administration	496,433	-	-	-	496,433
School Administration	1,486,937	-	-	-	1,486,937
Central Services	372,411	-	-	-	372,411
Administrative Information Technology	291,967	-	-	-	291,967
Plant Operations & Maintenance	3,720,150	-	-	-	3,720,150
Pupil Transportation	1,715,380	-	-	-	1,715,380
Allocated Employee Benefits	594,917	-	-	-	594,917
Unallocated Employee Benefits	9,809,708	52,261	-	-	9,861,969
Debt Service:					
Principal	-	-	-	1,880,000	1,880,000
Interest & Other Charges	-	-	-	1,624,290	1,624,290
Capital Outlay	248,278	-	63,844	-	312,122
Total Expenditures	39,969,737	1,006,994	63,844	3,504,290	44,544,865
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	1,258,530	-	(38,289)	(50,000)	1,170,241
Other Financing Sources/(Uses):					
Cancellation of Account Payable	20	-	-	-	20
Transfer from/(to) Capital Reserve	(710,239)	-	710,239	-	-
Transfers to Charter Schools	(26,390)	-	-	-	(26,390)
Transfers In/(Out)	-	-	(50,017)	50,000	(17)
Total Other Financing Sources/(Uses)	(736,609)	-	660,222	50,000	(26,387)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	521,921	-	621,933	-	1,143,854
Fund Balances July 1, as previously stated	1,928,387	-	452,899	-	2,381,286
Prior Period Adjustment - See Note	340,140	-	-	-	340,140
Fund Balance July 1, restated	2,268,527	-	452,899	-	2,721,426
Fund Balances June 30,	\$ 2,790,448	\$ -	\$ 1,074,832	\$ -	\$ 3,865,280

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	1,143,854
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:</p>		
Depreciation Expense	\$	(1,920,701)
Capital Outlay		<u>248,984</u>
		(1,671,717)
<p>Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of Bond Principal		1,880,000
Payment of Capital Leases		89,163
Payment of Deferred Pension Obligation		<u>9,131</u>
		1,978,294
<p>In the statement of net position, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is reported as revenue.</p>		
		3,686
<p>In the statement of net position, deferred charges associated with refunding bonds are capitalized and amortized over the life of the bonds. In the governmental funds, these deferred charges are not recorded.</p>		
		(79,940)
<p>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.</p>		
Prior Year		708,691
Current Year		<u>(673,811)</u>
		34,880
<p>Increase in compensated absences is not an expenditure in the governmental funds, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Prior Year		1,894,241
Current Year		<u>(2,039,353)</u>
		(145,112)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension Expense - PERS Contribution - 2016		558,933
State Share of Unfunded TPAF Pension Expense		6,898,491
Unfunded TPAF Pension Expense		(6,898,491)
Pension Expense		<u>(979,455)</u>
		(420,522)
Change in Net Position of Governmental Activities	\$	<u><u>843,423</u></u>

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

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Proprietary Funds

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 190,718	\$ 715,329	\$ 906,047
Accounts Receivable	18,554	1,357	19,911
Inventories	19,245	-	19,245
	<hr/>		
Total Current Assets	228,517	716,686	945,203
	<hr/>		
Noncurrent Assets:			
Equipment	488,137	-	488,137
Accumulated Depreciation	(395,757)	-	(395,757)
	<hr/>		
Total Capital Assets	92,380	-	92,380
	<hr/>		
Total Assets	320,897	716,686	1,037,583
	<hr/> <hr/>		
LIABILITIES			
Current Liabilities:			
Accounts Payable	46,415	1,813	48,228
Unearned Revenue	23,744	348,201	371,945
	<hr/>		
Total Current Liabilities	70,159	350,014	420,173
	<hr/>		
Total Liabilities	70,159	350,014	420,173
	<hr/> <hr/>		
NET POSITION			
Net Investment in Capital Assets	92,380	-	92,380
Unrestricted Net Position	158,358	366,672	525,030
	<hr/>		
Total Net Position	\$ 250,738	\$ 366,672	\$ 617,410
	<hr/> <hr/>		

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 256,905	\$ -	\$ 256,905
Daily Sales - Nonreimbursable Programs	117,871	-	117,871
Special Function	33,596	-	33,596
Program Fees	-	986,957	986,957
Total Operating Revenue	408,372	986,957	1,395,329
Operating Expenses:			
Salaries & Employee Benefits	295,798	796,262	1,092,060
Supplies and Materials	97,282	47,467	144,749
Other Purchased Services	93,559	147,698	241,257
Depreciation	20,200	-	20,200
Miscellaneous Expense	3,972	27,325	31,297
Cost of Sales	281,813	-	281,813
Total Operating Expenses	792,625	1,018,752	1,811,377
Operating (Loss)/Gain	(384,253)	(31,795)	(416,048)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,279	-	7,279
Adult Basic Skill Program	-	57,720	57,720
Federal Sources:			
National School Lunch Program	233,178	-	233,178
National School Breakfast Program	67,232	-	67,232
Healthy Hunger-Free Kids Act	9,356	-	9,356
Food Distribution Program	59,820	-	59,820
Total Nonoperating Revenues	376,865	57,720	434,585
Net Income/(Loss)	(7,388)	25,925	18,537
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Transfer to General Fund	-	(10,865)	(10,865)
Total Other Financing Sources/(Uses)	-	(10,865)	(10,865)
Change in Net Position	(7,388)	15,060	7,672
Total Net Position - Beginning	258,126	351,612	609,738
Total Net Position - Ending	\$ 250,738	\$ 366,672	\$ 617,410

**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	FOOD SERVICE	COMMUNITY	TOTAL
	FUND	DISTRICT ALLIANCE	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 432,116	\$ 988,259	\$ 1,420,375
Payments to Employees	(295,798)	(704,074)	(999,872)
Payments for Employee Benefits	-	(92,188)	(92,188)
Payments to Suppliers	(482,897)	(223,426)	(706,323)
Net Cash Provided/(Used) by Operating Activities	(346,580)	(31,429)	(378,009)
Cash Flows From Investing Activities:			
Purchase of Equipment	-	(10,865)	(10,865)
Net Cash Provided by Investing Activities	-	(10,865)	(10,865)
Cash Flows From Noncapital Financing Activities:			
State Sources	7,647	57,720	65,367
Federal Sources	375,001	-	375,001
Net Cash Provided by Noncapital Financing Activities	382,648	57,720	440,368
Net Increase/(Decrease) in Cash & Cash Equivalents	36,068	15,426	51,494
Cash and Cash Equivalents, July 1	154,650	699,903	854,553
Cash & Cash Equivalents, June 30	\$ 190,718	\$ 715,329	\$ 906,047
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (384,253)	\$ (31,795)	\$ (416,048)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	20,200	-	20,200
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(6,810)	-	(6,810)
(Increase)/Decrease in Accounts Receivable, Net	-	8,265	8,265
(Increase)/Decrease in Accounts Payable	539	(936)	(397)
Increase/(Decrease) in Interfund Payable	-	-	-
Increase/(Decrease) in Deferred Revenue	23,744	(6,963)	16,781
Total Adjustments	37,673	366	38,039
Net Cash Provided/(Used) by Operating Activities	\$ (346,580)	\$ (31,429)	\$ (378,009)

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Fiduciary Fund

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	TRUST FUNDS		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL FUND	
ASSETS					
Cash & Cash Equivalents	\$ 32,518	\$ 140,233	\$ 147,303	\$ 72,057	\$ 320,054
Total Assets	<u>\$ 32,518</u>	<u>\$ 140,233</u>	<u>\$ 147,303</u>	<u>\$ 72,057</u>	<u>\$ 320,054</u>
LIABILITIES					
Payroll Deductions & Withholdings	\$ -	\$ -	\$ -	\$ 72,005	\$ 72,005
Due to Student Groups	-	-	147,303	-	147,303
Interfund Payable	-	-	-	52	52
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 147,303</u>	<u>\$ 72,057</u>	<u>219,360</u>
NET POSITION					
Held in Trust for Unemployment Claims & Other Purposes	32,518	-			32,518
Reserved for Scholarships	<u>-</u>	<u>140,233</u>			<u>140,233</u>
Total Net Position	<u>\$ 32,518</u>	<u>\$ 140,233</u>			<u>\$ 172,751</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	UNEMPLOYMENT COMPENSATION INSURANCE		SCHOLARSHIPS	TOTAL
	TRUST FUND			
ADDITIONS:				
Local Sources:				
Contributions	\$ 31,836		\$ -	\$ 31,836
Total Contributions	31,836		-	31,836
Investment Earnings:				
Interest on Investments	-		1,128	1,128
Total Investment Earnings	-		1,128	1,128
Total Additions	31,836		1,128	32,964
DEDUCTIONS:				
Unemployment Claims	7,000		-	7,000
Scholarship Payments	-		800	800
Total Deductions	7,000		800	7,800
Change in Net Position	24,836		328	25,164
Net Position - Beginning of Year	7,682		139,905	147,587
Net Position - End of Year	\$ 32,518		\$ 140,233	\$ 172,751

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

BORDENTOWN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Bordentown Regional School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its five schools. The District has an approximate enrollment at June 30, 2016 of 2,558 students.

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

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

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

Government-Wide Financial Statements

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

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

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

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

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

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

The District reports the following major proprietary funds:

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

Community District Alliance (C.D.A.) – This fund accounts for the revenues and expenses pertaining to the District’s before-and-after school and summer programs; adult education under a grant; as well as operation of the performing arts center.

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not have a significant impact on the District's financial statements

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of October 6, 2016, which is the date the financial statements were available to be issued.

Pensions Section

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$5,270,123 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	259,242
Collateralized by securities held by		
Pledging financial institution		4,791,722
Uninsured and uncollateralized		219,159
 Total	 \$	 5,270,123

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments (continued):

Investments

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

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

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

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

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

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

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Bordentown Regional Board of Education by inclusion of \$10,000 on June 30, 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued):

proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	713,094
Deposits approved by resolution June 8, 2016		412,903
Interest Earnings		-
Withdrawals for Capital Expenditures		<u>(710,239)</u>
Ending Balance, June 30, 2016	\$	<u>415,758</u>

The June 30, 2016 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve Account

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the maintenance reserve for the June 30, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	129,125
Transferred from General Fund		<u>171,428</u>
Ending Balance, June 30, 2016	\$	<u>300,553</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 366,685	\$ 20,406	\$ 25,538	\$ 19,911	\$ 432,540
Other	104,135	-	-	-	104,135
Total	\$ 470,820	\$ 20,406	\$ 25,538	\$ 19,911	\$ 536,675

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,779,651	\$ -	\$ -	\$ 1,779,651
Construction in Progress	-	61,844	-	61,844
Total capital assets not being depreciated	1,779,651	61,844	-	1,841,495
Capital Assets being depreciated:				
Buildings	57,601,275	-	-	57,601,275
Land Improvements	7,435,321	-	(1,495)	7,433,826
Machinery & Equipment	7,804,413	187,140	(338,400)	7,653,153
Total capital assets being depreciated	72,841,009	187,140	(339,895)	72,688,254
Less: accumulated depreciation:				
Buildings	(17,758,164)	(306,163)	-	(18,064,327)
Site Improvements	(3,398,545)	(1,107,053)	1,495	(4,504,103)
Machinery & Equipment	(4,323,506)	(507,485)	338,400	(4,492,591)
Total accumulated depreciation	(25,480,215)	(1,920,701)	339,895	(27,061,021)
Total capital assets being depreciated, net	47,360,794	(1,733,561)	-	45,627,233
Total Governmental Activities capital assets, net	\$ 49,140,445	\$ (1,671,717)	\$ -	\$ 47,468,728

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 5. Capital Assets (continued):

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 488,137	\$ -	\$ -	\$ 488,137
Total capital assets being depreciated	488,137	-	-	488,137
Less: accumulated depreciation:				
Machinery & Equipment	(375,557)	(20,199)	-	(395,757)
Total accumulated depreciation	(375,557)	(20,199)	-	(395,757)
Total capital assets being depreciated, net	112,580	(20,199)	-	92,380
Total Business-type activities capital assets, net	\$ 112,580	\$ (20,199)	\$ -	\$ 92,380

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

Governmental Activities:	
Pupil Transportation	\$ 212,209
Unallocated	<u>1,708,492</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,920,701</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 69	\$ -
Capital Projects Fund	-	17
Fiduciary Funds	<u>-</u>	<u>52</u>
	<u>\$ 69</u>	<u>\$ 69</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 6. Interfund Receivables, Payables and Transfers (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Capital Projects Fund	\$ -	\$ 117,685
Debt Service Fund	<u>117,685</u>	<u>-</u>
	<u>\$ 117,685</u>	<u>\$ 117,685</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2016 the following changes occurred in long-term obligations:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 1,894,241	\$ 145,112	\$ -	\$ 2,039,353	\$ 99,616
Capital Leases	559,538	-	(89,163)	470,375	91,525
Deferred PERS Pension Obligation	108,631	-	(9,131)	99,500	-
General Obligation Bonds	39,544,000	-	(1,880,000)	37,664,000	1,960,000
Net Pension Liability	11,997,681	3,155,252	(558,933)	14,594,000	575,000
Unamortized Bond Premiums	<u>60,512</u>	<u>-</u>	<u>(3,686)</u>	<u>56,826</u>	<u>-</u>
Total	<u>\$ 54,164,603</u>	<u>\$ 3,300,364</u>	<u>\$ (2,540,913)</u>	<u>\$ 54,924,054</u>	<u>\$ 2,726,141</u>

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

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2010 School Bonds	1.50%-3.50%	3/1/2025	\$ 8,499,000	\$ 6,049,000
2006 Refunding Bonds	4.00%-5.00%	1/15/2033	36,650,000	<u>31,615,000</u>
Total				<u>\$ 37,664,000</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 7. Long-Term Obligations (continued):

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

Year-ending June 30,	Principal	Interest	Total
2017	\$ 1,960,000	\$ 1,543,415	\$ 3,503,415
2018	2,050,000	1,456,415	3,506,415
2019	2,125,000	1,380,165	3,505,165
2020	2,185,000	1,297,353	3,482,353
2021	2,285,000	1,210,740	3,495,740
2022-2026	11,729,000	4,642,592	16,371,592
2027-2031	10,595,000	2,386,693	12,981,693
2032-2033	4,735,000	301,537	5,036,537
Total	<u>\$ 37,664,000</u>	<u>\$ 14,218,910</u>	<u>\$ 51,882,910</u>

Bonds Authorized But Not Issued:

As of June 30, 2016, the District had no authorized but not issued bonds.

B. Deferred PERS Pension Obligation

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district began repaying the deferred amount in April 2012, over 15 years. The total payment for the April 2016 bill amounted to \$21,074 with \$9,131 attributed to principal. The amount to be paid will fluctuate based on pension system investment earnings. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.

C. Capital Leases

The District approved a lease purchase agreement in 2014-15 year in the amount of \$38,731 at a 4.00% interest rate maturing March 2, 2018 to finance the acquisition of a tractor. The District also approved a lease purchase agreement in 2014-15 year in the amount of \$525,000 at a 1.67 interest rate maturing October 1, 2021 to finance the acquisition of a six 54 passenger school buses. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 7. Long-Term Obligations (continued):

Year-ending June 30,	Amount
2017	\$ 99,347
2018	94,789
2019	85,670
2020	85,670
2021	85,670
2022	<u>42,836</u>
Minimum Lease Payments	493,982
Less: Interest	<u>(23,607)</u>
Present Value of Minimum Lease Payments	<u>\$ 470,375</u>

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

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

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

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 530,528	100%	\$ 14,594,000
6/30/2015	494,763	100%	11,997,681
6/30/2014	477,079	100%	12,306,906

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$14,594,000 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.065% percent, which was an increase of 0.01114% from its proportion measured as of June 30, 2014.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

Collective Balances at June 30, 2016 and June 30, 2015		
	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	2,063,431	377,272
Defferred Inflows of Resources	291,394	765,502
Net Pension Liability	14,594,000	11,997,681
District's portion of the Plan's total net pension Liability	0.06501%	0.05387%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$979,455. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	1,567,279	
Net difference between projected and actual earnings or pension plan investments	348,162	234,643
Changes in proportion and differences between District contributions and proportionate share of contributions	147,990	41,221
Total	\$ 2,063,431	\$ 275,864

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

Year Ended June 30:	
2017	329,173
2018	329,173
2019	329,173
2020	507,922
2021	292,111
Thereafter	-

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

	<u>PERS</u>
Measurement date	June 30, 2015
Acturial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 18,137,863	\$ 14,594,000	\$ 11,621,825

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 2,670,336	100%	-
6/30/2015	2,058,755	100%	-
6/30/2014	1,660,471	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Defined Contribution Retirement Plan (DCRP) - The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

Defined Contribution Retirement Plan (DCRP) (continued):

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$31,226, and the District recognized pension expense of \$17,031.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Non-vested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 10. Risk Management

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 10. Risk Management (continued):

State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2015-2016	\$ 2	\$ 31,834	\$ 7,000	\$ 32,518
2014-2015	22,313	40,835	57,824	7,682
2013-2014	6	40,354	68,218	2,358

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

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

Note 11. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 12. Economic Dependency

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

Note 13. Deferred Compensation

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 13. Deferred Compensation (continued):

Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Laurel Financial Group Inc.
The Franklin Life Insurance Company
Siracusa Benefits Programs
UBS Financial Services, Inc.
Lincoln Investment Planning
Equitable
Retirement Annuity Contributions Inc.
Thomas Seeley Agency
Valic Investments

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$2,039,353.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2016.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 16. Fund Balance

General Fund – Of the \$2,790,448 General Fund fund balance at June 30, 2016, \$415,758 has been reserved in the Capital Reserve Account; \$300,553 has been reserved in the Maintenance Reserve Account; \$1,375,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$600,437 has been reserved for encumbrances; and \$98,700 is unassigned.

Capital Projects Fund – Of the \$1,074,832 Capital Projects Fund fund balance at June 30, 2016, \$1,074,832 is restricted for capital projects.

Note 17. Deficit in Net Position

The District has a deficit in unrestricted net position of \$13,209,537 as reported in the statement of net position (accrual basis). The deficits resulted, in part, from recording the June 2016 state aid payments in accordance with N.J.S.A. 18A:22-44.2 which provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payments as revenue, for budget purposes only, in the current school budget year.

Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP government-wide financial statements until the year the State records the payable.

Also contributing to the deficit in net position is the amount of compensated absences, \$2,039,353 recorded on the accrual basis. While reflected as a liability, the obligation will not be funded until a future date coincident with termination of services.

The largest contributor to the deficit in net position is the net pension liability and related balances recorded in accordance with GASB 68 amounting to \$12,806,433. Due to the resulting timing differences, the deficit does not alone indicate that the district is facing financial difficulties.

Note 18. Subsequent Events

On September 7, 2016 the District adopted a refunding bond ordinance authorizing the issuance of up to \$31,100,000 to refund all or a portion of the outstanding callable principal amount of the originally issued \$36,650,000 School Refunding Bonds dated November 28, 2006.

Note 19. Prior Period Adjustment

It was determined that a prior period adjustment was needed to include \$340,140 of Extraordinary Aid in both the GAAP based financial statements and the government wide financial statements as of July 1, 2015. This amount was received in September of 2015 and was recognized in budgetary fund balance.

	Fund Balance	Net Position
Balance July 1, 2015, as previously state	\$1,928,387	\$(2,427,438)
Prior Period Adjustment	<u>340,140</u>	<u>340,140</u>
Balance July 1, 2015, restated	<u>\$2,268,527</u>	<u>\$(2,087,298)</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Tax Levy	\$ 27,203,066	\$ -	\$ 27,203,066	\$ -
Other Local Governmental Units	128,700	-	128,700	24,768
Tuition From Individuals	70,000	-	70,000	14,206
Tuition From Other LEAs Within the State	954,189	-	954,189	9,480
Transportation Fees from Other LEAs	87,181	-	87,181	26,323
Rents and Royalties	10,000	-	10,000	(6,713)
Unrestricted Miscellaneous Revenues	415,506	-	415,506	47,641
Advertising Fees - School Buses	5,000	-	5,000	(4,025)
Other Restricted Miscellaneous Revenues	20,000	-	20,000	(362)
Total Local Sources	28,893,642	-	28,893,642	111,318
Federal Sources:				
Medicaid Reimbursement (SEMI)	36,872	-	36,872	58,566
Total Federal Sources	36,872	-	36,872	58,566
State Sources:				
Equalization Aid	6,172,180	-	6,172,180	-
Categorical Special Education Aid	1,445,511	-	1,445,511	-
Categorical Security Aid	62,729	-	62,729	-
Categorical Transportation Aid	178,363	-	178,363	-
Extraordinary Aid	340,161	-	340,161	(23,480)
Non-Public Transportation Aid	-	-	-	18,086
PARCC Readiness Aid	25,530	-	25,530	-
Under Adequacy Aid	33,986	-	33,986	-
Per Pupil Growth Aid	25,530	-	25,530	-
Other State Aids	-	-	-	31,918
Nonbudgeted:				
On-Behalf TPAF Pension Contribution	-	-	-	1,218,928
On-Behalf Post Retirement Medical Contribution	-	-	-	1,451,408
Reimbursed TPAF Social Security Contribution	-	-	-	1,133,770
Total State Sources	8,283,990	-	8,283,990	3,830,630
Total Revenues	37,214,504	-	37,214,504	4,000,514

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Expenditures:				
Current Expense:				
Instruction - Regular Programs:				
Salaries of Teachers:				
Preschool	57,915	336	58,251	56,775
Kindergarten	523,056	42,029	565,085	546,309
Grades 1 - 5	3,816,007	(125,665)	3,690,342	3,493,408
Grades 6 - 8	2,124,254	-	2,124,254	2,053,219
Grades 9 - 12	3,161,058	54,300	3,215,358	3,101,215
Home Instruction:				
Salaries of Teachers	51,000	-	51,000	28,047
Other Salaries of Instruction	25,363	(25,363)	-	-
Regular Programs - Undistributed Instruction:				
Other Salaries for Instruction	-	25,363	25,363	25,363
Purchased Technical Services	159,200	4,800	164,000	155,065
Other Purchased Services	48,822	524	49,346	40,351
General Supplies	555,382	(9,748)	545,634	488,541
Textbooks	9,406	(1,168)	8,238	2,309
Total Regular Programs	10,531,463	(34,592)	10,496,871	9,965,239
Special Education:				
Learning and/or Language Disabilities:				
Salaries of Teachers	453,940	119,112	573,052	556,652
Other Salaries for Instruction	244,462	80	244,542	233,241
Supplies and Materials	15,788	2,217	18,005	10,928
Textbooks	250	(250)	-	-
Total Behavioral Disabilities	714,440	121,159	835,599	800,821
Multiple Disabilities:				
Salaries of Teachers	210,508	(72,000)	138,508	132,142
Other Salaries for Instruction	26,486	2,370	28,856	27,992
General Supplies	10,904	-	10,904	10,455
Total Multiple Disabilities	247,898	(69,630)	178,268	170,589
Resource Room:				
Salaries of Teachers	841,280	(13,578)	827,702	806,402
Other Salaries for Instruction	204,196	(37,822)	166,374	153,791
General Supplies	5,400	-	5,400	4,944
Textbooks	1,200	-	1,200	589
Total Resource Room	1,052,076	(51,400)	1,000,676	965,726
				34,950

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Autism:				
Salaries of Teachers	178,878	(80,289)	98,589	95,463
Other Salaries for Instruction	26,984	670	27,654	26,454
General Supplies	2,750	-	2,750	1,689
Total Autism	208,612	(79,619)	128,993	123,606
Preschool Disabilities - Part-time:				
Salaries of Teachers	105,690	66,000	171,690	166,508
Other Salaries for Instruction	22,165	-	22,165	10,977
General Supplies	3,750	-	3,750	3,667
Total Preschool Disabilities - Part-time	131,605	66,000	197,605	181,152
Total Special Education	2,354,631	(13,490)	2,341,141	2,241,894
Basic Skills/Remedial:				
Salaries of Teachers	620,156	46,829	666,985	648,685
General Supplies	10,877	(250)	10,627	8,999
Textbooks	300	-	300	-
Total Basic Skills/Remedial	631,333	46,579	677,912	657,684
Bilingual Education - Instruction:				
Salaries of Teachers	202,478	1,564	204,042	198,642
Other Purchased Services	500	673	1,173	1,168
General Supplies	1,450	(495)	955	928
Total Basic Skills/Remedial	204,428	1,742	206,170	200,738
School Sponsored Cocurricular Activities:				
Salaries	152,944	7,817	160,761	156,039
Supplies and Materials	21,664	56	21,720	18,385
Total School Sponsored Cocurricular Activities	174,608	7,873	182,481	174,424
School Sponsored Athletics - Instruction:				
Salaries	428,360	9,148	437,508	427,734
Other Purchased Services	139,122	(28,141)	110,981	110,681
Supplies and Materials	78,640	18,691	97,331	96,750
Total School Sponsored Athletics Instruction	646,122	(302)	645,820	635,165
Total Instruction	14,542,585	7,810	14,550,395	13,875,144
				675,251

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Undistributed Expenditures:				
Instruction :				
Tuition to Other LEAs Within the State - Regular	37,800	4,094	41,894	15,389
Tuition to County Vocational School District - Special	19,860	(7,124)	12,736	12,736
Tuition to County Vocational School District - Regular	63,834	6,530	70,364	70,364
Tuition to CSSD & Regional Day School	370,265	(77,252)	293,013	293,013
Tuition to Private School for the Handicapped - State	1,505,919	(190,584)	1,315,335	1,287,625
Tuition - State Facilities	32,306	4,444	36,750	32,306
Tuition - Other	230,680	(100,000)	130,680	97,450
Total Undistributed Expenditures - Instruction	2,260,664	(359,892)	1,900,772	1,808,883
Attendance & Social Work Services:	1,020	-	1,020	1,020
Salaries	1,020	-	1,020	1,020
Total Attendance & Social Work Services	1,020	-	1,020	1,020
Health Services:				
Salaries	361,712	-	361,712	348,531
Purchased Professional & Technical Services	26,000	5,925	31,925	31,920
Other Purchased Services	5,700	(1,525)	4,175	3,290
Supplies and Materials	7,250	-	7,250	6,933
Total Health Services	400,662	4,400	405,062	390,674
Other Support Services - Students - Related Services:				
Salaries	479,012	12,006	491,018	477,118
Purchased Professional - Educational Services	39,200	1,094	40,294	40,294
Supplies and Materials	3,322	-	3,322	3,309
Total Other Support Services-Students-Related Services	521,534	13,100	534,634	520,721
Other Support Services - Students - Extra Services:				
Salaries	447,072	(90,505)	356,567	342,431
Total Other Support Services - Students - Extra Services	447,072	(90,505)	356,567	342,431

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Students - Regular:				
Salaries of Other Professional Staff	643,905	-	643,905	35,724
Salaries of Secretarial & Clerical Assistants	68,366	-	68,366	2,340
Other Purchased Services	850	-	850	135
Supplies and Materials	6,425	(300)	6,125	597
Other Objects	300	2,955	3,255	-
Total Other Support Services - Students - Regular	719,846	2,655	722,501	38,796
Other Support Services - Students - Special Services:				
Salaries of Other Professional Staff	1,230,340	(2,696)	1,227,644	51,946
Salaries of Secretarial & Clerical Assistants	157,862	-	157,862	6,743
Unused Vacation Payment to Terminated/Retired Staff	-	2,696	2,696	-
Purchased Professional - Educational Services	16,875	(5,600)	11,275	810
Other Purchased Professional & Technical Services	1,319,171	344,805	1,663,976	3,019
Miscellaneous Purchased Services	4,000	-	4,000	2,246
Supplies and Materials	35,000	2,418	37,418	2,541
Total Other Support Services-Students-Special Services	2,763,248	341,623	3,104,871	67,305
Improvement of Instruction Services/Other Support Services - Instruction Staff:				
Salaries of Supervisor of Instruction	215,423	-	215,423	-
Salaries of Secretarial & Clerical Assistants	53,890	304	54,194	210
Other Purchased Services	35,000	825	35,825	5,518
Supplies and Materials	3,000	-	3,000	3,000
Total Improvement of Instruction Services/Other Support Services Instructional Staff	307,313	1,129	308,442	8,728
Educational Media Services/School Library:				
Salaries	261,875	408	262,283	6,700
Other Purchased Services	1,220	-	1,220	163
Supplies and Materials	20,189	(1,000)	19,189	1,111
Total Educational Media Services/School Library	283,284	(592)	282,692	7,974

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Support Services General Administration:				
Salaries	230,518	-	230,518	211,713
Legal Services	58,300	(1,600)	56,700	21,619
Audit Services	34,000	2,240	36,240	36,240
Communications/Telephone	104,229	10,000	114,229	89,033
BOE Other Purchased Services	2,500	-	2,500	1,766
Other Purchased Services	124,249	18,675	142,924	108,006
General Supplies	5,600	-	5,600	3,764
Miscellaneous Expenditures	10,000	7,760	17,760	7,134
BOE Membership Dues & Fees	20,000	5,000	25,000	17,158
Total Support Services General Administration	589,396	42,075	631,471	496,433
Support Services School Administration:				
Salaries of Principals & Assistant Principals	1,002,946	(4,973)	997,973	981,627
Salaries of Secretarial & Clerical Assistants	417,189	7,772	424,961	400,936
Unused Vacation Payment to Terminated/Retired Staff	-	12,400	12,400	12,400
Other Purchased Services	106,165	-	106,165	83,473
Supplies and Materials	13,075	(500)	12,575	8,501
Total Support Services School Administration	1,539,375	14,699	1,554,074	1,486,937
Central Services:				
Salaries	337,097	-	337,097	331,263
Purchased Technical Services	5,800	5,000	10,800	6,076
Miscellaneous Purchased Services	19,000	(9,000)	10,000	3,111
Sale/Lease-Back Payments	-	14,000	14,000	13,676
Supplies & Materials	20,500	5,000	25,500	18,285
Total Central Services	382,397	15,000	397,397	372,411
Administrative Information Technology:				
Salaries	236,835	(8,984)	227,851	204,425
Unused Vacation Payment to Terminated/Retired Staff	-	8,984	8,984	8,984
Purchased Technical Services	72,870	4,970	77,840	77,403
Other Purchased Services	3,000	-	3,000	1,155
Total Administrative Information Technology	312,705	4,970	317,675	291,967
Allowance Maintenance for School Facilities:				
Salaries	300,341	-	300,341	282,766
Maintenance Services	347,080	13,689	360,769	337,505
General Supplies	97,600	3,670	101,270	96,320

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Total Allowance Maintenance for School Facilities	745,021	17,359	762,380	45,789
Other Operation & Maintenance of Plant Services:				
Salaries	1,617,892	(1,383)	1,616,509	154,563
Salaries of Non-Instructional Aids	162,096	-	162,096	5,880
Unused Vacation Payment to Terminated/Retired Staff	-	1,383	1,383	-
Purchased Professional & Technical Services	115,000	(10,000)	105,000	13,378
Cleaning, Repair & Maintenance Services	30,000	-	30,000	1,620
Other Purchased Property Services	80,000	-	80,000	4,605
Insurance	109,627	5,760	115,387	-
Miscellaneous Purchased Services	19,200	438	19,638	-
General Supplies	136,160	(14,483)	121,677	7,177
Energy (Natural Gas)	215,000	(43,454)	171,546	34,356
Energy (Electricity)	700,000	40,453	740,453	-
Total Other Operation&Maintenance of Plant Services	3,184,975	(21,286)	3,163,689	221,579
Security				
Salaries	123,623	(6,598)	117,025	62,174
Unused Vacation Payment to Terminated/Retired Staff	-	6,598	6,598	-
Total Security	123,623	-	123,623	62,174
Student Transportation Services:				
Salaries of Non-Instructional Aides	149,833	14,996	164,829	4,100
Salaries for Pupil Transportation (Between Home & School)-Reg	572,328	13,567	585,895	14,200
Salaries for Pupil Transportation (Between Home & School)-Sp.	273,772	38,217	311,989	8,982
Salaries for Pupil Transportation (Other Than Between Home & School)	42,130	6,775	48,905	2,400
Cleaning, Repair&Maintenance	45,000	(700)	44,300	2,087
Lease Purchase Payments - School Buses	85,670	1	85,671	1
Aid in Lieu of Payments	88,400	(21,374)	67,026	314
Contracted Services (Other Than Between School) - Vendors	125,000	(125,000)	-	-
Contracted Services (Special Education) - Vendors	-	72,818	72,818	2,935
Contracted Services (Special Education) - Joint Agreements	15,000	-	15,000	1,714

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Miscellaneous Purchased				
Services - Transportation	36,633	(127)	36,506	-
Supplies and Materials	80,000	-	80,000	7,465
Transportation Supplies	378,800	4,500	383,300	137,149
Fuel Costs Funded by Advertising Revenue	5,000	(4,500)	500	12
Total Student Transportation Services	1,897,566	(827)	1,896,739	181,359
Allocated Benefits:				
Unused Sick Payment to Terminated/Retired Staff	22,686	(22,686)	-	-
Total Regular Programs - Instructional	22,686	(22,686)	-	-
Special Programs - Instructional:				
Unused Sick Payment to Terminated/Retired Staff	9,713	(9,713)	-	-
Total Special Programs	9,713	(9,713)	-	-
Operation & Maintenance of Plant Services:				
Unused Sick Payment to Terminated/Retired Staff	2,560	(2,560)	-	-
Total Operation & Maintenance of Plant Services	2,560	(2,560)	-	-
Student Transportation Services:				
Social Security Contributions	85,000	-	85,000	123
Workmen's Compensation	105,000	-	105,000	-
Health Benefits	400,000	-	400,000	-
Unused Sick Payment to Terminated/Retired Staff	5,040	-	5,040	-
Total Student Transportation Services	595,040	-	595,040	123
Total Allocated Benefits	629,999	(34,959)	595,040	123
Unallocated Benefits - Employee Benefits:				
Social Security	450,000	35,737	485,737	443,737
Other Retirement Contributions - PERS	628,139	20,603	648,742	580,007
Other Retirement Contributions - ERIP	25,000	800	25,800	22,992
Other Retirement Contributions - Deferred PERS Pymt	21,403	(21,403)	-	-
Unemployment Compensation	50,000	-	50,000	5,000
Worker's Compensation	245,618	(4,337)	241,281	241,281
Health Benefits	5,020,696	(41,791)	4,978,905	4,618,997
Tuition Reimbursement	50,000	-	50,000	359,908
Unused Sick Payment to Terminated/Retired Staff	15,881	35,409	51,290	7,702
Total Unallocated Benefits - Employee Benefits	6,506,737	25,018	6,531,755	526,153

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:				
On-Behalf TPAF Pension Contribution	-	-	-	(1,218,928)
On-Behalf Post Retirement Medical Contribution	-	-	-	(1,451,408)
Reimbursed TPAF Social Security Contribution	-	-	-	(1,133,770)
Total Undistributed Expenditures	23,616,437	(26,033)	23,590,404	(2,255,911)
Total Expenditures - Current Expense	38,159,022	(18,223)	38,140,799	(1,580,660)
Capital Outlay:				
Equipment:				
Regular Programs - Instruction: Grades 9 - 12 School Admin	-	32,479	32,479	32,214
Administrative Information Technology	50,000	31,000	81,000	80,910
Required Maintenance - School Facilities Security	-	7,400	7,400	7,365
	29,000	-	29,000	29,000
Total Equipment	79,000	70,879	149,879	120,489
Facilities Acquisition & Construction Services: Construction Services Assessment for Debt Service on SDA Funding	150,000 117,685	(39,000) -	111,000 117,685	10,104 117,685
Total Facilities Acquisition & Construction Services	267,685	(39,000)	228,685	127,789
Total Capital Outlay	346,685	31,879	378,564	248,278
Transfer of Funds to Charter Schools	8,797	17,593	26,390	26,390
Total Expenditures	38,514,504	31,249	38,545,753	39,996,127
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,300,000)	(31,249)	(1,331,249)	2,550,140
Other Financing Sources/(Uses): Transfer from Capital Reserve to Capital Projects Fund Cancellation of Prior Year Accounts Receivable	- -	- -	(710,239) -	(710,239) 20
Total Other Financing Sources/(Uses)	-	-	(710,239)	(710,219)
				20

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses) Fund Balances, July 1	(1,300,000) 2,939,207	(31,249) -	(2,041,488) 2,939,207	2,550,160 -
Fund Balances, June 30	\$ 1,639,207	\$ (31,249)	\$ 897,719	\$ 2,550,160

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 31,249
Total	\$ 31,249

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Maintenance Reserve	\$ 300,553
Capital Reserve	415,758
Assigned to:	
Year-End Encumbrances	600,437
Designated for Subsequent Year's Expenditures	1,375,000
Unassigned Fund Balance	756,131
Subtotal	3,447,879
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(657,431)
Fund Balance Per Governmental Funds (GAAP)	\$ 2,790,448

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	BUDGET		FINAL BUDGET	ACTUAL	
	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS			
Revenues:					
Federal Sources	852,536	176,126	1,028,662	947,347	(81,315)
Local Sources	-	80,442	80,442	58,272	(22,170)
Total Revenues	852,536	256,568	1,109,104	1,005,619	(103,485)
Expenditures:					
Instruction:					
Salaries of Teachers	245,973	14,609	260,582	244,582	16,000
Tuition to Private Schools for the Handicapped	566,536	11,526	578,062	578,062	-
Supplies & Materials	4,415	88,160	92,575	65,310	27,265
Other Objects	-	9,750	9,750	9,741	9
Total Instruction	816,924	124,045	940,969	897,695	43,274
Support Services:					
Salaries	-	3,586	3,586	3,586	-
Other Salaries	-	10,315	10,315	1,128	9,187
Personal Services - Employee Benefits	35,612	17,669	53,281	52,261	1,020
Purchased Professional and Technical Services	-	29,592	29,592	28,527	1,065
Purchased Professional - Educational Services	-	40,723	40,723	15,357	25,366
Purchased Property Services	-	5,534	5,534	4,908	626
Other Purchased Services	-	9,537	9,537	846	8,691
Supplies & Materials	-	15,567	15,567	1,311	14,256
Total Support Services	35,612	132,523	168,135	107,924	60,211
Total Expenditures	852,536	256,568	1,109,104	1,005,619	103,485
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 41,215,018	\$ 1,005,619
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		2,050
Current Year		(675)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	670,680	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(657,431)	-
	\$ 41,228,267	\$ 1,006,994
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,996,127	\$ 1,005,619
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	1,375
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 39,996,127	\$ 1,006,994

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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Bordentown Regional School District
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employers Retirement System
Last 10 Fiscal Years*
For Fiscal Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Measurement date June 30, 2015	Measurement date June 30, 2014	Measurement date June 30, 2013
Proportion of the net pension liability	0.065%	0.064%	0.064%
Proportionate share of the net pension liability	\$ 14,594,000	\$ 11,997,681	\$ 12,306,906
Covered-employee payroll	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347
Proportionate share of the net pension liability as a percentage of covered-employee payroll	336.25%	267.60%	273.47%
Plan fiduciary net position	\$ 13,188,606	\$ 13,043,540	\$ 11,695,239
Plan fiduciary net position as a percentage of the total pension liability	38.21%	52.08%	48.72%

* Fiscal year 2015 was the first year of implementation. Only the last three years information was provided by the state and is shown above.

**Bordentown Regional School District
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
Public Employment Retirement System**

Last 10 Fiscal Years

(Dollar amounts in thousands)

For Fiscal Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 558,933	\$ 528,273	\$ 485,193	\$ 521,887	\$ 533,594	\$ 522,115	\$ 396,808	\$ 308,739	\$ 201,146	\$ 122,569
Contributions in relation to the contractually required contribution	558,933	528,273	485,193	521,887	533,594	522,115	396,808	308,739	201,146	122,569
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

District's covered employee payroll	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347	\$ 4,522,419	\$ 4,423,201	\$ 4,604,516	\$ 4,674,141	\$ 4,619,030	\$ 4,229,053	\$ 3,585,232
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Contributions as a percentage of covered-employee payroll	12.88%	11.78%	10.78%	11.54%	12.06%	11.34%	8.49%	6.68%	4.76%	3.42%
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(1) Includes Group Life insurance Premiums

Bordentown Regional School District
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teacher's Pension Plan
Last 10 Fiscal Years*
For Fiscal Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Measurement date	Measurement date	Measurement date
	June 30, 2015	June 30, 2014	June 30, 2013
District's proportion of the net pension liability	0.147%	0.149%	0.151%
State's proportionate share of the net pension liability	\$ 93,017,621	\$ 79,474,589	\$ 76,204,693
District's covered-employee payroll	\$ 13,861,434	\$ 15,920,799	\$ 15,220,543
District's proportionate share of the net pension liability as a percentage of its covered payroll	671.05%	499.19%	500.67%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

* Fiscal year 2015 was the first year of implementation. Only the last three years information was provided by the state and is shown above.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	Title I, Part A - Improving Basic Programs Operated by LEA's				I.D.E.A., Part B		Burlington County Municipal Alliance (BRAD)		Totals
	2015-2016	2014-2015 Carryover	Basic 2015-2016	Basic 2014-2015 Carryover	Basic 2014-2015 Carryover	Preschool 2015-2016	2015-2016	2016	
REVENUES									
Local Sources	\$ 46,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,825	\$ 58,272
Federal Sources	75,633	232,927	34,683	567,586	10,476	26,042	-	-	947,347
Total Revenues	122,080	232,927	34,683	567,586	10,476	26,042	11,825	1,005,619	
EXPENDITURES:									
Instruction:									
Salaries of Teachers	35,482	184,534	24,566	-	-	-	-	-	244,582
Tuition for Private Schools for the Handicapped	-	-	-	567,586	10,476	-	-	-	578,062
General Supplies	63,668	-	1,642	-	-	-	-	-	65,310
Other Objects	-	4,747	4,994	-	-	-	-	-	9,741
Total instruction	99,150	189,281	31,202	567,586	10,476	-	-	-	897,695
Support services:									
Salaries	-	-	-	-	-	-	-	3,586	3,586
Other Salaries	1,128	-	-	-	-	-	-	-	1,128
Personal Services - Employee Benefits	8,417	43,646	198	-	-	-	-	-	52,261
Purchased Professional and Technical Services	-	-	-	-	-	26,042	-	2,485	28,527
Purchased Professional - Educational Services	12,074	-	3,283	-	-	-	-	-	15,357
Purchased Property Services	-	-	-	-	-	-	-	4,908	4,908
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	846	846
Supplies & Materials	1,311	-	-	-	-	-	-	-	1,311
Total support services	22,930	43,646	3,481	-	-	26,042	11,825	107,924	
Total Expenditures	122,080	232,927	34,683	567,586	10,476	26,042	11,825	1,005,619	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bordentown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	Title II, Part A		Title III, Part A		Teacher Quality Mentoring Program Carryover	Total Carried Forward
	Teacher & Principal Training & Recruiting		English Language Acquisition			
	2015-2016	2014-2015 Carryover	2015-2016	2014-2015 Carryover		
REVENUES						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 1,128	\$ 46,447
Federal Sources	12,984	11,063	-	19,145	-	75,633
Total Revenues	58,303	11,063	-	19,145	1,128	122,080
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	25,397	-	10,085	-	35,482
General Supplies	57,316	-	-	6,352	-	63,668
Total instruction	57,316	25,397	-	16,437	-	99,150
Support services:						
Other Salaries	-	-	-	-	1,128	1,128
Personal Services - Employee Benefits	-	6,334	-	2,083	-	8,417
Purchased Professional - Educational Services	-	710	-	625	-	12,074
Supplies & Materials	987	-	-	324	-	1,311
Total support services	987	7,044	-	2,708	1,128	22,930
Total Expenditures	58,303	32,441	-	19,145	1,128	122,080
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	Nelchen Sievers Library Grants		Bordertown Regional School District		Subaru of America		Race To		Total
	2015-2016	2014-2015	Education	Foundation	Foundation	The Top	(RTT)3	Carried	
		Carryover	2015-2016	Grant	Carryover	2015-2016	2015-2016	Forward	
REVENUES									
Local Sources	2,109	\$ 449	\$ 41,702	\$ 72	\$ 987	\$ -	\$ -	\$ 45,319	
Federal Sources	-	-	-	-	-	12,984	-	12,984	
Total Revenues	2,109	449	41,702	72	987	12,984	-	58,303	
EXPENDITURES									
Instruction:									
General Supplies	2,109	449	41,702	72	-	12,984	-	57,316	
Total instruction	2,109	449	41,702	72	-	12,984	-	57,316	
Support services:									
Supplies & Materials	-	-	-	-	987	-	-	987	
Total support services	-	-	-	-	987	-	-	987	
Total Expenditures	2,109	449	41,702	72	987	12,984	-	58,303	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

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F. Capital Projects Fund

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		TRANSFER TO DEBT SERVICE	UNEXPENDED BALANCE 2016
			PRIOR YEAR	CURRENT YEAR		
Renovations to Clara Barton Elementary School	6/19/2002	\$ 1,831,755	\$ 1,745,118	\$ -	-	\$ 86,637
Renovations to MacFarland Elementary School	6/19/2002	1,613,832	1,546,754	-	-	67,078
Renovations to Peter Muschal Elementary School	6/19/2002	923,063	872,960	-	-	50,103
Renovations to Bordentown Middle School	6/19/2002	2,324,235	2,075,154	-	(50,000)	199,081
Subtotal - Remaining Referendum Project Balance	6/19/2002	6,692,885	6,239,986	-	(50,000)	402,899
Bordentown Middle School Partial Roof Replacement	7/23/2015	1,183,731	-	63,844	-	1,119,887
Total		\$ 7,876,616	\$ 6,239,986	\$ 63,844	\$ (50,000)	\$ 1,522,786

Reconciliation - Unexpended Capital Project Balances to Fund Balance - June 30, 2016:

Unexpended Project Balances June 30, 2016	\$ 1,522,786
Total Fund Balance (Budgetary Basis) - June 30, 2016	1,522,786
Less:	
Unexpended State Aid - ROD Grants	447,954
Total Fund Balance (GAAP Basis) - June 30, 2016	<u>\$ 1,074,832</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	\$ 710,239
SDA Grant Award	473,492
Interest	17
	<hr/>
Total Revenues	1,183,748
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	63,844
	<hr/>
Total Expenditures	63,844
	<hr/>
Other Financing Sources/(Uses)	
Transfer to Debt Service	(50,000)
Transfer to General Fund	(17)
	<hr/>
Total Other Financing Sources/(Uses)	(50,017)
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,069,887
Fund Balance - Beginning	452,899
	<hr/>
Fund Balance - Ending	\$ 1,522,786
	<hr/> <hr/>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO CLARA BARTON ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 452,844	\$ -	\$ 452,844	\$ 452,844
Bond Proceeds & Transfers	1,378,911	-	1,378,911	1,378,911
Total Revenues	1,831,755	-	1,831,755	1,831,755
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	211,046	-	211,046	444,062
Construction Services	1,534,072	-	1,534,072	1,387,693
Total Expenditures	1,745,118	-	1,745,118	1,831,755
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 86,637	\$ -	\$ 86,637	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	SP#202335
Grant Date	June 19, 2002
Bond Authorization Date	March 12, 2002
Bonds Authorized	\$ 1,378,911
Bonds Issued	\$ 1,378,911
Original Authorized Cost	\$ 1,831,755
Revised Authorized Cost	\$ 1,831,755
Percentage Increase Over Original Authorized Cost	0%
Percentage of Completion	100%
Original Target Completion Date	November 30, 2005
Actual Completion Date	August 1, 2006

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO MACFARLAND ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 447,466	\$ -	\$ 447,466	\$ 447,466
Bond Proceeds & Transfers	1,166,366	-	1,166,366	1,166,366
Total Revenues	1,613,832	-	1,613,832	1,613,832
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	173,904	-	173,904	391,232
Construction Services	1,372,850	-	1,372,850	1,222,600
Total Expenditures	1,546,754	-	1,546,754	1,613,832
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 67,078	\$ -	\$ 67,078	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	SP#202336
Grant Date	June 19, 2002
Bond Authorization Date	March 12, 2002
Bonds Authorized	\$ 1,166,366
Bonds Issued	\$ 1,166,366
Original Authorized Cost	\$ 1,613,832
Revised Authorized Cost	\$ 1,613,832
Percentage Increase Over Original Authorized Cost	0%
Percentage of Completion	100%
Original Target Completion Date	November 30, 2005
Actual Completion Date	August 1, 2006

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO PETER MUSCHAL ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 120,606	\$ -	\$ 120,606	\$ 120,606
Bond Proceeds & Transfers	802,457	-	802,457	802,457
Total Revenues	923,063	-	923,063	923,063
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	135,713	-	135,713	223,773
Construction Services	737,247	-	737,247	699,290
Total Expenditures	872,960	-	872,960	923,063
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 50,103	\$ -	\$ 50,103	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	SP#202337
Grant Date	June 19, 2002
Bond Authorization Date	March 12, 2002
Bonds Authorized	\$ 802,457
Bonds Issued	\$ 802,457
Original Authorized Cost	\$ 923,063
Revised Authorized Cost	\$ 923,063
Percentage Increase Over Original Authorized Cost	0%
Percentage of Completion	100%
Original Target Completion Date	November 30, 2005
Revised Target Completion Date	August 1, 2006

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO BORDENTOWN MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 669,693	\$ -	\$ 669,693	\$ 669,693
Bond Proceeds & Transfers	1,654,542	-	1,654,542	1,654,542
Total Revenues	2,324,235	-	2,324,235	2,324,235
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	185,264	-	185,264	405,875
Construction Services	1,862,980	-	1,862,980	1,918,360
Other Objects	4,529	-	4,529	
Total Expenditures	2,052,773	-	2,052,773	2,324,235
Other Financing Sources/(Uses)				
Transfer to Debt Service	(22,381)	(50,000)	(72,381)	-
Total Other Financing Sources/(Uses)	(22,381)	(50,000)	(72,381)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 249,081	\$ (50,000)	\$ 199,081	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	SP#202338
Grant Date	June 19, 2002
Bond Authorization Date	March 12, 2002
Bonds Authorized	\$ 1,654,542
Bonds Issued	\$ 1,654,542
Original Authorized Cost	\$ 2,324,235
Revised Authorized Cost	\$ 2,324,235
Percentage Increase Over Original Authorized Cost	0%
Percentage of Completion	100%
Original Target Completion Date	November 30, 2005
Revised Target Completion Date	August 1, 2006

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BORDENTOWN MIDDLE SCHOOL PARTIAL ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 473,492	\$ 473,492	\$ 473,492
Transfer from Capital Reserve	-	710,239	710,239	710,239
Total Revenues	-	1,183,731	1,183,731	1,183,731
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	63,844	63,844	62,250
Construction Services	-	-	-	1,121,481
Total Expenditures	-	63,844	63,844	1,183,731
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ 1,119,887	\$ 1,119,887	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0475-055-14-G2VB
Grant Date	July 23, 2015
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,183,731
Revised Authorized Cost	\$ 1,183,731
Percentage Increase Over Original Authorized Cost	0%
Percentage of Completion	5%
Original Target Completion Date	August 30, 2016
Revised Target Completion Date	August 30, 2016

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G. Proprietary Funds

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Enterprise Funds

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2016
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 190,718	\$ 715,329	\$ 906,047
Accounts Receivable:			
State	423	355	778
Federal	18,131	-	18,131
Local	-	1,002	1,002
Inventories	19,245	-	19,245
Total Current Assets	228,517	716,686	945,203
Noncurrent Assets:			
Furniture, Machinery & Equipment	488,137	-	488,137
Accumulated Depreciation	(395,757)	-	(395,757)
Total Capital Assets	92,380	-	92,380
Total Assets	320,897	716,686	1,037,583
LIABILITIES:			
Current Liabilities:			
Accounts Payable	46,415	1,813	48,228
Unearned Revenue	23,744	348,201	371,945
Total Current Liabilities	70,159	350,014	420,173
Total Liabilities	70,159	350,014	420,173
NET POSITION			
Net Investment in Capital Assets	92,380	-	92,380
Unrestricted Net Position	158,358	366,672	525,030
Total Net Position	\$ 250,738	\$ 366,672	\$ 617,410

**BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2016
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 256,905	\$ -	\$ 256,905
Daily Sales - Nonreimbursable Programs	117,871	-	117,871
Special Function	33,596	-	33,596
Communitu Service Activities			
Tuition, Trips and Rentals	-	986,957	986,957
Total Operating Revenue	408,372	986,957	1,395,329
Operating Expenses:			
Salaries	295,798	704,074	999,872
Employee Benefits		92,188	92,188
Supplies and Materials	97,282	47,467	144,749
Other Purchased Services	93,559	147,698	241,257
Other Expenses	3,972	27,325	31,297
Depreciation	20,200	-	20,200
Cost of Sales	281,813	-	281,813
Total Operating Expenses	792,625	1,018,752	1,811,377
Operating (Loss)/Gain	(384,253)	(31,795)	(416,048)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,279	-	7,279
Adult Basic Skill Program	-	57,720	57,720
Federal Sources:			
National School Lunch Program	233,178	-	233,178
National School Breakfast Program	67,232	-	67,232
Healthy Hunger-Free Kids Act	9,356	-	9,356
Food Distribution Program	59,820	-	59,820
Total Nonoperating Revenues	376,865	57,720	434,585
Net Income/(Loss)	(7,388)	25,925	18,537
Operating Transfer Out - General Fund	-	(10,865)	(10,865)
Change in Net Position	(7,388)	15,060	7,672
Total Net Position - Beginning	258,126	351,612	609,738
Total Net Position - Ending	\$ 250,738	\$ 366,672	\$ 617,410

BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2016

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 432,116	\$ 988,259	\$ 1,420,375
Payments to Employees	(295,798)	(704,074)	(999,872)
Payments for Employee Benefits	-	(92,188)	(92,188)
Payments to Suppliers	(482,897)	(223,426)	(706,323)
Net Cash Provided/(Used) by Operating Activities	<u>(346,580)</u>	<u>(31,429)</u>	<u>(378,009)</u>
Cash Flows From Investing Activities:			
Interest & Dividends	-	-	-
Purchase of Equipment	-	(10,865)	(10,865)
Net Cash Provided by Investing Activities	<u>-</u>	<u>(10,865)</u>	<u>(10,865)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	7,647	57,720	65,367
Federal Sources	375,001	-	375,001
Net Cash Provided by Noncapital Financing Activities	<u>382,648</u>	<u>57,720</u>	<u>440,368</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	36,068	15,426	51,494
Cash & Cash Equivalents, July 1	<u>154,650</u>	<u>699,903</u>	<u>854,553</u>
Cash & Cash Equivalents, June 30	<u>\$ 190,718</u>	<u>\$ 715,329</u>	<u>\$ 906,047</u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (384,253)	\$ (31,795)	\$ (416,048)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	20,200	-	20,200
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(6,810)	-	(6,810)
(Increase)/Decrease in Accounts Receivable, Net	-	8,265	8,265
Increase/(Decrease) in Accounts Payable	539	(936)	(397)
Increase/(Decrease) in Deferred Revenues	23,744	(6,963)	16,781
Total Adjustments	<u>37,673</u>	<u>366</u>	<u>38,039</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (346,580)</u>	<u>\$ (31,429)</u>	<u>\$ (378,009)</u>

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H. Fiduciary Fund

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	<u>PRIVATE PURPOSE</u>		<u>AGENCY</u>		<u>TOTALS</u>
	<u>UNEMPLOYMENT</u>		<u>PAYROLL</u>	<u>STUDENT</u>	
	<u>COMPENSATION</u>	<u>SCHOLARSHIP</u>			
	<u>TRUST</u>				
ASSETS					
Cash & Cash Equivalents	\$ 32,518	\$ 140,233	\$ 72,057	\$ 147,303	\$ 392,111
Total Assets	<u>\$ 32,518</u>	<u>\$ 140,233</u>	<u>\$ 72,057</u>	<u>\$ 147,303</u>	<u>\$ 392,111</u>
LIABILITIES					
Payroll Deductions & Withholdings			72,005	-	72,005
Due to Student Groups			-	147,303	147,303
Interfund Payable			52	-	52
Total Liabilities			<u>\$ 72,057</u>	<u>\$ 147,303</u>	<u>219,360</u>
NET POSITION					
Restricted for Unemployment					
Trust Claims & Other Purposes	32,518	-			32,518
Restricted for Scholarships	-	140,233			140,233
Total Net Position	<u>\$ 32,518</u>	<u>\$ 140,233</u>			<u>\$ 172,751</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION		
	TRUST	SCHOLARSHIPS	TOTALS
ADDITIONS:			
Local Sources:			
Contributions	\$ 31,836	\$ -	\$ 31,836
Total Contributions	31,836	-	31,836
Investment Earnings:			
Interest on Investments	-	1,128	1,128
Total Investment Earnings	-	1,128	1,128
Total Additions	31,836	1,128	32,964
DEDUCTIONS:			
Unemployment Claims	7,000	-	7,000
Scholarship Payments	-	800	800
Total Deductions	7,000	800	7,800
Change in Net Position	24,836	328	25,164
Net Position - Beginning of Year	7,682	139,905	147,587
Net Position - End of Year	\$ 32,518	\$ 140,233	\$ 172,751

**BORDENTOWN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2016
Bordentown Regional Elementry Schools	\$ 20,122	\$ 49,882	\$ 44,459	\$ 25,545
Bordentown Regional Middle School	38,399	74,548	67,673	45,274
Bordentown Regional High School	92,525	223,632	239,673	76,484
Total	\$ 151,046	\$ 348,062	\$ 351,805	\$ 147,303

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents:				
Payroll	\$ 233,830	\$ 11,409,127	\$ 11,570,900	\$ 72,057
Total Assets	\$ 233,830	\$ 11,409,127	\$ 11,570,900	\$ 72,057
LIABILITIES				
Net Payroll Deductions & Withholdings	233,792	11,409,113	11,570,900	72,005
Interfund Account Payable	38	14	-	52
Total Liabilities	\$ 233,830	\$ 11,409,127	\$ 11,570,900	\$ 72,057

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I. Long-Term Debt

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY	INTEREST RATE	BALANCE JUNE 30, 2015	ISSUED	REFUNDED	REDEEMED	BALANCE JUNE 30, 2016
2006 School Refunding Bonds	1/15/2006	\$ 38,840,000	1/15/2017	5.000%	\$ 32,970,000	\$ -	\$ -	\$ 1,355,000	\$ 31,615,000
			1/15/2018	5.000%					
			1/15/2019	4.000%					
			1/15/2020	4.250%					
			1/15/2021	4.250%					
			1/15/2022	4.000%					
			1/15/2023	4.375%					
			1/15/2024	4.125%					
			1/15/2025	4.125%					
			1/15/2026	4.250%					
			1/15/2027	4.250%					
			1/15/2028	4.125%					
			1/15/2029	4.250%					
			1/15/2030	4.250%					
			1/15/2031	4.250%					
			1/15/2032	4.250%					
			1/15/2033	4.250%					
2010 School Bonds for Renovations and Improvements at the High School Complex to Include Solar Energy and Athletic Fields	3/12/2010	8,499,000	3/1/2017	3.000%	6,574,000	-	-	525,000	6,049,000
			3/1/2018	3.000%					
			3/1/2019	3.000%					
			3/1/2020	3.250%					
			3/1/2021	3.500%					
			3/1/2022	3.500%					
			3/1/2023	3.500%					
			3/1/2024	3.500%					
			3/1/2025	3.500%					
Total					39,544,000			1,880,000	37,664,000

**BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
2014-15								
1 Cab Utility Tractor & Accessories	12/1/2014	36 Months	4.00%	\$ 38,731	\$ 34,538	\$ -	\$ 12,522	\$ 22,016
6 54 Passenger School Buses	3/6/2015	7 Years	1.67%	525,000	525,000	-	76,641	448,359
TOTAL					\$ 559,538	\$ -	\$ 89,163	\$ 470,375

**BORDENTOWN REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,260,409	\$ -	\$ 3,260,409	\$ 3,260,409	\$ -
State Sources:					
Debt Service Aid Type II	193,881	-	193,881	193,881	-
Total Revenues	3,454,290	-	3,454,290	3,454,290	-
Expenditures:					
Regular Debt Service:					
Interest on Bonds	1,624,290	-	1,624,290	1,624,290	-
Redemption of Principal	1,880,000	-	1,880,000	1,880,000	-
Total Expenditures	3,504,290	-	3,504,290	3,504,290	-
Other Financing Sources/(Uses):					
Operating Transfers In:					
From Capital Projects Fund	-	-	-	50,000	50,000
Total Other Financial Sources/(Uses)	-	-	-	50,000	50,000
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(50,000)	-	(50,000)	-	50,000
Fund Balance July 1, 2015	-	-	-	-	-
Fund Balance June 30, 2016	\$ (50,000)	\$ -	\$ (50,000)	\$ -	\$ 50,000

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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

	FISCAL YEAR ENDING JUNE 30.									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 10,577,418	\$ 11,311,755	\$ 11,513,485	\$ 12,122,145	\$ 12,214,431	\$ 12,400,387	\$ 6,666,723	\$ 13,454,206	\$ 13,652,363	\$ 13,184,835
Restricted	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161	2,978,547	3,517,076
Unrestricted	(13,209,537)	(14,581,412)	(1,039,381)	(1,230,770)	(977,100)	(482,412)	(2,174,163)	(1,751,761)	(1,757,992)	(1,700,333)
Total Governmental Activities	(1,243,875)	(2,427,438)	11,583,296	12,749,135	13,349,020	13,172,197	12,796,776	13,260,606	14,872,918	15,001,578
Business-Type Activities:										
Net Investment in Capital Assets	92,380	112,580	132,455	156,353	183,596	227,164	244,294	95,152	73,690	55,042
Unrestricted	525,030	497,158	482,860	397,382	309,183	102,974	150,547	17,471	101,636	226,514
Total Business-Type Activities	617,410	609,738	615,315	553,735	492,779	330,138	394,841	112,623	175,326	281,556
District-Wide:										
Net Investment in Capital Assets	10,669,798	11,424,335	11,645,940	12,278,498	12,398,027	12,627,551	6,911,017	13,549,358	13,726,053	13,239,877
Restricted	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161	2,978,547	3,517,076
Unrestricted	(12,684,507)	(14,084,254)	(556,521)	(833,388)	(667,917)	(379,438)	(2,023,616)	(1,734,290)	(1,656,356)	(1,473,819)
Total District Net Position	\$ (626,465)	\$ (1,817,700)	\$ 12,198,611	\$ 13,302,870	\$ 13,841,799	\$ 13,502,335	\$ 13,191,617	\$ 13,373,229	\$ 15,048,244	\$ 15,283,134

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,965,239	\$ 12,720,994	\$ 12,888,266	\$ 12,270,882	\$ 11,782,331	\$ 11,412,860	\$ 11,871,087	\$ 12,507,348	\$ 11,688,411	\$ 10,488,195
Special Educator	3,139,589	3,781,151	4,064,402	4,200,979	4,393,784	4,459,110	4,399,350	3,080,964	2,947,124	2,705,156
Other Instructor	858,422	1,026,179	1,035,910	949,973	909,103	830,307	839,047	738,265	846,962	729,727
School Sponsor	809,589	903,586	896,352	877,030	813,316	837,571	797,930	760,495	726,262	653,518
Support Services:										
Tuition	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912	2,224,270	2,246,932
Student & Instruction Related Service	5,606,567	6,458,910	5,867,320	5,492,798	4,705,990	4,589,935	4,815,094	4,798,095	4,429,658	4,110,578
School Administrative Service	1,486,937	515,428	584,012	720,066	506,363	484,317	498,491	516,934	562,799	521,550
General & Business Administrative Services:										
Central Office & Technology Services	496,433	1,878,967	1,771,923	1,837,361	1,829,094	1,737,531	1,745,775	1,723,832	1,539,553	1,665,674
Plant Operations & Maintenance	664,378	801,699	755,325	709,560	724,576	650,674	637,213	639,013	616,036	618,715
Pupil Transportator	3,576,440	4,371,506	4,342,287	4,053,655	4,128,597	4,343,102	4,492,522	4,501,470	4,146,037	3,960,477
Allocated Benefits	1,927,589	2,550,631	2,530,435	2,542,987	2,421,515	2,355,307	2,244,822	2,227,254	2,322,669	2,085,718
Unallocated Benefits	-	6,714,526	2,811,542	3,183,332	2,474,537	2,158,567	2,055,060	2,004,611	3,037,029	2,885,783
Special Schools	17,766,768	-	-	-	-	-	-	-	-	-
Interest on Long-Term Deb	-	4,477	-	-	-	-	-	-	-	-
Unallocated Depreciator	1,783,349	1,874,615	1,941,677	1,973,098	2,001,334	2,072,048	1,832,474	1,805,871	1,850,805	1,293,503
Capital Asset Adjustmen	1,708,492	1,702,526	1,724,580	1,865,929	2,056,443	1,360,714	1,364,802	1,393,099	1,539,004	419,500
Amortization of Debt Issuance Cost	-	-	-	23,478	23,478	23,478	21,846	21,265	21,265	18,909
Unallocated Compensated Absence	145,112	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expense	51,743,787	47,193,317	42,727,585	41,907,648	39,974,567	38,586,035	39,117,896	38,679,408	38,497,884	34,403,935
Business-Type Activities										
Community District Alliance	1,018,752	992,079	904,975	814,073	701,470	675,613	629,355	836,681	800,985	661,765
Community Education Program	792,625	751,901	731,614	696,724	784,264	741,888	543,626	668,933	714,710	670,690
Food Service	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	1,811,377	1,743,980	1,636,589	1,510,797	1,485,734	1,417,501	1,172,981	1,505,614	1,515,695	1,332,455
Total District Expenses	53,555,164	48,937,297	44,364,174	43,418,445	41,460,301	40,003,536	40,290,877	40,185,022	40,013,579	35,736,390
Program Revenues										
Governmental Activities										
Charges for Services:										
Instruction (Tuition)	-	881,361	722,944	899,221	881,504	1,041,527	919,689	1,148,999	941,368	824,765
Operating Grants & Contributions:	11,709,591	7,817,957	3,975,830	4,403,431	3,761,352	3,515,934	3,279,942	3,186,749	4,237,640	4,089,974
Capital Grants & Contributions:	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	11,709,591	8,699,318	4,698,774	5,302,652	4,642,856	4,557,461	4,199,631	4,335,748	5,179,008	4,914,739
Business-Type Activities										
Charges for Services:										
Community Education Program	-	-	-	-	-	-	-	-	-	643,833
Food Service	408,372	412,591	414,681	399,383	426,936	436,567	459,476	484,032	486,904	468,371
Community District Alliance	986,957	943,985	946,733	815,745	857,343	583,040	680,671	675,696	675,696	-
Operating Grants & Contributions:	434,585	413,459	381,865	356,625	364,096	333,191	315,051	283,184	281,387	216,781
Total Business Type Activities Program Revenues	1,829,914	1,770,035	1,743,279	1,571,753	1,648,375	1,352,798	1,455,198	1,442,912	1,409,465	1,328,985
Total Program Revenue:	13,539,505	10,469,353	6,442,053	6,874,405	6,291,231	5,910,259	5,654,829	5,778,660	6,588,473	6,243,724

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Net (Expense)/Revenue	(40,034,196)	(38,493,999)	(38,028,811)	(36,604,996)	(35,331,711)	(34,028,574)	(34,918,265)	(34,343,660)	(33,318,876)	(29,489,196)
Governmental Activities	18,537	26,055	106,690	60,956	162,641	(64,703)	282,217	(62,702)	(106,230)	(3,470)
Business-Type Activities	(40,015,659)	(38,467,944)	(37,922,121)	(36,544,040)	(35,169,070)	(34,093,277)	(34,636,048)	(34,406,362)	(33,425,106)	(29,492,666)
Total District-Wide Net Expense										
General Revenues & Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	27,203,066	26,630,061	25,579,178	24,613,704	24,131,082	23,744,262	23,191,599	22,299,615	23,001,615	22,499,730
Taxes Levied for Debt Service	3,260,409	3,043,674	2,712,127	2,712,124	2,680,506	2,680,506	2,676,172	2,588,064	2,480,316	2,797,567
Unrestricted Grants & Contribution:	8,580,348	8,366,014	8,317,443	8,167,105	7,762,512	7,182,584	7,792,162	7,532,102	7,241,981	6,811,870
EDA Grant not restricted to specific function	-	-	-	-	-	-	358,898	-	-	1,196,318
Tuition Received	1,047,875	-	-	-	-	-	-	-	-	-
Rents and Royalties	3,287	-	-	-	-	-	-	-	-	-
Investment Earnings	695,517	457	676	2,122	5,014	6,199	20,964	61,291	108,191	91,854
Miscellaneous Income	-	783,395	488,150	510,056	479,398	723,078	345,220	250,276	358,113	310,092
Transportation Fees from Other LEA's Within State	113,504	-	-	-	-	-	-	-	-	-
Transfers	(26,407)	30,592	45,110	-	-	-	-	-	-	-
Extraordinary Item - Fire Loss Impairment Buses	-	-	-	-	-	(92,775)	-	-	-	-
Extraordinary Item - Insurance Proceeds for Fire Loss- Buses	-	-	-	-	450,022	246,668	-	-	-	-
Special Item - Capital Lease Buyout	-	-	-	-	(86,527)	-	-	-	-	-
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	-
Cancellation of Account Receivables	-	-	-	-	-	-	-	-	-	-
Payables	20	762	-	-	-	-	-	-	-	(16,807)
Prior Year Write-Offs (net)	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Compensated Absence:	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities:	40,877,619	38,854,955	37,142,684	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348	33,190,216	33,690,624
Business-Type Activities										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	(10,865)	(30,592)	(45,110)	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	(1,040)	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Compensated Absence:	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities:	(10,865)	(31,632)	(45,110)	-	-	-	-	-	-	-
Total District-Wide	40,866,754	38,823,323	37,097,574	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348	33,190,216	33,690,624
Change in Net Position	843,423	360,956	(886,127)	(599,885)	176,823	375,421	(533,250)	(1,612,312)	(128,660)	4,201,428
Governmental Activities	7,672	(5,577)	61,580	60,956	162,641	(64,703)	282,217	(62,702)	(106,230)	(3,470)
Business-Type Activities	851,095	355,379	(824,547)	(538,929)	339,464	310,718	(251,033)	(1,675,014)	(234,890)	4,197,958

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,405	\$ 912,273	\$ 2,109,404	\$ 1,958,248
Unreserved	-	-	-	-	-	-	23,608	487,105	479,871	434,250
Restricted	716,311	842,219	1,109,192	1,608,911	1,729,906	929,984	-	-	-	-
Assigned	1,975,437	1,331,249	559,498	761,457	569,552	652,052	-	-	-	-
Unassigned	98,700	(245,081)	(448,346)	(298,121)	(248,268)	(126,589)	-	-	-	-
Total General Fund	2,790,448	1,928,387	1,220,344	2,072,247	2,051,190	1,455,447	733,013	1,399,378	2,589,275	2,392,498
All Other Governmental Funds:										
Restricted	1,074,832	-	-	-	-	-	5,041,460	149,460	610,306	1,130,254
Committed	-	-	-	-	-	-	-	-	-	-
Assigned, Reported in:										
Capital Projects Fund	-	452,899	708,844	957,697	1,339,484	2,178,263	-	-	-	-
Debt Service Fund	-	-	-	(4)	(4)	(4)	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	(1,799)	(1,799)
Capital Projects Fund	-	-	-	-	-	-	2,012	532,461	224,096	309,164
Debt Service Fund	-	-	-	-	-	-	148,285	818	63,045	259,097
Total All Other Governmental Funds	\$ 1,074,832	\$ 452,899	\$ 708,844	\$ 957,693	\$ 1,339,480	\$ 2,178,259	\$ 5,191,757	\$ 682,739	\$ 895,648	\$ 1,696,716

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes Local	\$ 30,463,475	\$ 29,673,735	\$ 28,291,305	\$ 27,325,828	\$ 26,811,588	\$ 26,424,768	\$ 25,867,771	\$ 24,887,679	\$ 25,481,931	\$ 25,297,297
Tuition Charges	1,047,875	881,361	722,944	899,221	881,504	1,041,527	922,089	1,166,594	941,368	824,765
Transportation	113,504									
Interest Earnings		457	676	2,122	5,014	6,199	20,964	61,291	108,191	148,153
Miscellaneous	698,804	656,405	417,481	445,099	419,237	656,484	341,702	261,227	348,858	325,018
Local Sources	-	206,035	152,826	147,054	134,377	139,377	70,127	67,764	87,589	
State Sources	12,347,288	11,736,072	11,350,455	11,627,980	10,342,697	9,350,449	9,399,187	9,803,262	10,607,622	11,266,854
Federal Sources	1,044,160	967,074	942,818	942,556	1,181,167	1,348,069	2,031,815	915,589	871,999	831,308
Total Revenue	45,715,106	44,121,139	41,878,505	41,389,860	39,775,584	38,966,873	38,653,655	37,163,406	38,447,558	38,693,395
Expenditures:										
Instruction:										
Regular Instruction	9,965,239	10,257,059	10,130,247	10,019,740	9,577,867	9,482,923	10,005,949	10,644,014	9,908,516	8,931,708
Special Education Instruction	3,139,589	3,186,798	3,288,128	3,425,294	3,608,899	3,776,138	3,729,164	2,560,531	2,415,427	2,215,441
Other Special Instruction		816,252	801,629	781,318	735,627	624,840	674,688	623,779	696,558	589,073
Other Instructional	858,422	761,321	737,922	733,924	706,974	704,413	678,015	657,324	628,148	570,155
School Sponsored	809,589	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912	2,224,270	2,246,932
Student & Instruction										
Related Services	5,606,567	5,449,824	4,772,649	4,662,160	3,982,886	3,826,634	4,038,281	4,096,468	3,743,521	3,530,931
School Administrative										
Services	1,486,937	1,504,693	1,524,861	1,491,828	1,439,956	1,434,687	1,423,889	1,395,819	1,353,135	1,319,625
General & Business										
Administration Services	1,160,811	1,174,904	1,178,899	1,117,063	1,093,738	1,010,093	984,007	1,017,299	1,049,326	973,549
Plant Operations &										
Maintenance	3,720,150	3,822,782	3,689,763	3,573,345	3,603,386	3,849,549	4,011,396	4,098,322	3,747,089	3,480,838
Pupil Transportation	1,715,380	1,770,620	1,762,287	1,704,136	1,647,528	1,557,314	1,519,994	1,599,234	2,270,472	2,084,257
Allocated Benefits	594,917	-	-	-	-	-	-	-	-	-
Unallocated Benefits	9,861,969	9,309,738	9,634,426	9,246,000	8,232,012	7,566,334	7,403,035	6,623,538	7,135,392	6,614,253

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures (continued):										
Special Schools	-	4,477	-	-	-	-	-	-	-	-
Capital outlay	312,122	840,747	778,737	444,597	608,882	5,968,179	2,577,558	600,306	1,012,909	4,395,749
Debt service:										
Principal	1,880,000	1,775,000	1,455,000	1,540,000	1,465,000	1,030,000	1,155,000	1,090,000	1,100,000	1,650,000
Interest & Other Charges	1,624,290	1,701,790	1,753,265	1,804,665	1,855,180	1,887,427	1,684,187	1,726,776	1,767,086	1,301,670
Total Expenditures	44,544,865	44,264,127	43,024,367	41,750,590	39,762,041	44,039,045	41,387,546	38,694,322	39,051,849	39,854,181
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,170,241	(142,988)	(1,145,862)	(360,730)	13,543	(5,072,172)	(2,733,891)	(1,530,916)	(604,291)	(1,160,786)
Other Financing Sources/(Uses):										
Prior Year Receivable	-	(28)	-	-	-	-	-	-	-	(16,807)
Bond Proceeds	-	-	-	-	-	-	8,499,000	(17,594)	-	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	-	-	(36,400,282)
Par Amount of Bonds	-	-	-	-	-	-	-	-	-	36,650,000
Original Issue Premium	-	-	-	-	-	-	-	-	-	92,150
Cost of Issuance	-	-	-	-	-	-	-	-	-	(341,868)
Bond Anticipation Note	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-
(Nonbudgeted)	-	563,731	-	-	-	-	698,509	145,704	-	147,792
Cancellation of Account Payable	-	-	-	-	-	-	-	-	-	-
Cancellation of Account Receivable	20	-	-	-	-	-	-	-	-	-
Other	-	790	-	-	(9,911)	-	-	-	-	-
Transfers in	(17)	286,807	294,436	764,670	326,407	6,199	8,165	22,390	44,700	286,229
Transfers Out	(26,390)	(256,214)	(249,326)	(764,670)	(326,407)	(6,199)	(8,165)	(22,390)	(44,700)	(286,229)
Total Other Financing Sources/ (Uses)	(26,387)	595,086	45,110	-	(9,911)	-	9,197,509	128,110	-	130,985
Special & Extraordinary Items (Uses):										
Copier Lease Buyout	-	-	-	-	(696,690)	(86,526)	-	-	-	-
Insurance Proceeds from Fire Loss - Buses	-	-	-	-	450,022	246,668	-	-	-	-
Total Other Financing Sources/ (Uses)	(52,774)	-	-	-	(246,668)	160,142	-	-	-	-
Net Change in Fund Balances	\$ 1,143,854	\$ 452,098	\$ (1,100,752)	\$ (360,730)	\$ (243,036)	\$ (4,912,030)	\$ 6,463,618	\$ (1,402,806)	\$ (604,291)	\$ (1,029,801)
Debt Service as a Percentage of Noncapital Expenditures	7.92%	8.01%	7.59%	8.10%	8.48%	7.66%	7.32%	7.39%	7.54%	8.32%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION REVENUE	RENTALS	RESTRICTED		SOLAR SREC'S	P.I.L.O.T.	MISCELLANEOUS	TOTAL
				FUEL CO-OP					
2016	\$ 2,515	\$ 1,038,395	\$ 3,288	\$ 153,468	\$ 114,275	\$ 60,038	\$ 295,798	\$ 1,667,777	
2015	1,852	881,361	2,257	206,035	91,823	31,935	341,800	1,557,063	
2014	2,386	805,876	14,733	152,826	69,318	-	212,206	1,257,345	
2013	1,026	899,221	10,284	147,054	65,095	-	324,475	1,447,155	
2012	2,845	886,704	-	-	120,764	-	182,669	1,192,982	
2011	4,032	1,041,527	-	-	69,326	-	477,155	1,592,040	
2010	12,758	919,689	-	-	-	-	391,565	1,324,012	
2009	38,402	1,166,594	-	-	-	-	299,650	1,504,646	
2008	108,191	941,368	-	-	-	-	348,858	1,398,417	
2007	136,260	824,765	-	-	-	-	166,635	1,127,660	

Source: District records

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REVENUE CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
Bordentown Township												
2016	\$ 34,563,000	\$ 856,370,143	\$ 3,275,200	\$ 217,800	\$ 195,968,230	\$ 31,785,689	\$ 34,707,800	\$ 1,156,887,862	\$ 3,215,382	\$ 1,160,103,244	1.905%	1,281,120,896
2015	\$ 30,989,400	\$ 856,847,870	\$ 3,282,200	\$ 217,800	\$ 197,933,630	\$ 32,639,389	\$ 34,707,800	\$ 1,156,618,089	\$ 3,036,590	\$ 1,159,654,679	1.875%	1,280,644,111
2014	\$ 31,600,800	\$ 851,703,725	\$ 1,789,600	\$ 257,500	\$ 219,945,806	\$ 34,548,800	\$ 34,707,800	\$ 1,174,554,031	\$ 3,159,995	\$ 1,177,714,026	1.873%	1,300,579,669
2013	\$ 37,400,800	\$ 841,210,500	\$ 2,017,200	\$ 269,200	\$ 205,437,900	\$ 34,952,500	\$ 34,707,800	\$ 1,155,995,900	\$ 3,603,878	\$ 1,159,599,778	1.826%	1,280,524,125
2012	\$ 48,400,900	\$ 839,651,800	\$ 2,098,900	\$ 269,200	\$ 205,987,000	\$ 35,082,500	\$ 34,707,800	\$ 1,166,198,100	\$ 4,683,360	\$ 1,170,881,460	1.767%	1,307,261,379
2011	\$ 63,821,300	\$ 1,057,960,900	\$ 2,476,400	\$ 272,200	\$ 269,614,600	\$ 45,462,200	\$ 43,036,900	\$ 1,482,644,500	\$ 4,524,928	\$ 1,487,169,428	1.371%	1,403,246,154
2010	\$ 64,306,800	\$ 1,055,478,400	\$ 2,476,400	\$ 272,600	\$ 280,438,000	\$ 45,765,900	\$ 44,299,900	\$ 1,493,038,000	\$ 4,797,374	\$ 1,497,835,374	1.332%	1,467,699,588
2009	\$ 65,906,700	\$ 1,058,439,300	\$ 2,476,400	\$ 238,700	\$ 285,255,600	\$ 49,643,600	\$ 46,645,400	\$ 1,508,605,700	\$ 4,393,296	\$ 1,512,998,996	1.282%	1,464,805,397
2008	\$ 34,690,400	\$ 505,312,150	\$ 949,300	\$ 522,400	\$ 118,741,560	\$ 20,537,830	\$ 15,557,000	\$ 696,310,640	\$ 2,135,846	\$ 698,446,486	2.767%	1,424,048,527
2007	\$ 35,599,100	\$ 502,616,250	\$ 1,050,100	\$ 200,300	\$ 118,175,260	\$ 20,537,830	\$ 17,901,800	\$ 696,080,640	\$ 2,337,418	\$ 698,418,058	2.772%	1,400,932,234
Bordentown City												
2016	\$ 4,990,900	\$ 242,244,200	\$ -	\$ -	\$ 46,255,100	\$ 12,650,600	\$ 25,016,300	\$ 331,157,100	\$ 483,323	\$ 331,640,423	2.039%	337,951,070
2015	\$ 4,812,700	\$ 243,789,600	\$ -	\$ -	\$ 46,689,200	\$ 12,902,700	\$ 25,016,300	\$ 333,210,500	\$ 446,106	\$ 333,656,606	1.978%	340,006,383
2014	\$ 4,853,700	\$ 244,895,500	\$ -	\$ -	\$ 46,988,000	\$ 16,502,700	\$ 25,181,300	\$ 338,421,200	\$ 450,733	\$ 338,871,933	1.784%	345,321,007
2013	\$ 4,806,700	\$ 245,552,200	\$ -	\$ -	\$ 50,460,900	\$ 16,552,600	\$ 25,985,000	\$ 343,357,400	\$ 512,096	\$ 343,869,496	1.676%	350,412,636
2012	\$ 5,908,300	\$ 292,188,050	\$ -	\$ -	\$ 53,331,700	\$ 16,517,600	\$ 26,575,300	\$ 394,520,950	\$ 556,037	\$ 395,076,987	1.399%	358,885,692
2011	\$ 6,178,400	\$ 293,129,600	\$ -	\$ -	\$ 55,828,300	\$ 18,017,600	\$ 27,775,300	\$ 400,929,200	\$ 503,525	\$ 401,432,725	1.364%	379,955,730
2010	\$ 7,496,400	\$ 293,955,600	\$ -	\$ -	\$ 54,322,300	\$ 16,517,600	\$ 28,155,300	\$ 400,447,200	\$ 351,264	\$ 400,798,464	1.345%	388,607,227
2009	\$ 7,496,400	\$ 293,763,600	\$ -	\$ -	\$ 54,322,300	\$ 16,517,600	\$ 28,155,300	\$ 400,255,200	\$ 351,264	\$ 400,606,464	1.282%	392,220,463
2008	\$ 7,107,200	\$ 293,454,900	\$ -	\$ -	\$ 56,856,000	\$ 16,517,600	\$ 28,155,300	\$ 402,091,000	\$ 351,264	\$ 402,442,264	1.233%	384,649,266
2007	\$ 3,065,000	\$ 128,491,960	\$ -	\$ -	\$ 25,673,300	\$ 9,089,600	\$ 13,720,600	\$ 180,040,460	\$ 184,828	\$ 180,225,288	2.852%	363,535,908
Borough of Fieldsboro												
2016	\$ 1,908,100	\$ 38,611,200	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 52,721,100	\$ 48,577	\$ 52,769,677	1.677%	46,507,072
2015	\$ 1,788,600	\$ 39,044,400	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 53,034,800	\$ 49,127	\$ 53,083,927	1.637%	46,784,058
2014	\$ 1,788,600	\$ 42,093,200	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 56,083,600	\$ 48,871	\$ 56,132,471	1.566%	49,470,443
2013	\$ 1,775,300	\$ 41,982,000	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 55,959,100	\$ 54,353	\$ 56,013,453	1.545%	49,366,214
2012	\$ 1,775,300	\$ 41,872,600	\$ -	\$ -	\$ 2,083,600	\$ 10,300,000	\$ -	\$ 56,031,500	\$ 44,879	\$ 56,076,379	1.446%	53,210,739
2011	\$ 1,775,300	\$ 41,974,800	\$ -	\$ -	\$ 2,365,400	\$ 10,300,000	\$ -	\$ 56,415,500	\$ 44,879	\$ 56,460,379	1.409%	57,558,897
2010	\$ 1,775,300	\$ 42,010,400	\$ -	\$ -	\$ 2,365,400	\$ 10,300,000	\$ -	\$ 56,451,100	\$ 59,909	\$ 56,511,009	1.437%	54,739,394
2009	\$ 1,775,300	\$ 42,160,800	\$ -	\$ -	\$ 2,365,400	\$ 13,800,000	\$ -	\$ 60,101,500	\$ 65,050	\$ 60,166,550	1.397%	58,280,374
2008	\$ 815,900	\$ 18,944,300	\$ -	\$ -	\$ 1,287,400	\$ 7,865,900	\$ -	\$ 28,913,500	\$ 24,966	\$ 28,938,466	3.082%	58,014,336
2007	\$ 815,900	\$ 18,971,100	\$ -	\$ -	\$ 1,285,100	\$ 7,865,900	\$ -	\$ 28,938,000	\$ 23,828	\$ 28,961,828	3.068%	64,459,366

Source: District records Tax list summary & Municipal Tax Assessor

BORDENTOWN REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

TOWNSHIP OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			of Bordentow n	Municipal Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2007	2.470	0.302	2.772	0.499		0.139	0.668	4.078
2008	2.489	0.278	2.767	0.623		0.138	0.632	4.160
2009	1.149	0.133	1.282	0.336		0.068	0.298	1.984 R
2010	1.205	0.136	1.341	0.390		0.068	0.287	2.086
2011	1.234	0.137	1.371	0.379	0.030	0.068	0.315	2.163 R
2012	1.590	0.176	1.766	0.522	0.030	0.081	0.355	2.754
2013	1.648	0.178	1.826	0.549	0.045	0.034	0.365	2.819
2014	1.687	0.186	1.873	0.544	0.046	0.034	0.366	2.863
2015	1.771	0.207	1.978	0.540	0.075	0.035	0.370	2.998
2016	1.823	0.215	2.039	0.540	0.074	0.035	0.370	3.058

CITY OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			City of Bordentow n	Municipal Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2007	2.527	0.325	2.852	1.459		0.128	0.612	5.051
2008	1.109	0.124	1.233	0.707		0.065	0.295	2.300 R
2009	1.149	0.133	1.282	0.735		0.068	0.298	2.383
2010	1.216	0.138	1.354	0.764		0.069	0.306	2.493
2011	1.223	0.137	1.360	0.794		0.068	0.300	2.522
2012	1.260	0.140	1.400	0.811		0.067	0.290	2.568 R
2013	1.513	0.164	1.677	0.954	0.015	0.032	0.348	3.026
2014	1.607	0.177	1.784	0.973	0.016	0.032	0.344	3.149
2015	1.678	0.197	1.875	0.992	0.043	0.034	0.363	3.307
2016	1.704	0.201	1.905	1.012	0.041	0.032	0.341	3.331

BOROUGH OF FIELDSBORO

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			Borough of Fieldsboro	Municipal Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2007	2.736	0.332	3.068	0.950		0.155	0.747	4.920
2008	2.772	0.310	3.082	1.067		0.162	0.738	5.049
2009	1.252	0.145	1.397	0.689		0.071	0.316	2.473
2010	1.301	0.147	1.448	0.680		0.071	0.314	2.513
2011	1.268	0.141	1.409	0.680		0.071	0.314	2.474
2012	1.301	0.144	1.445	0.669		0.075	0.329	2.518
2013	1.394	0.151	1.545	0.569	0.014	0.031	0.332	2.491
2014	1.402	0.154	1.556	0.569	0.014	0.029	0.311	2.479
2015	1.465	0.172	1.637	0.569	0.037	0.030	0.313	2.586
2016	1.500	0.177	1.677	0.569	0.039	0.030	0.322	2.637

Source: District Records and Municipal Tax Collector and/or Abstract of Ratables

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy to namely a 2% increase above the prior year, plus certain permitted adjustments.

R Reassessment year

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable

^b Rates for debt service are based on each year's requirements

**BORDENTOWN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
BORDENTOWN TOWNSHIP						
GCCFC	\$ 14,700,000	1	1.27%			
Bordentown Investment LLC	14,200,000	2	1.22%	\$ 9,126,700	4	1.42%
WW Grainger, Inc	11,268,200	3	0.97%			
Moshulu Realty LLC	11,000,000	4	0.95%	6,225,000	5	0.97%
HPT PSC Properties Trust, DBA: TCA	11,000,000	5	0.95%			
Hedding Hotels, LLC	7,414,500	6	0.64%			
MIM-Hayden Central Crossing 4, LLC	6,800,000	7	0.59%			
Bordentown Realty, LLC	6,380,000	8	0.55%			
Central Crossing Bus Park Bldg II, LLC	6,090,400	9	0.53%	4,335,000	9	0.67%
Bordentown Hotels, Inc	6,069,900	10	0.52%			
Public Service Electric and Gas				10,202,100	1	1.58%
Rock-IDI Central Crossing, LLC				10,000,000	2	1.55%
Bordentown V.F. LLC				9,925,410	3	1.54%
Orleans Home Builders				6,220,900	6	0.97%
Petro Stopping Centers, LP				5,979,100	7	0.93%
Mastoris Diner/Restaurant, Inc				5,730,800	8	0.89%
D.R. Horton, Inc				5,319,500	10	0.83%
Total	\$ 94,923,000		8.19%	\$ 73,064,510		11.35%
Total Municipal Assessment	\$ 1,159,654,679			\$ 643,689,731		
BORDENTOWN CITY						
Park Apartments	\$ 9,690,000	1	2.90%	\$ 5,392,400	2	2.87%
Ocean Spray Cranberries	8,200,000	2	2.46%	17,534,000	1	9.32%
Schino Property Management, LLC.	6,100,000	3	1.83%	2,597,500	3	1.38%
Ocean Spray Cranberries	3,000,000	4	0.90%			
Storage Depot of Bordentown, LLC	2,704,000	5	0.81%			
Lucas Bordentown, LLC	2,635,000	6	0.79%			
Maguire, Robert J	2,170,000	7	0.65%			
Thompson Realty Co. of Princeton	1,807,200	8	0.54%	987,200	10	0.52%
J&B Bordentown, LLC	1,642,300	9	0.49%			
860 Rt 206 Associates LLC	1,637,000	10	0.49%	1,699,600	4	0.90%
Bob Maguire Chevrolet				1,677,700	5	0.89%
Bordentown New Valley Realty				1,218,000	6	0.65%
Penn-Central Railroad RE Division				1,100,000	7	0.58%
Bordentown Properties LLC				1,059,700	8	0.56%
Riverview Gardens				1,050,000	9	0.56%
Total	\$ 39,585,500		11.86%	\$ 34,316,100		18.24%
Total Municipal Assessment	\$ 333,656,606			\$ 188,104,625		
BOROUGH OF FIELDSBORO						
Stepan Chemical	10,030,000	1	20.52%	7,865,900	1	27.51%
Individual #1	641,800	2	1.31%	168,400	5	0.59%
Olivia Konek Group, LLC	550,000	3	1.13%			
Balon Real Estate, LLC	485,300	4	0.99%			
Reddy Holding, LLC	448,500	5	0.92%			
Individual # 2	442,800	6	0.91%	161,900	6	0.57%
Individual # 3	416,600	7	0.85%	159,600	8	0.56%
Individual # 4	395,000	8	0.81%	154,300	9	0.54%
Borough of Fieldsboro	395,000	9	0.81%			
Individual # 5	374,900	10	0.77%	145,400	10	0.51%
River Club Homeowners				1,345,900	2	4.71%
R&J Liquors				320,900	3	1.12%
F&M Basani				304,500	4	1.06%
Fieldsboro Inn, Inc.				161,100	7	0.56%
Total	14,179,900		29.01%	10,787,900		37.72%
Total Municipal Assessment	\$ 48,871,762			\$ 28,596,674		

Source: Municipal Tax Assessor

**BORDENTOWN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
Bordentown Township			
2015	37,418,378	36,517,398	97.59%
2014	35,228,117	34,879,814	99.01%
2013	35,560,199	34,442,130	96.86%
2012	34,378,206	33,903,048	98.62%
2011	33,598,186	33,202,342	98.82%
2010	32,943,260	32,690,253	99.23%
2009	31,892,057	31,486,722	98.73%
2008	31,172,847	30,838,124	98.93%
2007	30,539,803	30,100,509	98.56%
2006	28,007,096	27,584,314	98.49%
Bordentown City			
2015	11,059,209	10,693,230	96.69%
2014	10,693,203	10,267,168	96.02%
2013	10,436,703	10,033,759	96.14%
2012	10,051,489	9,580,737	95.32%
2011	10,176,142	9,597,984	94.32%
2010	9,952,334	9,589,673	96.36%
2009	9,571,273	9,240,199	96.54%
2008	9,286,951	8,994,125	96.85%
2007	9,235,616	9,016,444	97.63%
2006	8,905,282	8,646,793	97.10%
Borough of Fieldsboro			
2015	1,373,802	1,297,264	94.43%
2014	1,392,299	1,312,349	94.26%
2013	1,400,857	1,343,514	95.91%
2012	1,412,586	1,331,565	94.26%
2011	1,396,830	1,327,881	95.06%
2010	1,413,906	1,347,402	95.30%
2009	1,487,919	1,417,056	95.24%
2008	1,465,632	1,390,578	94.88%
2007	1,426,717	1,371,801	96.15%
2006	1,254,768	1,210,062	96.44%

Source: Municipal records.

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

DEBT CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES					TOTAL DISTRICT	PERCENTAGE OF	
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES	PERSONAL INCOME		PER CAPITA	
2016	\$ 37,664,000	\$ -	\$ -	\$ 470,375	\$ 38,134,375	N/A	N/A	
2015	39,544,000	-	-	559,538	40,103,538	N/A	2,453	
2014	41,319,000	-	-	-	41,319,000	4.79%	2,572	
2013	42,774,000	-	-	96,170	42,870,170	5.23%	2,703	
2012	44,314,000	-	-	188,954	44,502,954	5.48%	2,801	
2011	45,779,000	-	-	357,098	46,136,098	5.88%	2,907	
2010	46,809,000	-	-	516,534	47,325,534	6.27%	2,986	
2009	39,215,000	250,000	-	71,916	39,536,916	5.78%	2,736	
2008	40,070,000	485,000	-	-	40,555,000	5.86%	2,798	
2007	40,850,000	805,000	-	72,129	41,727,129	6.17%	2,857	

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

EXHIBIT J-11

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Debt per Capita	Population *	Taxable Value of Property
2016	\$ 37,664,000	\$ -	\$ 37,664,000	2.44%	\$ 2,304	16,349	\$ 1,544,513,344
2015	39,544,000	-	39,544,000	2.56%	2,419	16,349	1,546,395,212
2014	41,319,000	-	41,319,000	2.63%	2,572	16,062	1,572,718,430
2013	42,774,000	-	42,774,000	2.67%	2,697	15,862	1,599,482,727
2012	44,314,000	-	44,314,000	2.73%	2,789	15,887	1,622,034,826
2011	45,779,000	-	45,779,000	2.36%	2,884	15,872	1,943,115,532
2010	46,809,000	-	46,809,000	2.39%	2,953	15,850	1,955,144,847
2009	39,215,000	-	39,215,000	1.99%	2,714	14,448	1,973,772,010
2008	40,070,000	-	40,070,000	3.55%	2,764	14,495	1,129,827,216
2007	40,850,000	-	40,850,000	4.50%	2,797	14,603	907,605,174

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

* Current year population estimated at the previous year amount.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>Governmental Unit</u>	<u>DECEMBER 31, 2015 DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE (a)</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes:			
Bordentown Township	\$ 23,075,405	100.00%	\$ 23,075,405
Bordentown City	2,281,956	100.00%	2,281,956
Fieldsboro Borough	317,039	100.00%	317,039
Other Debt:			
County of Burlington			
Bordentown Sewer Authority	17,533,709	100.00%	17,533,709
Burlington County	282,131,755	3.62%	<u>10,213,170</u>
Subtotal, Overlapping Debt			53,421,279
Bordentown Regional School District Bonded Debt - June 30, 2016			<u>37,664,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 91,085,279</u></u>

Sources: Each entity's finance records and information provided by the County Finance Office

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	67,728,025	68,242,015	69,654,030	75,302,140	75,332,196	75,736,915	74,681,041	74,681,041	65,802,251	57,807,513
Total Net Debt Applicable to Limit	37,664,000	39,544,000	41,319,000	42,774,000	44,314,000	45,779,000	46,809,000	39,215,000	40,070,000	40,850,000
Legal Debt Margin	\$ 30,064,025	\$ 28,698,015	\$ 28,335,030	\$ 32,528,140	\$ 31,018,196	\$ 29,957,915	\$ 27,872,041	\$ 35,466,041	\$ 25,732,251	\$ 16,957,513

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

	55.61%	57.95%	59.32%	56.80%	58.82%	60.44%	62.68%	52.51%	60.89%	70.67%
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Legal Debt Margin Calculation for Fiscal Year 2016:

Average Equalized Valuation Basis for the Three Years 2013 to 2015:

Bordentown Township	\$ 1,294,977,976
Bordentown City	349,212,216
Fieldsboro	49,010,425
	<u>\$ 1,693,200,617</u>

Average Equalized Valuation of Taxable Property

1,693,200,617

Debt Limit (4 % of Average Equalization Value)

67,728,025

Net Bonded School Debt

37,664,000

Legal Debt Margin

30,064,025

Source: Abstract Ratables and District Records

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PERSONAL INCOME (b)</u>	<u>PER CAPITA PERSONAL INCOME (c)</u>	<u>UNEMPLOYMENT RATE (d)</u>
Bordentown Township				
2015	11,935	N/A	N/A	4.20%
2014	11,625	\$ 624,808,875	\$ 53,747	5.30%
2013	11,423	\$ 589,860,874	\$ 51,638	4.40%
2012	11,427	\$ 584,479,623	\$ 51,149	8.80%
2011	11,414	\$ 564,661,994	\$ 49,471	8.50%
2010	11,384	\$ 541,719,024	\$ 47,586	8.70%
2009	10,068	\$ 477,062,112	\$ 47,384	8.20%
2008	10,102	\$ 482,451,316	\$ 47,758	9.20%
2007	10,176	\$ 471,097,920	\$ 46,295	3.50%
2006	10,367	\$ 461,528,473	\$ 44,519	3.80%
Bordentown City				
2015	3,882	N/A	N/A	5.10%
2014	3,903	\$ 209,774,541	\$ 53,747	5.50%
2013	3,907	\$ 201,749,666	\$ 51,638	8.80%
2012	3,925	\$ 200,759,825	\$ 51,149	9.60%
2011	3,921	\$ 193,975,791	\$ 49,471	9.30%
2010	3,928	\$ 186,917,808	\$ 47,586	9.50%
2009	3,820	\$ 181,006,880	\$ 47,384	9.00%
2008	3,830	\$ 182,913,140	\$ 47,758	9.20%
2007	3,860	\$ 178,698,700	\$ 46,295	3.80%
2006	3,929	\$ 174,915,151	\$ 44,519	4.20%
Fieldsboro Borough				
2015	532	N/A	N/A	8.80%
2014	534	\$ 28,700,898	\$ 53,747	11.50%
2013	532	\$ 27,471,416	\$ 51,638	8.30%
2012	535	\$ 27,364,715	\$ 51,149	15.50%
2011	537	\$ 26,565,927	\$ 49,471	15.00%
2010	538	\$ 25,601,268	\$ 47,586	15.30%
2009	560	\$ 26,535,040	\$ 47,384	14.50%
2008	563	\$ 26,887,754	\$ 47,758	9.20%
2007	567	\$ 26,249,265	\$ 46,295	6.40%
2006	573	\$ 25,509,387	\$ 44,519	7.00%

Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income pr

c Per capita personal income by municipality based on projected 2016 information. (As adjusted annually)

d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	2016		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	

Information not available

2007

Information not available

Source: Comprehensive Annual Financial Reports of Individual School Districts

OPERATING INFORMATION

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**BORDENTOWN REGIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEAR**

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction:										
Regular	174	177	171	174	150	142	140	139	137	129
Special Education	78	86	96	107	106	92	86	70	69	68
Other Instruction	16	17	13	14	13	13	11	15	15	15
Adult/Continuing Education	5	4	4	4	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	36	37	35	33	33	33	38	40	40	36
School Administrative Services	42	43	46	42	61	58	63	61	60	59
General Administrative Services	2	2	2	2	1	1	1	1	1	1
Plant Operations & Maintenance	46	44	43	42	41	43	44	41	39	34
Pupil Transportation	39	37	36	35	35	35	38	39	38	39
Business & Other Support Services	1	1	1	1	1	1	1	1	1	1
Food Service	-	-	-	-	-	-	-	-	-	-
Total	439	448	447	454	441	418	422	407	400	382

Source: District Personnel Records

**BORDENTOWN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			HIGH SCHOOL	AVERAGE DAILY		% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	SCHOOL		ENROLLMENT (ADE)(c)	ATTENDANCE (ADA) (d)		
2016	2,558	\$ 35,917,353	\$ 14,041	0.35%	211	13.3:1	14.0:1	14.0:1	2,493	2,391	12.45%	95.91%	
2015	2,574	\$ 36,015,036	\$ 13,992	-0.58%	218	13.0:1	14.0:1	14.0:1	2,217	2,146	-11.71%	96.80%	
2014	2,561	\$ 36,042,451	\$ 14,074	2.84%	213	12.3:1	13.0:1	14.0:1	2,511	2,429	0.68%	96.73%	
2013	2,503	\$ 34,253,248	\$ 13,685	3.99%	214	11.1:1	11.0:1	9.5:1	2,494	2,379	2.80%	95.39%	
2012	2,464	\$ 32,426,539	\$ 13,160	-1.01%	212	10.3:1	12.0:1	11.5:1	2,426	2,347	0.71%	96.74%	
2011	2,461	\$ 32,718,416	\$ 13,295	0.01%	217	9.3:1	10.9:1	11.8:1	2,409	2,335	0.38%	96.93%	
2010	2,480	\$ 32,968,346	\$ 13,294	-1.65%	215	10.1:1	10.8:1	11.8:1	2,400	2,321	-1.40%	96.71%	
2009	2,427	\$ 32,806,502	\$ 13,517	0.99%	224	10.9:1	10.5:1	12.7:1	2,434	2,275	4.64%	93.47%	
2008	2,346	\$ 31,401,380	\$ 13,385	6.76%	224	7.9:1	10.9:1	12.8:1	2,326	2,213	2.74%	95.14%	
2007	2,276	\$ 28,536,152	\$ 12,538	N/A	216	10.9:1	10.7:1	12.5:1	2,264	2,162	N/A	95.49%	

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay

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

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

**Bordertown Regional School District
School Building Information
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Elementary</u>										
Clara Barton Elementary School (1953)	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432
Square Feet	346	346	346	346	346	346	346	346	346	346
Capacity (students)	229	220	221	254	249	237	247	253	240	235
Enrollment										
Peter Muschal Elementary School (1953)	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309
Square Feet	517	517	517	517	517	517	517	517	517	517
Capacity (students)	460	572	537	553	612	642	622	602	608	580
Enrollment										
<u>Intermediate School</u>										
MacFarland Intermediate School (1924)	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
Square Feet	334	334	334	334	334	334	334	334	334	334
Capacity (students)	353	343	344	352	345	381	394	405	406	409
Enrollment										
<u>Middle School</u>										
Bordertown Regional Middle School (1965)	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720
Square Feet	545	545	545	545	545	545	545	545	545	545
Capacity (students)	493	533	532	541	541	524	535	563	577	614
Enrollment										
<u>High School</u>										
Bordertown Regional High School (2006)	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000
Square Feet	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Capacity (students)	678	766	723	712	716	694	705	738	743	720
Enrollment										
<u>Other</u>										
James F. Black Administration Building	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Transportation (1990)										
Square Feet										

Number of Schools at June 30, 2016

Elementary = 3

Middle School = 1

High School = 1

Other = 2

Source: District records, ASSA. [Generally per 10/15 on-roll ASSA count date]

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

The District opened a new 9-12 High School and reconfigured the remaining buildings to adjust the number of students per building. The elementary Schools are PreK-3, the Intermediate School is grades 4 & 5, and the middle school (old High School) is grades 6-8

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULED OR REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
For the Fiscal Year Ended June 30, 2007 to 2016**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
School Facilities										
James Black Dist. Admin. Building	5,733	6,121	5,133	5,218	5,550	2,838	2,965	3,496	3,027	2,457
Transportation / Bus Building	7,166	7,651	6,416	6,522	6,937	4,745	4,952	5,846	5,063	4,109
Bordentown Regional Middle School	131,136	140,009	117,404	119,353	128,333	83,250	86,887	102,567	88,818	72,099
Clara Barton School	73,809	78,803	66,080	67,177	71,450	48,811	50,944	60,137	52,076	42,273
MacFarland Intermediate School	92,440	98,695	82,760	84,134	89,486	58,686	61,250	72,303	62,611	50,825
Peter Muschal School	123,254	131,593	110,347	112,179	119,315	79,064	82,518	97,409	84,352	68,474
Bordentown Regional High School	283,053	302,205	253,414	257,620	272,621	180,306	188,184	222,142	192,365	156,158
	716,591	765,077	641,554	652,203	693,692	457,700	477,700	563,900	488,312	396,395
Other Facilities	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>716,591</u>	<u>765,077</u>	<u>641,554</u>	<u>652,203</u>	<u>693,692</u>	<u>457,700</u>	<u>477,700</u>	<u>563,900</u>	<u>488,312</u>	<u>396,395</u>

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
PROPERTY [School Alliance Insurance Fund ("SAIF")]		
Property Insurance		
Limit of Liability	\$ 250,000,000 Per occurrence	\$ 1,000
SAIF Self Insured Retention	\$ 100,000 Per occurrence	
Fund Aggregate Retention	100% of Property/BM/GL/AL Loss Fund	
Perils Included:	Coverage written on an "All Risk" Basis, including flood and earthquake (see sub-limits)	
Property Included:		
Buildings, Contents, Boiler & Machinery	\$ 250,000,000 with a	
Buildings, Contents, Boiler & Machinery	\$ 200,000,000 Sub-limit for National Weather Service Named Storms	
Extra Expenses	\$ 50,000,000	
Newly Acquired Property	\$ 25,000,000	
Builders Risk/New Construction	\$ 25,000,000	
Property in Transit	\$ 25,000,000	
Automobile Physical Damage	Included	
Unnamed Locations	\$ 25,000,000	
Demolition and Increased Cost of Construction	\$ 25,000,000	
Earthquake	\$ 25,000,000 Per Occurrence/Per Member/Annual Aggregate	
Flood	\$ 10,000,000 Per Occurrence/Per Member (Excluding Zones A & V)	
Flood	\$ 25,000,000 Per Occurrence/Per Member (Zones A & V)	
Flood	\$ 100,000,000 Fund Annual Aggregate Sub-limit to \$50,000,000 Annual Aggregate for Flood Zones A&V	
Accounts Receivable	\$ 2,500,000	
Fine Arts	\$ 2,500,000	
Loss of Rents	\$ 500,000 \$2,500,000 Aggregate	
Terrorism	\$ 100,000,000 Per Occurrence	
Terrorism	\$ 200,000,000 Annual Aggregate	
BOILER AND MACHINERY [SAIF]	\$ 100,000,000 Per Occurrence	\$ 1,000
CRIME AND FIDELITY [School Alliance Insurance Fund]		
Money & Securities (Loss Inside and Loss Outside)	\$ 50,000 Each (either) Loss	\$ 1,000
Blanket Employee Dishonesty	\$ 500,000 Per Loss	\$ 1,000
COMPREHENSIVE GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGE [SAIF]		
Limit of Liability	\$ 5,000,000 Per Occurrence/Per Member	None
Includes civil claim action or bodily injury, property damage and personal injury liability		

Sub-limit applicable to Sexual Molestation	\$	5,000,000	Per Occurrence/Aggregate Per Member	
Cyber Liability	\$	2,000,000	Limit	\$ 50,000
Polution Liability	\$	1,000,000	Per Member (Excludes mold)	
EXCESS LIABILITY COVERAGE [SAIF]				
Limit of Liability	\$	5,000,000	Per Occurrence/Per Member	None
Workers' Compensation [SAIF]				
Workers' Compensation			NJ Statutory Benefits	None
Employers' Liability	\$	5,000,000	Per Occurrence/Aggregate	None
WORKERS' COMPENSATION SUPPLEMENTARY INDEMNITY [SAIF]				
Limit of Liability [7 day waiting period applies]	\$	1,000,000	Per Incident & Annual Aggregate	None
SCHOOL LEADERS ERRORS & OMISSIONS [SAIF]				
Claims Made Coverage Form - Coverage A	\$	5,000,000		10,000
Aggregate - Coverage A	\$	5,000,000		10,000
Claims Made Coverage Form - Coverage B	\$	100,000		10,000
Aggregate - Coverage B	\$	300,000		10,000
BOARD SECRETARY [Selective Insurance Co.]	\$	120,000		
TREASURER [Selective Insurance Co.]	\$	340,000		
GROUP TRAVEL ACCIDENT				
- School Board Members [Hartford Insurance]				
Principal Sum	\$	50,000		
Aggregate	\$	250,000		
STUDENT PHYSICAL ED & ATHLETICS	\$	25,000		
[T.L. Groseclose Assoc. Inc]				

Source: District Records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Bordentown Regional School District
County of Burlington
Bordentown, New Jersey 08505

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Bordentown Regional School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bordentown Regional School District's basic financial statements, and have issued our report thereon dated October 6, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
October 6, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Bordentown Regional School District
County of Burlington
Bordentown, New Jersey 08505

Report on Compliance for Each Major Federal and State Program

We have audited Bordentown Regional School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. Bordentown Regional School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Bordentown Regional School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Bordentown Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Bordentown Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
October 6, 2016

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BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CEDA NUMBER	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE AT JUNE 30, 2016)	DEFERRED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF EDUCATION:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	1605N5MAP	\$ 95,438	9/1/15-8/31/16	\$ -	\$ -	77,805	\$ 95,438	\$ -	\$ -	\$ (17,633)	\$ -	\$ -
Total General Fund													
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue:													
Special Education Cluster													
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	567,586	7/1/15-6/30/16	-	10,476	567,586	(578,062)	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	541,192	7/1/14-6/30/15	(17,473)	(10,476)	27,949	-	-	-	-	-	-
Subtotal					(17,473)	-	595,535	(578,062)	-	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	H173A150114	26,042	7/1/15-6/30/16	-	-	26,042	(26,042)	-	-	-	-	-
Subtotal					-	-	26,042	(26,042)	-	-	-	-	-
Total Special Education Cluster													
Title I, Part A	84.010A	S010A150030	280,535	7/1/15-6/30/16	-	34,683	221,302	(267,610)	-	(1)	(11,626)	-	-
Title I, Part A	84.010A	S010A150030	302,918	7/1/14-6/30/15	6,807	(34,683)	40,246	-	-	-	12,370	-	-
Title I, Part A	84.010A	S010A150030	225,921	9/1/09-8/31/10	5,192	-	-	5,192	-	-	-	-	-
Subtotal					11,999	-	261,548	(267,610)	-	(1)	(11,626)	17,562	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	44,588	7/1/15-6/30/16	-	11,063	26,307	(43,504)	-	-	(6,134)	-	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	76,188	7/1/14-6/30/15	(10,603)	(11,063)	31,079	-	-	-	-	9,413	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	53,556	9/1/10-8/31/11	58	-	-	-	-	-	-	58	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	51,490	9/1/09-8/31/10	1,564	-	-	-	-	-	-	1,564	-
Subtotal					(8,981)	-	57,386	(43,504)	-	-	(6,134)	11,035	-
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	459	9/1/10-8/31/11	10	-	-	-	-	-	-	10	-
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	2,300	9/1/09-8/31/10	101	-	-	-	-	-	-	91	-
Subtotal					111	-	-	-	-	-	-	101	-
Title III, English Language Acquisition & Enhancer	84.365A	S365A150030	21,438	7/1/15-6/30/16	-	19,275	-	(18,444)	-	(3,477)	(2,646)	-	-
Title III, English Language Acquisition & Enhancer	84.365A	S365A150030	37,462	7/1/14-6/30/15	(8,555)	(19,275)	25,529	(701)	-	3,477	b.	475	-
Subtotal					(8,555)	-	25,529	(19,145)	-	-	(2,646)	475	-
Title IV, Safe & Drug Free Schools & Communities	84.186	N/A	6,298	9/1/09-8/31/10	22	-	-	-	-	-	-	22	-
Governor's Initiative: Enhancing & Expanding In-District Program Options for Students With Disabilities - Yr. 1	84.027A	H027A150100	150,000	6/1/08-6/1/09	5,191	-	-	-	-	-	-	5,191	-
Race To The Top Phase 3 (RTT3)	84.413A	B413A120008	12,984	9/1/11-11/30/15	-	-	12,984	(12,984)	-	-	-	-	-
Total Special Revenue Fund													
Total U.S. Department of Education													
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Enterprise Fund:													
Child Nutrition Cluster													
Noncash Assistance:	10.550	N/A	59,820	7/1/15-6/30/16	-	3,406	63,726	(59,820)	-	-	-	-	7,312
Food Distribution Program	10.550	N/A	38,503	7/1/14-6/30/15	3,406	(3,406)	-	-	-	-	-	-	-
Food Distribution Program					3,406	-	63,726	(59,820)	-	-	-	-	7,312
Subtotal					-	-	63,726	(59,820)	-	-	-	-	7,312
Cook Assistance:													
School Breakfast Program	10.553	1616IN304N1099	67,232	7/1/15-6/30/16	-	62,911	-	(67,232)	-	-	(4,321)	-	-
School Breakfast Program	10.553	1616IN304N1099	65,418	7/1/14-6/30/15	(5,458)	5,458	-	-	-	-	-	(4,321)	-
Subtotal					(5,458)	-	68,369	(67,232)	-	-	-	-	(4,321)
National School Lunch Program	10.555	1616IN304N1099	233,178	7/1/15-6/30/16	-	219,915	-	(233,178)	-	-	(13,263)	-	-
National School Lunch Program	10.555	1616IN304N1099	235,472	7/1/14-6/30/15	(17,370)	-	17,370	-	-	-	-	(13,263)	-
Subtotal					(17,370)	-	237,285	(233,178)	-	-	-	-	(13,263)
National School Lunch HHFKA Perf. Based Program	10.592	N/A	9,356	7/1/15-6/30/16	-	8,809	-	(9,356)	-	-	(547)	-	-
National School Lunch HHFKA Perf. Based Program	10.592	N/A	9,605	7/1/14-6/30/15	(718)	-	718	-	-	-	-	(547)	-
Subtotal					(20,140)	-	9,527	(9,356)	-	-	-	-	(547)
Total Child Nutrition Cluster													
Total Enterprise Fund													
Total U.S. Department of Agriculture													
Total Federal Financial Assistance													
			\$ -		\$ -	\$ -	\$ 1,435,736	\$ (1,412,371)	\$ -	\$ -	\$ (56,170)	\$ 41,698	\$ -

a. Rounding adjustment
b. Reclassification.

BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:											
General Fund:											
State Aid Cluster:											
Equitization Aid											
Categorical Special Education Aid											
Security Aid											
Under Adequacy Aid											
PARC Readiness Aid											
Per Pupil Growth Aid											
Total State Aid Cluster											
Transportation Aid											
Extraordinary Aid											
Reimbursed Non-Public School Transportation Cost											
Reimbursed Non-Public School Transportation Cost											
Dept. of Children & Families Homeless Tuition Aid											
Dept. of Children & Families Homeless Tuition Aid											
Reimbursed TPAF Social Security Contribution											
Reimbursed TPAF Social Security Contribution											
On-Behalf TPAF Pension Contribution											
On-Behalf Post Retirement Medical Contribution											
Total General Fund											
Special Revenue Fund:											
Character Education Aid											
Governor's School of Excellence Award											
Total Special Revenue Fund											
Enterprise Fund:											
Adult Basic Skills Grant Program											
Adult Basic Skills Grant Program											
Total Enterprise Fund											
Debt Service Fund:											
Debt Service Aid Type II											
Total Debt Service Fund											
Total State Department of Education											
NJ School Development Authority:											
Capital Projects Fund:											
BRMS - Partial Roof Replacement											
Total Capital Projects Fund											
Total NJ School Development Authority											
State Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program (State Share)											
National School Lunch Program (State Share)											
Total Enterprise Fund											
Total State Department of Agriculture											
Total State Financial Assistance											

Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08
On-Behalf TPAF Pension Contributions (Nonbudgeted) 1,218,928
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted) 1,451,408

Total for State Financial Assistance Subject to New Jersey OMB Circular 04-04 and/or 15-08

\$ (9,728,702)

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Bordentown Regional School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Bordentown Regional School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 3. Relationship to Basic Financial Statements

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more state aid June payments 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 \$13,249 for the general fund and \$1,375 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$12,127,869	\$ 95,438	\$12,223,307
Special Revenue Fund	-	948,722	948,722
Capital Projects Fund	25,538	-	25,538
Debt Service Fund	193,881	-	193,881
Food Service Fund	7,279	369,586	376,865
Enterprise Fund	57,720	-	57,720
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$12,412,287</u>	<u>\$1,413,746</u>	<u>\$13,826,033</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and Expenditures reported under the Food Distribution Program 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, 2016. 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, 2016.

Note 6. Federal and State Loans Outstanding

The Bordentown Regional School District had no loan balances outstanding at June 30, 2016.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.173A	H173A150114	I.D.E.A., Preschool Program

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	Yes

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Fiscal Year Ended June 30, 2016
(continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
	State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Educational Aid
495-034-5120-083	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FINANCIAL, FEDERAL AND STATE FINDINGS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

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

No Current Year Findings

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings