

**BRIDGEWATER-RARITAN REGIONAL
SCHOOL DISTRICT**

**Bridgewater-Raritan Regional School District
Bridgewater, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual
Financial Report**

of the

**Bridgewater-Raritan Regional School District
Board of Education**

Bridgewater, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

**Bridgewater-Raritan Regional School District
Board Office**

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INTRODUCTORY SECTION



Board of Education
Bridgewater-Raritan Regional School District

836 Newmans Lane, P. O. Box 6030
 Bridgewater, New Jersey 08807-0030

(908) 685-2777 ext. 3212
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September 6, 2016

The Honorable President and Members of
 the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Bridgewater-Raritan Regional School District (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Bridgewater-Raritan Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Bridgewater-Raritan Regional School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12 and completed the 2015-2016 fiscal year with an average daily enrollment of 8,554 students, which is 16 students below the previous year's enrollment.

The Honorable President and Members of
the Board of Education
Bridgewater-Raritan Regional School District
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2) ECONOMIC CONDITION AND OUTLOOK: Both Bridgewater Township and Raritan Borough are situated approximately 45 minutes west of New York City by train, bus or car with major highways running through the communities. Both communities are characterized by educated supportive residents.

Raritan Borough is an established community that is almost fully developed. It is a well-maintained, single-family, residential community. Commercial uses serving the immediate area are concentrated on Routes 202 and 206.

Bridgewater Township is diverse and thriving township with a mix of urban and suburban life. The Township is prime ground for many new and large businesses with its location and easy accessibility. It is home to the Bridgewater Commons Mall and numerous major companies in various industries.

The District has had a stable tax base of approximately \$9,270,000,000 and anticipates growth at a modest rate. The District exhibits wealth and income levels that are above state medians. The District has a low debt burden as percentage of equalized valuation.

3) MAJOR INITIATIVES: Bridgewater-Raritan students continue to excel and demonstrate proficiency in local, state and national assessments where data is monitored and analyzed. The District is currently working to increase the use of quantitative and qualitative data to improve performance. The District is researching and investigating the possibilities concerning the offering of a full day kindergarten program and will initiate a strategic planning process this year.

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

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2016.

The Honorable President and Members of
the Board of Education
Bridgewater-Raritan Regional School District
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September 6, 2016

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

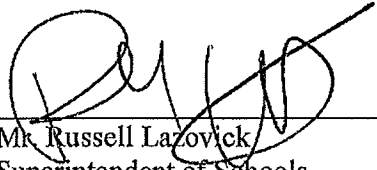
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the New Jersey Schools Insurance Group ("NJSIG"). A complete listing of the District's insurance is located in the Statistical Section of this report on Exhibit J-20.


9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bridgewater-Raritan Regional School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

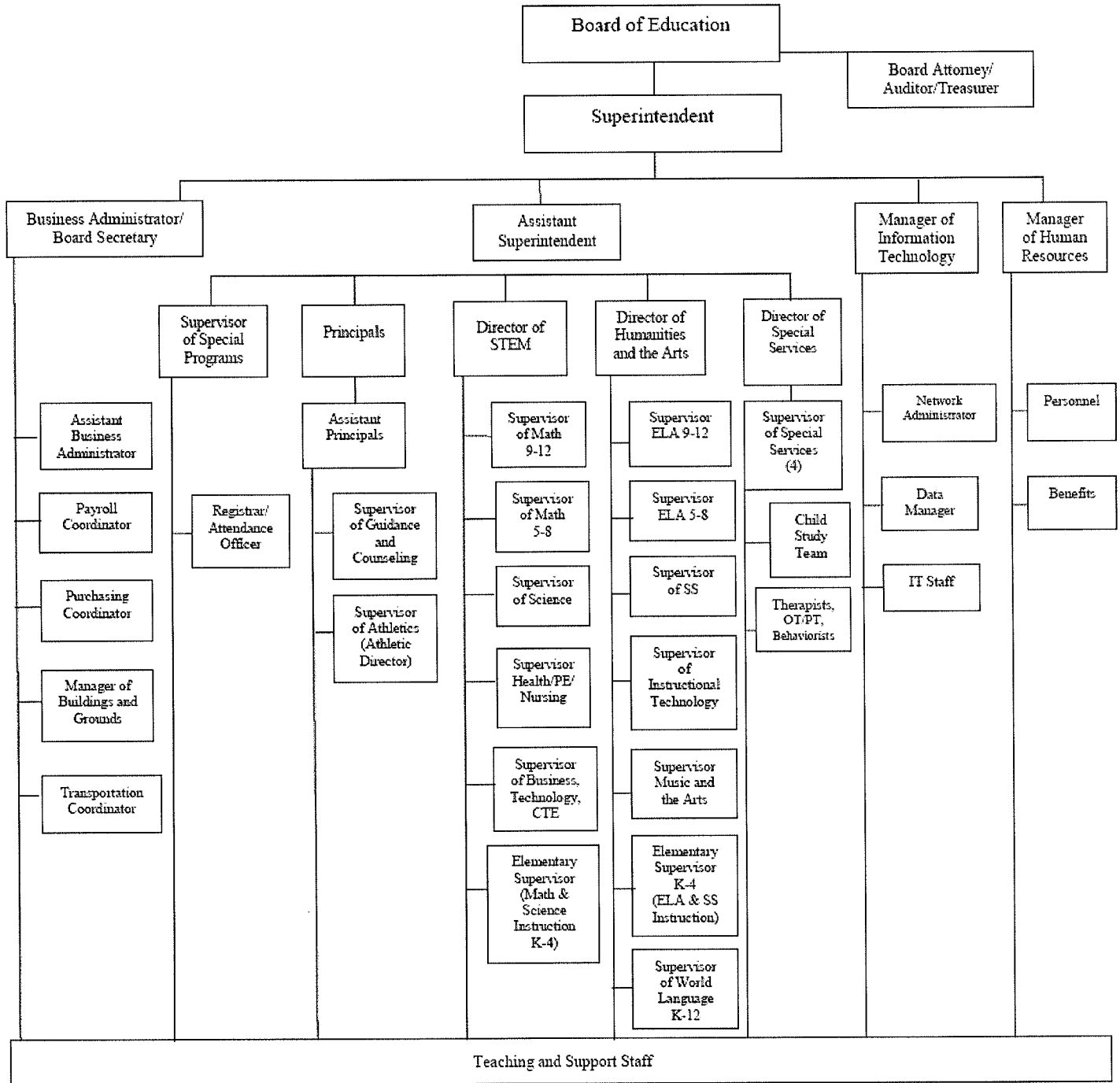


Mr. Russell Lazovick
Superintendent of Schools



Mr. Peter F. Starrs
School Business Administrator/Board Secretary

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART
FISCAL YEAR ENDED JUNE 30, 2016**



**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2016**

Members of the Board of Education**Term Expires**

Ann Marie Mead, President	2017
Jill Gladstone, Vice President	2016
Jackie Barlow	2018
Jeffrey Brookner	2016
Lynne Hurley	2016
Daniel Petrozelli	2018
Melanie Thiesse	2018
Barry Walker	2017
Lisa Weinstock	2017

Other Officers**Title**

Dr. Victor Hayek	Superintendent of Schools (thru 1/2016)
Mr. Russell Lazovick	Superintendent of Schools (effective 7/2016)
Dr. Daniel W. Silvia	Assistant Superintendent (Interim Superintendent from 1/2016 – 6/2016)
Mr. Peter F. Starrs	Business Administrator/Board Secretary
Mr. Ronald Rossi	Treasurer of School Monies (thru 6/2016)
Mrs. Nicole Petrone	Treasurer of School Monies (effective 7/2016)
Mr. Nicholas Celso, III	General Counsel

BRIDGEWATER-RARITAN REGIONAL BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

Attorney

Nicholas Celso, III
Schwartz, Simon, Edelstein, Celso LLC
100 South Jefferson Road, Suite 200
Whippany, NJ 07981

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Official Depositories

PNC Bank
Washington Valley Road
Martinsville, NJ 08836

New Jersey Cash Management Fund
P.O. Box 290
Trenton, NJ 08625-0290

New Jersey Asset & Rebate Management Program
821 Alexander Road, Suite 110
Princeton, NJ 08540

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Financial activities of th
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Bridgewater-Raritan Regional School District (the "District") in the County of Somerset, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. 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.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

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 Board of Education of the Bridgewater-Raritan Regional School District, in the County of Somerset, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 3

The accompanying other information such as the introductory and statistical sections has 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 it.

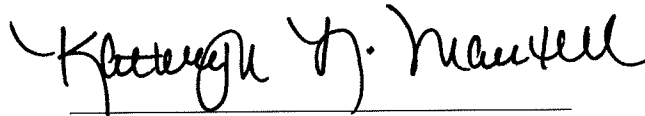
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2016 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District’s internal control over financial reporting and compliance.



NISIVOCCIA LLP

September 6, 2016
Mount Arlington, New Jersey



Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016 2016
(Unaudited)**

This section of Bridgewater-Raritan Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved by \$70,423 on a district-wide basis.
- Overall revenue was \$186,442,220.
- Overall expenses were \$186,371,797.
- Enrollment in the District has decreased from the prior year by 16 students.

Overview of the Financial Statements

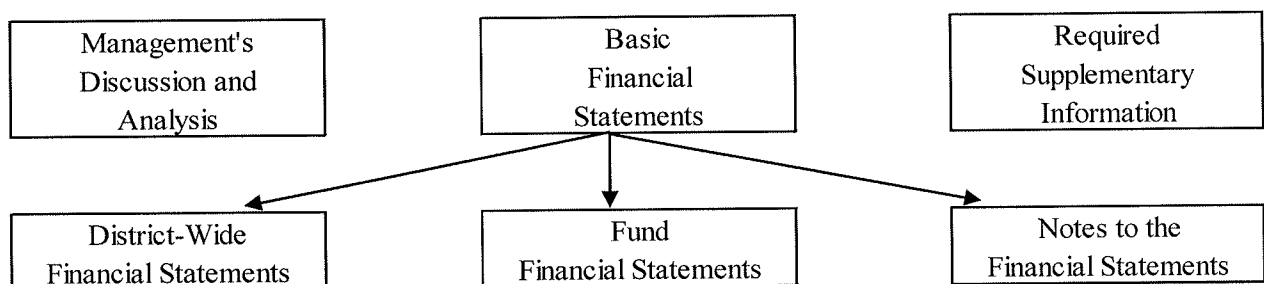
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report



**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial 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 education and building maintenance	Activities the District operates similar to private businesses: food services program	Instances in which the District administers resources on behalf of someone else, such as 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 revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in 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 are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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 revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

District-wide Statements

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, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base 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, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

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:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

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 readily be 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 at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

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For the Fiscal Year Ended June 30, 2016
(Unaudited)**

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$70,423. Net position from governmental activities decreased by \$144,716 and net position from business-type activities increased by \$215,139. Net investment in capital assets decreased by \$813,835, restricted net position increased by \$1,787,269, and unrestricted net position decreased by \$903,011.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2015/16
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	
Current and							
Other Assets	\$ 27,559,655	\$ 25,618,982	\$ 1,162,214	\$ 967,390	\$ 28,721,869	\$ 26,586,372	8.03%
Capital Assets, Net	54,269,805	59,089,459	303,360	223,621	54,573,165	59,313,080	-7.99%
Total Assets	<u>81,829,460</u>	<u>84,708,441</u>	<u>1,465,574</u>	<u>1,191,011</u>	<u>83,295,034</u>	<u>85,899,452</u>	-3.03%
Deferred Outflows of Resources	<u>6,550,159</u>	<u>3,198,538</u>			<u>6,550,159</u>	<u>3,198,538</u>	104.79%
Long-Term Liabilities	79,444,136	77,582,210			79,444,136	77,582,210	2.40%
Other Liabilities	<u>2,064,742</u>	<u>2,204,724</u>	<u>267,510</u>	<u>208,086</u>	<u>2,332,252</u>	<u>2,412,810</u>	-3.34%
Total Liabilities	<u>81,508,878</u>	<u>79,786,934</u>	<u>267,510</u>	<u>208,086</u>	<u>81,776,388</u>	<u>79,995,020</u>	2.18%
Deferred Inflows of Resources	<u>533,857</u>	<u>1,638,445</u>			<u>533,857</u>	<u>1,638,445</u>	-206.91%
Net Position:							
Net Investment in							
Capital Assets	19,930,664	20,824,238	303,360	223,621	20,234,024	21,047,859	-3.87%
Restricted	20,882,240	19,094,971			20,882,240	19,094,971	9.36%
Unrestricted/(Deficit)	<u>(34,476,020)</u>	<u>(33,437,609)</u>	<u>894,704</u>	<u>759,304</u>	<u>(33,581,316)</u>	<u>(32,678,305)</u>	-2.76%
Total Net Position	<u>\$ 6,336,884</u>	<u>\$ 6,481,600</u>	<u>\$ 1,198,064</u>	<u>\$ 982,925</u>	<u>\$ 7,534,948</u>	<u>\$ 7,464,525</u>	0.94%

Changes in Net Position. The District's combined net position was \$7,534,948 on June 30, 2016, an increase of \$70,423 or 0.94% more than the year before. (See Figure A-3). Net Investment in Capital Assets decreased due to a net decrease in serial bonds payable of \$4,155,000; a net decrease in capital leases payable of \$1,136; as well as current year capital assets additions (net of deletions) of \$1,802,347 offset by current year depreciation expense of \$6,542,262 and a net decrease in deferred interest of \$230,056. Restricted net position increased due to the net increase in Capital Reserve of \$2,818,785 and \$5,750,000 restricted in fund balance for fiscal year 2017-2018; offset by a net increase in Debt Service fund balance of \$656 and \$6,780,860 of fund balance utilized.

**Management's Discussion and Analysis
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The decrease in unrestricted net position was due to a net increase in compensated absences of \$610,522; a decrease in General Fund unassigned fund balance of \$188,438; a decrease in General Fund assigned fund balance of \$233,884 and a net increase in net pension liability of \$5,710,854; offset by a net increase in business-type activities unrestricted net position of \$135,400; a \$655,738 increase in fund balance committed to Capital Projects; a decrease in accrued interest payable of \$59,970; a net decrease in unamortized bond premium of \$303,314; a decrease in investment gains in pensions of \$1,104,588; an increase in changes in pension assumptions of \$2,701,316; an increase in changes in proportion in pensions of \$88,229 and an increase in difference between expected and actual pension experience of \$792,132.

Figure A-4

	Changes in Net Position from Operating Results						
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities	Total School District	Total School District	Percentage Change
	2015/16	2015/16	2014/15	2014/15	2015/16	2014/15	2015/16
Revenue:							
Program Revenue:							
Charges for Services	\$ 458,608	\$ 2,297,912	\$ 492,699	\$ 2,195,219	\$ 2,756,520	\$ 2,687,918	2.55%
Operating Grants and Contributions	46,516,247	665,466	39,395,375	619,433	47,181,713	40,014,808	17.91%
Capital Grants and Contributions			147,746			147,746	-100.00%
General Revenue:							
Property Taxes	132,763,989		130,312,033		132,763,989	130,312,033	1.88%
Unrestricted State and Federal Aid	2,856,603		2,850,589		2,856,603	2,850,589	0.21%
Other	882,028	1,367	1,274,025	944	883,395	1,274,969	-30.71%
Total Revenue	<u>183,477,475</u>	<u>2,964,745</u>	<u>174,472,467</u>	<u>2,815,596</u>	<u>186,442,220</u>	<u>177,288,063</u>	5.16%
Expenses:							
Instruction	112,824,649		104,327,352		112,824,649	104,327,352	8.14%
Pupil and Instruction Services	28,499,601		26,339,757		28,499,601	26,339,757	8.20%
Administrative and Business	14,568,778		15,099,176		14,568,778	15,099,176	-3.51%
Maintenance and Operations	17,596,127		18,003,330		17,596,127	18,003,330	-2.26%
Transportation	9,002,460		9,193,741		9,002,460	9,193,741	-2.08%
Other	1,130,576	2,749,606	1,231,590	2,572,797	3,880,182	3,804,387	1.99%
Total Expenses	<u>183,622,191</u>	<u>2,749,606</u>	<u>174,194,946</u>	<u>2,572,797</u>	<u>186,371,797</u>	<u>176,767,743</u>	5.43%
Increase/(Decrease) in Net Position	<u>\$ (144,716)</u>	<u>\$ 215,139</u>	<u>\$ 277,521</u>	<u>\$ 242,799</u>	<u>\$ 70,423</u>	<u>\$ 520,320</u>	

Revenue Sources. The District's total revenue for the 2015/16 school year was \$186,442,220 – an increase of \$9,154,157 (primarily due to the increase in on-behalf TPAF pension and post-retirement contributions made by the State of New Jersey and recording of the difference in the contractually required contribution to TPAF pension and the actual contribution made by the State of New Jersey) or 5.16% over the prior year. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$132,763,989 of the total, or 71.21 percent. (See Figure A-5). Another 26.84 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Figure A-5**Sources of Revenue for Fiscal Year 2016**

	2016	Percentage	2015	Percentage
Sources of Income:				
Grants and Contributions	\$ 47,181,713	25.31%	\$ 40,162,554	22.65%
Property Taxes	132,763,989	71.21%	130,312,033	73.50%
Unrestricted Federal and State Aid	2,856,603	1.53%	2,850,589	1.61%
Charges for Services	2,756,520	1.48%	2,687,918	1.52%
Other	883,395	0.47%	1,274,969	0.72%
	<u>\$ 186,442,220</u>	<u>100.00%</u>	<u>\$ 177,288,063</u>	<u>100.00%</u>

The total cost of all programs and services was \$186,371,97 – an increase of \$9,604,054 (primarily attributable to recording of the changes in the District's PERS net pension liability and difference in on-half TPAF contributions made by the State of New Jersey) or 5.43% over the prior year. The District's expenses are predominantly related to instructing and providing pupil services (75.83 percent). (See Figure A-6). The District's administrative and business activities accounted for 7.82 percent of total costs. The Bridgewater-Raritan Regional School District operates 11 schools, an administration building and a maintenance/transportation building which constitute 9.44 percent of total costs. It is important to note that expenses for the year include \$6,542,262 of depreciation expense and \$1,103,284 of interest on long-term debt.

Figure A-6**Expenses for Fiscal Year 2016**

	2016	Percentage	2015	Percentage
Expense Category:				
Instruction	\$ 112,824,649	60.54%	\$ 104,327,352	59.01%
Pupil and Instruction Services	28,499,601	15.29%	26,339,757	14.90%
Administrative and Business	14,568,778	7.82%	15,099,176	8.54%
Maintenance and Operations	17,596,127	9.44%	18,003,330	10.18%
Transportation	9,002,460	4.83%	9,193,741	5.20%
Other	3,880,182	2.08%	3,804,387	2.15%
	<u>\$ 186,371,797</u>	<u>100.00%</u>	<u>\$ 176,767,743</u>	<u>99.98%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining existing programs with a slight decrease in enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, state mandates on testing and energy costs place great demands on the District's resources.

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health. Monitoring expenses carefully and planning Capital Reserve projects and other expenses allowed us to make several significant upgrades during the 2015-2016 school year. Some of the projects included \$431,000 on wireless infrastructure, \$452,000 on large pavement rehabilitation and \$110,000 on gymnasium bleacher replacement.

The District will continue its practice of examining all expenses carefully and being mindful of pressure to reduce taxes while maintaining and/or expanding programs.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2015/16</u>	<u>2015/16</u>	<u>2014/15</u>	<u>2014/15</u>
Instruction	\$ 112,824,649	\$ 74,653,287	\$ 104,327,352	\$ 72,593,185
Pupil and Instruction Services	28,499,601	22,683,300	26,339,757	21,724,143
Administrative and Business	14,568,778	12,827,613	15,099,176	12,811,493
Maintenance and Operations	17,596,127	17,576,008	18,003,330	17,855,584
Transportation	9,002,460	7,776,552	9,193,741	7,943,131
Other	1,130,576	1,130,576	1,231,590	1,231,590
	<u>\$ 183,622,191</u>	<u>\$ 136,647,336</u>	<u>\$ 174,194,946</u>	<u>\$ 134,159,126</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$215,139 (Refer to Figure A-4). The increase in net position was primarily due to the following:

- An increase in Food Service Fund federal and state subsidy reimbursements due to an increase in the number of meals claimed and an increase in the reimbursement rates.
- An increase in daily sales, mainly related to non-reimbursable meals, due to the increase in the number of operating days.

Financial Analysis of the District's Funds

The District is presently in a stable financial position. A major concern for the community is that the burden of the rising cost of education is focused on taxpayers to support their local schools. Despite these concerns, the Bridgewater-Raritan Regional School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all the students of the District.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts after staff transfers to various programs.
- Transferred from unexpended appropriations to purchase teaching materials, computers, and equipment to meet various program needs.
- Transferred from capital reserve to fund pavement rehabilitation and wireless infrastructure.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Capital Asset and Debt Administration

Figure A-8

	Capital Assets (Net of Depreciation)						Percentage Change 2015/16
	Government Activities		Business-Type Activities		Total School District		
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	
Sites and Site Improvements	\$ 23,145,424	\$ 22,816,583			\$ 23,145,424	\$ 22,816,583	1.44%
Construction in Progress	175,087	363,489			175,087	363,489	-51.83%
Buildings and Building Improvements	27,888,496	33,055,863			27,888,496	33,055,863	-15.63%
Machinery and Equipment	3,060,798	2,853,524	\$ 303,360	\$ 223,621	3,364,158	3,077,145	9.33%
Total	\$ 54,269,805	\$ 59,089,459	\$ 303,360	\$ 223,621	\$ 54,573,165	\$ 59,313,080	-7.99%

The District expended \$1,204,886 towards construction projects in progress and transferred \$1,393,288 of completed capital projects to depreciable capital assets during the fiscal year. Additionally, the District expended \$1,695,163 from its current year capital budget, disposed \$1,344 in capital assets, and depreciated \$6,513,473 of its governmental activities capital assets. The District purchased \$108,528 of capital assets and depreciated \$28,789 of its business-type activities capital assets during the fiscal year.

Long-term Liabilities

At year-end, the District had \$35,185,000 in general obligation bonds outstanding – a decrease of \$4,155,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9

	Outstanding Long-Term Liabilities		
	Total School District		Percentage Change 2014/15
	2015/16	2014/15	
General Obligation Bonds (Financed with Property Taxes)	\$ 35,185,000	\$ 39,340,000	-10.56%
Unamortized Bond Issuance Premium	2,181,002	2,484,316	-12.21%
Capital Leases Payable	812,125	813,261	-0.14%
Compensated Absences Payable	8,061,959	7,451,437	8.19%
Net Pension Liability	33,204,050	27,493,196	20.77%
	\$ 79,444,136	\$ 77,582,210	2.40%

- The District continued to pay down its bonded debt, retiring \$4,155,000 of outstanding bonds.
- In fiscal year 2016, there was a net increase of \$610,522 in compensated absences and \$5,710,854 in the District's net pension liability.
- The District entered into a \$815,024 lease purchase agreement for various technology equipment and paid down \$816,160 in capital leases payable.
- The District amortized \$303,314 of bond issuance premium related to its bonded debt.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was unaware of existing circumstances that could significantly affect its financial health in the future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 836 Newmans Lane, P.O. Box 6030, Bridgewater, New Jersey 08807-0030. Please visit our website at www.brrsd.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 12,659,072	\$ 969,734	\$ 13,628,806
Investments	3,045,731		3,045,731
Interfund Receivable - Fiduciary Funds	86,070		86,070
Receivables from State Government	1,424,007	6,694	1,430,701
Receivables from Federal Government	1,018,292	103,264	1,121,556
Receivables from Other Governments	28,833		28,833
Other Accounts Receivables	205,710	21,416	227,126
Inventories		61,106	61,106
Restricted Cash and Cash Equivalents	9,091,940		9,091,940
Capital Assets, Net:			
Sites (Land) and Construction in Progress	21,862,787		21,862,787
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	32,407,018	303,360	32,710,378
Total Assets	81,829,460	1,465,574	83,295,034
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amount on Refunding	1,657,984		1,657,984
Changes in Assumptions - Pensions	3,565,850		3,565,850
Changes in Proportion - Pensions	534,193		534,193
Difference Between Expected and Actual Experience - Pensions	792,132		792,132
District Contribution Subsequent to the Measurement Date - Pensions	1,337,314		1,337,314
Total Deferred Outflows of Resources	7,887,473		7,887,473
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	2,880,964	181,545	3,062,509
Accrued Interest Payable	371,602		371,602
Payable to Federal Government	12,260		12,260
Payable to State Government	54,447		54,447
Unearned Revenue	82,783	85,965	168,748
Noncurrent Liabilities:			
Due Within One Year	5,118,780		5,118,780
Due Beyond One Year	74,325,356		74,325,356
Total Liabilities	82,846,192	267,510	83,113,702
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	533,857		533,857
Total Deferred Inflows of Resources	533,857		533,857
<u>NET POSITION:</u>			
Net Investment in Capital Assets	19,930,664	303,360	20,234,024
Restricted for:			
Capital Projects	9,091,940		9,091,940
Debt Service	90,300		90,300
Excess Surplus	11,700,000		11,700,000
Unrestricted/(Deficit)	(34,476,020)	894,704	(33,581,316)
Total Net Position	\$ 6,336,884	\$ 1,198,064	\$ 7,534,948

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 76,032,018	\$ 105,870	\$ 21,399,630		\$ (54,526,518)		\$ (54,526,518)
Special Education	26,049,605	5,819	14,218,197		(11,825,589)		(11,825,589)
Other Special Instruction	8,491,440		2,441,846		(6,049,594)		(6,049,594)
Other Instruction	2,251,586				(2,251,586)		(2,251,586)
Support Services:							
Tuition	7,624,751				(7,624,751)		(7,624,751)
Student and Instruction Related Services	20,874,850		5,816,301		(15,058,549)		(15,058,549)
General Administrative Services	2,289,946		173,407		(2,116,539)		(2,116,539)
School Administrative Services	10,275,635		1,472,486		(8,803,149)		(8,803,149)
Central Services	1,627,302		95,272		(1,532,030)		(1,532,030)
Administrative Information Technology	375,895				(375,895)		(375,895)
Plant Operations and Maintenance	17,596,127			\$ 20,119	(17,576,008)		(17,576,008)
Pupil Transportation	9,002,460	346,919	878,989		(7,776,552)		(7,776,552)
Transfer of Funds to Charter School	27,292				(27,292)		(27,292)
Interest on Long-Term Debt	1,103,284				(1,103,284)		(1,103,284)
Total Governmental Activities	183,622,191	458,608	46,496,128	20,119	(136,647,336)		(136,647,336)
Business-Type Activities:							
Food Service Fund	2,749,606	2,297,912	665,466			\$ 213,772	213,772
Total Business-Type Activities	2,749,606	2,297,912	665,466			213,772	213,772

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	<u>\$ 186,371,797</u>	<u>\$ 2,756,520</u>	<u>\$ 47,161,594</u>	<u>\$ 20,119</u>	<u>\$(136,647,336)</u>	<u>\$ 213,772</u>	<u>\$(136,433,564)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					127,373,133		127,373,133
Taxes Levied for Debt Service					5,390,856		5,390,856
Federal, State and Local Aid not Restricted					2,856,603		2,856,603
Interest Earnings					35,175	1,367	36,542
Miscellaneous Income					846,853		846,853
Total General Revenues					<u>136,502,620</u>	<u>1,367</u>	<u>136,503,987</u>
Change in Net Position					(144,716)	215,139	70,423
Net Position - Beginning					<u>6,481,600</u>	<u>982,925</u>	<u>7,464,525</u>
Net Position - Ending					<u>\$ 6,336,884</u>	<u>\$ 1,198,064</u>	<u>\$ 7,534,948</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,186,052		\$ 1,382,720	\$ 90,300	\$ 12,659,072
Investments	3,045,731				3,045,731
Interfund Receivable	720,294				720,294
Receivables From State Government	1,424,007				1,424,007
Receivables From Federal Government	37,788	\$ 980,504			1,018,292
Receivables From Other Governments	28,833				28,833
Other Accounts Receivable	205,710				205,710
Restricted Cash and Cash Equivalents	9,091,940				9,091,940
Total Assets	<u>\$ 25,740,355</u>	<u>\$ 980,504</u>	<u>\$ 1,382,720</u>	<u>\$ 90,300</u>	<u>\$ 28,193,879</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 634,224			\$ 634,224
Accounts Payable	\$ 1,331,038	209,050	\$ 3,562		1,543,650
Payable to Federal Government	12,260				12,260
Payable to State Government		54,447			54,447
Unearned Revenue		82,783			82,783
Total Liabilities	<u>1,343,298</u>	<u>980,504</u>	<u>3,562</u>		<u>2,327,364</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	9,091,940				9,091,940
Excess Surplus - For 2017-2018	5,750,000				5,750,000
Excess Surplus - For 2016-2017	5,950,000				5,950,000
Debt Service				\$ 90,300	90,300
Committed:					
Capital Projects			1,379,158		1,379,158
Assigned:					
Other Purposes	702,684				702,684
Unassigned	2,902,433				2,902,433
Total Fund Balances	<u>24,397,057</u>		<u>1,379,158</u>	<u>90,300</u>	<u>25,866,515</u>
Total Liabilities and Fund Balances	<u>\$ 25,740,355</u>	<u>\$ 980,504</u>	<u>\$ 1,382,720</u>	<u>\$ 90,300</u>	<u>\$ 28,193,879</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Total Fund Balances from previous page	\$ 25,866,515
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$321,040,868 and the accumulated depreciation is \$266,771,063.	54,269,805
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$3,104,987 and the Accumulated Amortization is \$923,985.	(2,181,002)
Deferred Amount on Refunding is not Reported as Expenditures in the Governmental Funds in the Year of the Expenditure.	1,657,984
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(371,602)
Long-Term Liabilities, including the Net Pension Liability for PERS, Bonds Payable and Capital Leases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(77,263,134)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	3,565,850
Changes in Proportions - Pensions	534,193
Difference Between Expected and Actual Experience - Pensions	792,132
Investment Gains - Pensions	<u>(533,857)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 6,336,884</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 127,373,133			\$ 5,390,856	\$ 132,763,989
Other Local Government Units - Restricted	291,042				291,042
Tuition from Individuals	15,233				15,233
Tuition from Other LEAs	5,819				5,819
Tuition from Other Sources	90,637				90,637
Transportation Fees From Individuals	17,881				17,881
Transportation Fees from LEA's	37,996				37,996
Interest Earned on Capital Reserve Funds	7,972				7,972
Unrestricted Miscellaneous Revenue	874,056	\$ 42,935			916,991
Total - Local Sources	128,713,769	42,935		5,390,856	134,147,560
State Sources	26,811,121	124,884	\$ 20,119		26,956,124
Federal Sources	164,602	2,366,113			2,530,715
Total Revenues	155,689,492	2,533,932	20,119	5,390,856	163,634,399
EXPENDITURES:					
Current:					
Regular Instruction	43,005,043	390,880			43,395,923
Special Education Instruction	14,499,669	1,668,713			16,168,382
Other Special Instruction	4,752,425				4,752,425
School-Sponsored/Other Instruction	1,891,204				1,891,204
Support Services and Undistributed Costs:					
Tuition	4,576,844				4,576,844
Student/Other Instruction Related Services	14,447,311	467,255			14,914,566
General Administrative Services	1,842,235				1,842,235
School Administrative Services	7,109,778				7,109,778
Central Services	1,227,369				1,227,369
Administrative Information Technology	375,895				375,895
Plant Operations and Maintenance	10,866,895				10,866,895
Student Transportation	8,192,971				8,192,971
Unallocated Benefits	38,705,808				38,705,808
Allocated Benefits - Student Transportation	373,206				373,206
Transfer of Funds to Charter School	27,292				27,292
Capital Outlay	1,404,463	7,084	1,204,886		2,616,433
Debt Service:					
Principal				4,155,000	4,155,000
Interest and Other Charges				1,236,512	1,236,512
Total Expenditures	153,298,408	2,533,932	1,204,886	5,391,512	162,428,738
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	2,391,084		(1,184,767)	(656)	1,205,661
Other Financing Sources/(Uses):					
Capital Leases (Non-budgeted)	815,024				815,024
Transfers (net)	(1,840,505)		1,840,505		
Total Other Financing Sources/(Uses)	(1,025,481)		1,840,505		815,024

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 1,365,603		\$ 655,738	\$ (656)	\$ 2,020,685
Fund Balance - July 1	<u>23,031,454</u>		<u>723,420</u>	<u>90,956</u>	<u>23,845,830</u>
Fund Balance - June 30	<u><u>\$ 24,397,057</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 1,379,158</u></u>	<u><u>\$ 90,300</u></u>	<u><u>\$ 25,866,515</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 2,020,685
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals differ from capital outlays in the period.	
Depreciation Expense	\$ (6,513,473)
Disposal of Capital Assets, Net of Accumulated Depreciation	(1,344)
Capital Outlays	<u>1,695,163</u>
	(4,819,654)
In the Statement of Activities, 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. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	59,970
Repayment of serial bonds 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.	4,155,000
Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.	(815,024)
Repayment of capital leases 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.	816,160
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)	303,314
The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.	(230,056)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(610,522)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	(5,710,854)
Change in Deferred Outflows:	
Changes in Assumptions	2,701,316
Changes in Proportion	88,229
Difference Between Expected and Actual Experience - Pensions	792,132
Change in Deferred Inflows:	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>1,104,588</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ (144,716)</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 969,734
Intergovernmental Accounts Receivable:	
State	6,694
Federal	103,264
Other Accounts Receivable	21,416
Inventories	61,106
	1,162,214
Total Current Assets	
Non-Current Assets:	
Capital Assets	765,791
Less: Accumulated Depreciation	(462,431)
	303,360
Total Non-Current Assets	
Total Assets	1,465,574
<u>LIABILITIES:</u>	
Accounts Payable	181,545
Unearned Revenue	85,965
	267,510
Total Liabilities	
<u>NET POSITION:</u>	
Investment in Capital Assets	303,360
Unrestricted	894,704
	1,198,064
Total Net Position	\$ 1,198,064

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 1,279,796
Non-Reimbursable Programs	899,843
Special Events	15,174
Miscellaneous Revenue	103,099
Total Operating Revenue	2,297,912
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	872,892
Non-Reimbursable Programs	606,586
Salaries, Benefits & Payroll Taxes	1,103,735
Other Purchased Services	21,468
Supplies and Materials	31,196
Management Fee	37,056
Miscellaneous Expenditures	47,884
Depreciation Expense	28,789
Total Operating Expenses	2,749,606
Operating Loss	(451,694)
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	1,367
State Sources:	
State School Lunch Program	26,254
Federal Sources:	
National School Lunch Program	487,537
School Breakfast Program	17,638
Food Distribution Program	134,037
Total Non-Operating Revenue	666,833
Change in Net Position	215,139
Net Position - Beginning of Year	982,925
Net Position - End of Year	\$ 1,198,064

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,282,373
Payments to Food Service Contractor	(2,495,175)
Payments to Suppliers	(54,321)
Net Cash Used for Operating Activities	(267,123)
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(108,528)
Net Cash Used for Capital and Related Financing Activities	(108,528)
Cash Flows from Investing Activities:	
Interest Income	1,367
Net Cash Provided by Investing Activities	1,367
Cash Flows from Noncapital Financing Activities:	
State Sources	21,083
Federal Sources	430,250
Net Cash Provided by Noncapital Financing Activities	451,333
Net Increase in Cash and Cash Equivalents	77,049
Cash and Cash Equivalents, July 1	892,685
Cash and Cash Equivalents, June 30	\$ 969,734
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (451,694)
Adjustment to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	28,789
Food Distribution Program	134,037
Changes in Assets and Liabilities:	
(Increase) in Other Accounts Receivable	(21,416)
(Increase) in Inventory	(16,263)
Increase in Accounts Payable	42,175
Increase in Unearned Revenue	17,249
Net Cash Used for Operating Activities	\$ (267,123)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$145,409 and Utilized Commodities Valued at \$134,037.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 2,177,637	\$ 2,698,183
Interfund Receivable - Payroll Agency		164,447
	<u>2,177,637</u>	<u>2,862,630</u>
Total Assets		
<u>LIABILITIES:</u>		
Interfund Payable:		
General Fund	86,070	
Unemployment Compensation Trust	164,447	
Payroll Deductions and Withholdings	1,081,817	
Due to Student Groups	845,303	
	<u>2,177,637</u>	
Total Liabilities		
<u>NET POSITION:</u>		
Held in Trust for:		
Unemployment Claims		2,862,630
		<u>2,862,630</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 2,862,630</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 182,276
Total Contributions	<u>182,276</u>
Investment Earnings:	
Interest	<u>6,557</u>
Net Investment Earnings	<u>6,557</u>
Total Additions	<u>188,833</u>
DEDUCTIONS:	
Unemployment Benefit Claims	61,678
Quarterly Unemployment Contributions	<u>53,608</u>
Total Deductions	<u>115,286</u>
Change in Net Position	73,547
Net Position - Beginning of the Year	<u>2,789,083</u>
Net Position - End of the Year	<u><u>\$ 2,862,630</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the “Board”) of Bridgewater-Raritan Regional School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board’s accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include nine elementary schools, a middle school as well as a high school that comprise the Bridgewater-Raritan Regional School District. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer’s share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The

NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution. As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise fund) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

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

The District reports the following proprietary fund:

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution.

All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

The capital projects fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of SDA grants. In the capital projects fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 155,688,497	\$ 2,558,210
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(26,234)
Prior Year Encumbrances		1,956
Prior Year State Aid Payments Recognized for GAAP Statements	893,437	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(892,442)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 155,689,492</u>	<u>\$ 2,533,932</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 153,298,408	\$ 2,558,210
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(26,234)
Prior Year Encumbrances		1,956
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 153,298,408	\$ 2,533,932
		<u>Capital Projects Fund</u>
	Revenue	Fund Balance
Revenue/Committed Fund Balance	\$ -0-	\$ 929,000
Committed - Year End Encumbrances		450,158
	-0-	1,379,158
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Revenue Recognized on a GAAP Basis	20,119	
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 20,119	\$ 1,379,158

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et 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 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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments (Cont'd)

All public depositories must pledge collateral, having market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or 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 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.

I. 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.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2016.

N. 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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Compensated Absences (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit 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 the District's agreements with the various employee contracts/agreements.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$24,397,057 General Fund fund balance at June 30, 2016, \$702,684 is assigned for encumbrances; \$9,091,940 is restricted in the capital reserve account; \$5,950,000 is restricted as prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017; \$5,750,000 is restricted as current year surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018; and there is \$2,902,433 in unassigned fund balance, which is \$892,442 less than the budgetary unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2017.

Capital Projects Fund: The \$1,379,158 fund balance in the Capital Projects Fund at June 30, 2016 is committed.

Debt Service Fund: The \$90,300 fund balance in the Debt Service Fund at June 30, 2016 is restricted and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund 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 year's budget. The District has excess surplus as outlined above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$34,476,020 in governmental activities, which is due to the accrued interest payable of \$371,602, \$8,061,959 of compensated absences payable, an unamortized bond premium of \$2,181,002, investment gains in pensions of \$533,857 and net pension liability of \$33,204,050; offset by \$1,379,158 of committed fund balance; \$2,902,433 of unassigned fund balance; \$702,684 assigned for encumbrances; changes in pension assumptions of \$3,565,850, changes in proportion in pensions of \$534,193 and \$792,132 difference between expected and actual pension experience. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for the deferred amount on a bond refunding, changes in assumptions in pensions, changes in proportion in pensions, difference between expected and actual pension experience and District contribution subsequent to the measurement date related to pensions at June 30, 2016. The District had deferred inflows of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

Fund balance restrictions have been established for excess surplus, a capital reserve and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$1,379,158 of committed fund balance at June 30, 2016 in its Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has \$702,684 assigned for encumbrances in the General Fund at June 30, 2016.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activities of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve Account	Cash and Cash Equivalents			Investments	Total
		Checking Accounts	New Jersey Cash Manage- ment Fund	New Jersey Asset & Rebate Management		
Checking Accounts	\$ 9,091,940	\$ 15,615,865	\$ 2,880,448	\$ 8,313		\$ 27,596,566
Certificates of Deposit					\$ 3,045,731	3,045,731
	<u>\$ 9,091,940</u>	<u>\$ 15,615,865</u>	<u>\$ 2,880,448</u>	<u>\$ 8,313</u>	<u>\$ 3,045,731</u>	<u>\$ 30,642,297</u>

During the period ended June 30, 2016, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2016, was \$30,642,297 and the bank balance was \$32,740,171. The \$2,880,448 and \$8,313 in the New Jersey Cash Management Fund and the New Jersey Asset & Rebate Management Program, respectively, are uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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 of any unanticipated revenue or unexpended line item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2015	\$ 6,273,155
Add:	
Interest Earnings	7,972
Return of Unexpended Balance from Capital Projects Fund	20,673
Transfer from Unassigned Fund Balance as per Board Resolution - June 28, 2016	4,749,553
Less:	
Transfer to Capital Projects Fund as per Board Resolutions	<u>(1,959,413)</u>
Ending Balance, June 30, 2016	<u>\$ 9,091,940</u>

The balance in the capital reserve account at June 30, 2016 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The withdrawal from capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District transferred \$266,749 to its capital outlay accounts for equipment which did not require approval from the County Superintendent. The District transferred \$1,959,413 from the Capital Reserve to the Capital Projects Fund through board resolutions.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Adjustment/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 21,687,700			\$ 21,687,700
Construction in Progress	363,489	\$ 1,204,886	\$ (1,393,288)	175,087
Total Capital Assets Not Being Depreciated	<u>22,051,189</u>	<u>1,204,886</u>	<u>(1,393,288)</u>	<u>21,862,787</u>
Capital Assets Being Depreciated:				
Site Improvements	3,381,575	35,000	452,398	3,868,973
Buildings and Building Improvements	284,645,764	63,294	558,060	285,267,118
Machinery and Equipment	9,269,416	391,983	380,591	10,041,990
Total Capital Assets Being Depreciated	<u>297,296,755</u>	<u>490,277</u>	<u>1,391,049</u>	<u>299,178,081</u>
Governmental Activities Capital Assets	<u>319,347,944</u>	<u>1,695,163</u>	<u>(2,239)</u>	<u>321,040,868</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,252,692)	(158,557)		(2,411,249)
Buildings and Building Improvements	(251,589,901)	(5,788,721)		(257,378,622)
Machinery and Equipment	(6,415,892)	(566,195)	895	(6,981,192)
	<u>(260,258,485)</u>	<u>(6,513,473)</u>	<u>895</u>	<u>(266,771,063)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 59,089,459</u>	<u>\$ (4,818,310)</u>	<u>\$ (1,344)</u>	<u>\$ 54,269,805</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 657,263	\$ 108,528		\$ 765,791
Less: Accumulated Depreciation	(433,642)	(28,789)		(462,431)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 223,621</u>	<u>\$ 79,739</u>	<u>\$ -0-</u>	<u>\$ 303,360</u>

The District expended \$1,204,886 towards construction projects in progress and transferred \$1,393,288 of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2016, the District has \$1,379,158 in active construction in progress, including \$450,158 of encumbrances. Additionally, the District expended \$1,695,163 from its current year capital budget, disposed \$1,344 in capital assets, and depreciated \$6,513,473 from its governmental activities. The District purchased \$108,528 of capital assets and depreciated \$28,789 from its business-type activities during the fiscal year.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 180,789
Special Instruction	10,854
School Sponsored/Other Instruction	20,212
Student and Instruction Related Services	12,390
General Administration	134,317
School Administration	16,058
Operations and Maintenance of Plant	6,023,474
Student Transportation	115,379
	<u>\$ 6,513,473</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Serial Bonds Payable	\$ 39,340,000		\$ 4,155,000	\$ 35,185,000
Unamortized Bond Issuance Premium	2,484,316		303,314	2,181,002
Compensated Absences Payable	7,451,437	\$ 1,050,950	440,428	8,061,959
Capital Leases Payable	813,261	815,024	816,160	812,125
Net Pension Liability	27,493,196	5,710,854		33,204,050
	<u>\$ 77,582,210</u>	<u>\$ 7,576,828</u>	<u>\$ 5,714,902</u>	<u>\$ 79,444,136</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On July 16, 2014, the District issued refunding school bonds of \$16,795,000 with interest rates ranging from 0.349% to 3.079% to advance refund \$16,120,000 of school bonds with interest rates ranging from 4.2% to 5.0%. The bonds mature on July 15, 2015 through 2022 and July 15, 2015 was the first optional redemption date at 100% of par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on July 15, 2015. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the advance refunding, the School will realize a total of \$740,082 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$668,202, or 4.591% of the bonds refunded.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2016 as follows:

Purpose	Serial Bonds		Amount
	Final Maturity Date	Interest Rate	
2012 Refunding Project School Bonds	05/01/23	2.25%-5.00%	\$12,695,000.00
2012 Refunding School Bonds	07/15/24	2.375%-5.00%	5,940,000
2014 Refunding School Bonds	07/15/22	0.801%-3.079%	16,550,000
			\$ 35,185,000

Principal and interest due on serial bonds outstanding are as follows:

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2017	\$ 4,275,000	\$ 1,114,501	\$ 5,389,501
2018	4,405,000	995,044	5,400,044
2019	4,640,000	856,997	5,496,997
2020	4,795,000	710,373	5,505,373
2021	4,980,000	529,407	5,509,407
Thereafter 5 Years (2022-2025)	12,090,000	521,092	12,611,092
	\$ 35,185,000	\$ 4,727,414	\$ 39,912,414

The bond payments will be paid from the Debt Service Fund.

B. Bonds Authorized But Not Issued:

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

C. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$303,316 and is separated from the long-term liability balance of \$1,877,686.

D. Capital Leases Payable:

The District is leasing computer technology and other equipment under capital leases valued at \$2,447,174, of which \$1,635,049 has matured and been repaid. The capital leases are for terms of three years. The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2016.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Capital Leases Payable: (Cont'd)

<u>Year Ending</u>	<u>Amount</u>
June 30, 2017	\$ 550,000
June 30, 2018	<u>275,000</u>
	825,000
Less: Amount Representing Interest	<u>(12,875)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 812,125</u>

The current portion of capital leases payable at June 30, 2016 is \$540,464 and the long-term portion is \$271,661. The General Fund will be used to liquidate the capital leases payable.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The compensated absences balance of the governmental funds as of June 30, 2016 is \$8,061,959, none of which represents a current liability; therefore, the entire balance is reported as long-term liabilities. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$33,204,050. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. 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. District contributions to PERS amounted to \$1,271,676 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the District reported a liability of \$33,204,050 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.148%, which was an increase of 0.001% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$2,296,222. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 710,761	
	2015	5.72	2,855,089	
Difference Between Expected and Actual Experience	2015	5.72	792,132	
Changes in Proportion	2014	6.44	363,987	
	2015	5.72	170,206	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		\$ 1,237,800
	2015	5.00		(703,943)
Contribution Made Subsequent to the Measurement Date	2015	N/A	1,337,314	
			<u>\$ 6,229,489</u>	<u>\$ 533,857</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 696,183
2017	696,184
2018	696,184
2019	1,108,783
2020	626,791
	<u>\$ 3,824,125</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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 one 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 pension 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 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 PERS' 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%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. 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. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon 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 collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Fiscal Year Ended June 30, 2015</u>		
	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
District's proportionate share of the Net Pension Liability	\$ 41,268,572	\$ 33,204,050	\$ 26,442,814

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

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

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. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included 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 actuarially determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$5,293,125 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$25,136,201.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$411,670,668. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.651%, which was an increase of 0.009% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>411,670,668</u>
Total	<u>\$ 411,670,668</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$25,136,201 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,999,074,013	
	2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience	2014	8.3	321,224,871	
	2015	8.5		\$ 19,039,817
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5		1,305,927,430
	2015	5		(770,568,242)
			<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables 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 pension 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 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 PERS' 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>
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 Markets Equity	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%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension 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 pension 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.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total Net Pension Liability	\$ 489,255,202	\$ 411,670,668	\$ 344,826,950

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$30,734 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$42,288 for the fiscal year ended June 30, 2016.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through 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 premiums changed from a prefunding 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 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$6,302,649, \$5,590,143 and \$4,453,329 for 2016, 2016 and 2015, respectively.

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. The District obtained health benefit coverage through the State of New Jersey Health Benefits Plan through July 30, 2015 and switched to Aetna effective August 1, 2015. The District obtained dental benefit coverage through Delta Dental Plan of NJ.

Property and Liability Insurance

The Bridgewater-Raritan Regional School District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with GASB Statement No. 10, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2016 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2015 is as follows:

Total Assets	\$ 294,626,089
Net Position	\$ 57,315,326
Total Revenue	\$ 124,104,560
Total Expenses	\$ 121,185,870
Change in Net Position	\$ 2,918,690
Members Dividends	\$ -0-

Financial statements for the Fund are available at the Group's Executive Director's Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060 Fax: (609) 386-8877

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 District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ -0-	\$ 6,557	\$ 182,276	\$ 115,286	\$ 2,862,630
2014-2015	-0-	1,724	179,112	203,034	2,789,083
2013-2014	-0-	1,524	174,968	116,892	2,811,281

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

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Total Expenses	<u>\$ 121,185,870</u>
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2014-2015	-0-	1,724	179,112	203,034	2,789,083
2013-2014	-0-	1,524	174,968	116,892	2,811,281

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 720,294	
Special Revenue Fund		\$ 634,224
Fiduciary Fund:		
Student Activities Agency Fund		64,334
Payroll Agency Fund		186,183
Unemployment Compensation Trust	164,447	
	\$ 884,741	\$ 884,741

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund due to the timing between expenditure and reimbursement from the State of New Jersey. The interfund payable in the Student Activities Fiduciary Fund is General Fund parking permit receipts and proctoring fees collected in the Student Activities Fiduciary Fund which are due to the General Fund. The interfund between the Payroll Agency Fund and the General Fund is mentoring fees due to the General Fund. The interfund between the Payroll Agency Fund and the Unemployment Compensation Trust Fund is prior years and current year employee unemployment contributions collected in the Payroll Agency Fund which have not yet been transferred to the Unemployment Compensation Trust Fund.

During the fiscal year, the District transferred \$1,959,413 from the Capital Reserve in the General Fund to the Capital Projects Fund to fund the local share of various projects. The District also returned \$20,673 of unexpended Capital Projects Fund to the Capital Reserve.

NOTE 12. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA Equitable	Prudential
Met Life	Variable Annuity Life (VALIC)
Lincoln Investment	

The plan administrators are as follows for the District's Internal Revenue Code Section 457 plan:

AXA Equitable	Met Life
Fidelity Investments	Variable Annuity Life (VALIC)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

The School District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2016, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 702,684	\$ 26,234	\$ 450,158	\$ 1,179,076

On the District's Governmental Funds Balance Sheet as of June 30, 2016, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$26,234 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$450,158 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$1,379,158 committed fund balance on a GAAP basis at June 30, 2016.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2016 consisted of the following:

	Governmental Funds			District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund			Proprietary Funds
Salaries	\$ 469,734				\$ 469,734	
Vendors	861,304	\$ 58,191	\$ 3,562		923,057	\$ 181,545
State of New Jersey		150,859		\$ 1,337,314	1,488,173	
	\$ 1,331,038	\$ 209,050	\$ 3,562	\$ 1,337,314	\$ 2,880,964	\$ 181,545

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEAR
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.1468439082%	0.1479154306%
District's proportionate share of the net pension liability	\$ 27,493,196	\$ 33,204,050
District's covered employee payroll	\$ 9,924,801	\$ 10,187,396
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	277.02%	325.93%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 1,210,560	\$ 1,271,676
Contributions in relation to the contractually required contribution	<u>(1,210,560)</u>	<u>(1,271,676)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 10,187,396	\$ 11,050,066
Contributions as a percentage of covered employee payroll	11.88%	11.51%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's proportion of the net pension liability attributable to the District	0.6420338543%	0.6513336303%
State's proportionate share of the net pension liability attributable to the District	\$ 343,146,199	\$ 411,670,668
District's covered employee payroll	\$ 66,342,194	\$ 67,880,654
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	517.24%	606.46%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEAR
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 18,464,487	\$ 25,136,201
Contributions in relation to the contractually required contribution	<u>(3,521,348)</u>	<u>(5,293,125)</u>
Contribution deficiency/(excess)	<u>\$ 14,943,139</u>	<u>\$ 19,843,076</u>
District's covered employee payroll	\$ 67,880,654	\$ 67,021,476
Contributions as a percentage of covered employee payroll	5.19%	7.90%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

BUDGETARY COMPARISON SCHEDULES

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 127,373,133		\$ 127,373,133	\$ 127,373,133	
Other Local Government Units - Restricted	290,000		290,000	291,042	\$ 1,042
Tuition from Individuals				15,233	15,233
Tuition from Other LEAs				5,819	5,819
Tuition from Other Sources				90,637	90,637
Transportation Fees from Individuals				17,881	17,881
Transportation Fees from LEA's				37,996	37,996
Interest Earned on Capital Reserve Funds	500		500	7,972	7,472
Unrestricted Miscellaneous Revenue	820,325		820,325	874,056	53,731
Total - Local Sources	<u>128,483,958</u>		<u>128,483,958</u>	<u>128,713,769</u>	<u>229,811</u>
State Sources:					
Transportation Aid	804,953		804,953	804,953	
Extraordinary Aid				962,457	962,457
Special Education Aid	5,509,599		5,509,599	5,509,599	
Equalization Aid	2,091,882		2,091,882	2,091,882	
Security Aid	680,923		680,923	680,923	
Adjustment Aid		\$ 1	1	1	
Other State Aid	166,981	(1)	166,980	166,980	
Excess Nonpublic School Transportation Costs				73,950	73,950
TPAF On-Behalf Pension Contributions (Non-Budgeted)				5,293,125	5,293,125
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				6,302,649	6,302,649
TPAF Social Security (Reimbursed - Non-Budgeted)				4,923,607	4,923,607
Total State Sources	<u>9,254,338</u>		<u>9,254,338</u>	<u>26,810,126</u>	<u>17,555,788</u>
Federal Sources:					
Medicaid Assistance Program	72,097		72,097	164,602	92,505
Total - Federal Sources	<u>72,097</u>		<u>72,097</u>	<u>164,602</u>	<u>92,505</u>
TOTAL REVENUES	<u>137,810,393</u>		<u>137,810,393</u>	<u>155,688,497</u>	<u>17,878,104</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 784,454		\$ 784,454	\$ 745,746	\$ 38,708
Grades 1-5 - Salaries of Teachers	14,387,747	\$ 114,000	14,501,747	14,454,130	47,617
Grades 6-8 - Salaries of Teachers	10,787,459	(114,000)	10,673,459	10,466,494	206,965
Grades 9-12 - Salaries of Teachers	14,533,563	(60,067)	14,473,496	14,399,531	73,965
Regular Programs - Home Instruction:					
Salaries of Teachers	215,000	56,990	271,990	271,990	
Purchased Professional-Educational Services	66,950	9,000	75,950	61,440	14,510
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	85,817	3,077	88,894	88,893	1
Purchased Professional - Educational Services		4,500	4,500	4,500	
Purchased Technical Services	65,000	(9,000)	56,000	36,851	19,149
Other Purchased Services	849,422	(1,328)	848,094	827,871	20,223
General Supplies	1,754,090	(112,182)	1,641,908	1,459,974	181,934
Textbooks	599,892	(188,540)	411,352	182,974	228,378
Other Objects	9,100		9,100	4,649	4,451
Total Regular Programs - Instruction	<u>44,138,494</u>	<u>(297,550)</u>	<u>43,840,944</u>	<u>43,005,043</u>	<u>835,901</u>
Special Programs - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	809,403	(84,000)	725,403	722,955	2,448
Other Salaries for Instruction	437,243	(55,074)	382,169	374,957	7,212
General Supplies	8,000	(463)	7,537	6,873	664
Total Learning and/or Language Disabilities	<u>1,254,646</u>	<u>(139,537)</u>	<u>1,115,109</u>	<u>1,104,785</u>	<u>10,324</u>
Multiple Disabilities:					
Salaries of Teachers	158,775	6,296	165,071	164,907	164
Other Salaries for Instruction	86,213	7,661	93,874	92,876	998
General Supplies	1,000	63	1,063	1,063	
Total Multiple Disabilities	<u>245,988</u>	<u>14,020</u>	<u>260,008</u>	<u>258,846</u>	<u>1,162</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Special Programs - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 9,210,457	\$ 182,374	\$ 9,392,831	\$ 9,392,831	
Other Salaries for Instruction	1,128,533	352	1,128,885	1,126,586	\$ 2,299
General Supplies	15,000	(3,250)	11,750	11,718	32
Textbooks	1,000		1,000	49	951
Total Resource Room/Resource Center	<u>10,354,990</u>	<u>179,476</u>	<u>10,534,466</u>	<u>10,531,184</u>	<u>3,282</u>
Autism:					
Salaries of Teachers	675,127	(212,884)	462,243	461,158	1,085
Other Salaries for Instruction	1,021,786	(406,964)	614,822	609,028	5,794
Purchased Professional-Educational Services		77,000	77,000	77,000	
General Supplies	9,500	500	10,000	9,711	289
Total Autism	<u>1,706,413</u>	<u>(542,348)</u>	<u>1,164,065</u>	<u>1,156,897</u>	<u>7,168</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	212,235	51,418	263,653	263,554	99
Other Salaries for Instruction	236,353	(10,864)	225,489	225,488	1
General Supplies	6,000		6,000	5,160	840
Total Preschool Disabilities - Part-Time	<u>454,588</u>	<u>40,554</u>	<u>495,142</u>	<u>494,202</u>	<u>940</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	222,200	169,784	391,984	391,687	297
Other Salaries for Instruction	348,913	207,248	556,161	555,755	406
General Supplies	2,500	4,650	7,150	6,313	837
Total Preschool Disabilities - Full-Time	<u>573,613</u>	<u>381,682</u>	<u>955,295</u>	<u>953,755</u>	<u>1,540</u>
Total Special Programs - Instruction	<u>14,590,238</u>	<u>(66,153)</u>	<u>14,524,085</u>	<u>14,499,669</u>	<u>24,416</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 3,077,367	\$ 4,983	\$ 3,082,350	\$ 3,082,350	
Other Salaries for Instruction	20,000	(11,878)	8,122	8,122	
General Supplies	5,000		5,000	2,429	\$ 2,571
Textbooks	500		500		500
Total Basic Skills/Remedial - Instruction	<u>3,102,867</u>	<u>(6,895)</u>	<u>3,095,972</u>	<u>3,092,901</u>	<u>3,071</u>
Bilingual Education - Instruction:					
Salaries of Teachers	1,500,673	124,156	1,624,829	1,624,828	1
Other Salaries for Instruction	20,000	12,400	32,400	32,383	17
Other Purchased Services (400-500 series)	500	500	1,000	690	310
General Supplies	19,025	(5,000)	14,025	1,623	12,402
Total Bilingual Education - Instruction	<u>1,540,198</u>	<u>132,056</u>	<u>1,672,254</u>	<u>1,659,524</u>	<u>12,730</u>
School Sponsored Cocurricular Activities:					
Salaries	229,052	49,572	278,624	264,792	13,832
Purchased Services (300-500 Series)	73,000	160	73,160	70,917	2,243
Supplies and Materials	90,250	(1,274)	88,976	86,705	2,271
Other Objects	27,030	(120)	26,910	13,674	13,236
Total School-Sponsored Cocurricular Activities	<u>419,332</u>	<u>48,338</u>	<u>467,670</u>	<u>436,088</u>	<u>31,582</u>
School-Sponsored Athletics:					
Salaries	962,392	47,640	1,010,032	1,010,028	4
Purchased Services (300-500 Series)	280,408	(64,100)	216,308	211,102	5,206
Supplies and Materials	209,683	(4,954)	204,729	199,546	5,183
Other Objects	56,690	(22,000)	34,690	34,440	250
Total School-Sponsored Athletics	<u>1,509,173</u>	<u>(43,414)</u>	<u>1,465,759</u>	<u>1,455,116</u>	<u>10,643</u>
Total Instruction	<u>65,300,302</u>	<u>(233,618)</u>	<u>65,066,684</u>	<u>64,148,341</u>	<u>918,343</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 27,350		\$ 27,350	\$ 25,256	\$ 2,094
Tuition to Other LEA's Within the State - Special	904,805	\$ (28,682)	876,123	455,831	420,292
Tuition to County Vo. School District - Regular	300,330	(20,000)	280,330	273,155	7,175
Tuition to County Vo. School District - Special	23,500	20,000	43,500	41,510	1,990
Tuition to CSSD & Reg. Day Schools		28,682	28,682	28,682	
Tuition to Private Schools for the Handicapped Within State	3,410,304	1	3,410,305	3,279,609	130,696
Tuition - State Facilities	57,081		57,081	57,081	
Tuition - Other	596,090		596,090	415,720	180,370
Total Undistributed Expenditures - Instruction	5,319,460	1	5,319,461	4,576,844	742,617
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	468,996	5,674	474,670	474,670	
Other Purchased Services	3,000		3,000	1,885	1,115
Total Undistributed Expenditures - Attendance and Social Work Services	471,996	5,674	477,670	476,555	1,115
Undistributed Expenditures - Health Services:					
Salaries	1,441,952	45,534	1,487,486	1,485,327	2,159
Purchased Professional and Technical Services	8,250	1,710	9,960	9,960	
Supplies and Materials	30,243	(570)	29,673	24,018	5,655
Total Undistributed Expenditures - Health Services	1,480,445	46,674	1,527,119	1,519,305	7,814
Undist. Expend. - Speech, OT, PT and Related Services:					
Salaries	2,665,417	(3,069)	2,662,348	2,662,347	1
Purchased Professional - Educational Services	166,000	70,686	236,686	236,328	358
Supplies and Materials	17,500	11,329	28,829	23,973	4,856
Total Undist. Expend. - Speech, OT, PT and Related Services	2,848,917	78,946	2,927,863	2,922,648	5,215

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services:					
Salaries	\$ 477,532	\$ 173,478	\$ 651,010	\$ 651,010	
Purchased Professional - Educational Services	307,000	(1,900)	305,100	301,235	\$ 3,865
Supplies and Materials		745	745		745
Other Objects	950		950	199	751
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services	785,482	172,323	957,805	952,444	5,361
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	2,777,980	(30,028)	2,747,952	2,747,950	2
Salaries of Secretarial and Clerical Assistants	335,193	(6,088)	329,105	326,174	2,931
Other Salaries	48,000		48,000	46,257	1,743
Purchased Professional - Educational Services	62,350	3,137	65,487	64,036	1,451
Other Purchased Professional and Technical Services	11,152	(1,850)	9,302	470	8,832
Other Purchased Services	7,775	(186)	7,589	3,803	3,786
Supplies and Materials	35,930	(1,101)	34,829	20,567	14,262
Other Objects	1,650		1,650	1,529	121
Total Undist. Expend. - Guidance	3,280,030	(36,116)	3,243,914	3,210,786	33,128
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	2,220,801	55,668	2,276,469	2,276,468	1
Salaries of Secretarial and Clerical Assistants	361,664	28,653	390,317	390,317	
Other Salaries	100,000	(82,390)	17,610	17,610	
Purchased Professional - Educational Services	65,250	44,769	110,019	60,626	49,393
Other Purchased Services (400-500 series)	3,256	10,832	14,088	10,044	4,044
Residential Costs	553,267	1,700	554,967	507,930	47,037
Miscellaneous Purchased Services	15,500	(6,500)	9,000	8,268	732
Supplies and Materials	37,174	13,977	51,151	51,149	2
Other Objects	8,600	(1,477)	7,123	3,710	3,413
Total Undist. Expend. - Child Study Teams	3,365,512	65,232	3,430,744	3,326,122	104,622

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Improvement of Instructional Services:					
Other Salaries	\$ 114,450	\$ 6,794	\$ 121,244	\$ 121,243	\$ 1
Salaries of Facilitators, Math & Literacy Coaches	60,248		60,248	59,635	613
Other Purchased Services (400-500 series)	14,755	403	15,158	10,765	4,393
Supplies and Materials	15,392	(4,225)	11,167	10,902	265
Other Objects	9,300	(3,972)	5,328	2,950	2,378
Total Undist. Expend. - Improvement of Instructional Services	<u>214,145</u>	<u>(1,000)</u>	<u>213,145</u>	<u>205,495</u>	<u>7,650</u>
Undist. Expend. - Educational Media Services/School Library:					
Salaries	1,520,270	42,077	1,562,347	1,560,756	1,591
Purchased Professional and Technical Services	8,000		8,000	7,700	300
Other Purchased Services	5,588	(1,900)	3,688	3,090	598
Supplies and Materials	187,638	(11,867)	175,771	156,623	19,148
Total Undist. Expend. - Educational Media Services/School Library	<u>1,721,496</u>	<u>28,310</u>	<u>1,749,806</u>	<u>1,728,169</u>	<u>21,637</u>
Undist. Expend. - Instructional Staff Training Services:					
Other Salaries	27,975	(24,263)	3,712	3,712	
Purchased Professional - Educational Services	10,000	87,812	97,812	58,820	38,992
Other Purchased Services (400-500 series)	33,000	6,400	39,400	35,443	3,957
Supplies and Materials	16,865		16,865	7,812	9,053
Total Undist. Expend. - Instructional Staff Training Services	<u>87,840</u>	<u>69,949</u>	<u>157,789</u>	<u>105,787</u>	<u>52,002</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	561,632	(33,520)	528,112	527,676	436
Legal Services	366,210	85,900	452,110	407,629	44,481
Audit Fees	78,000		78,000	40,000	38,000
Architectural / Engineering Services	95,900	42,963	138,863	24,222	114,641
Other Purchased Professional Services	50,055	(977)	49,078	13,801	35,277
Communications/Telephone	430,630	(51,798)	378,832	315,518	63,314

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - General Administration: (Cont'd)					
BOE Other Purchased Services	\$ 2,629	\$ (129)	\$ 2,500	\$ 2,058	\$ 442
Miscellaneous Purchased Services (400-500)	415,530	33,004	448,534	444,455	4,079
General Supplies	11,245	650	11,895	8,109	3,786
BOE In-House Training/Meeting Supplies	500	300	800	732	68
Judgments Against the School District		25,000	25,000	25,000	
Miscellaneous Expenditures	11,500	(950)	10,550	6,102	4,448
BOE Membership Dues and Fees	28,000		28,000	26,933	1,067
Total Undist. Expend. - Support Services - General Administration	<u>2,051,831</u>	<u>100,443</u>	<u>2,152,274</u>	<u>1,842,235</u>	<u>310,039</u>
Undist. Expend. - Support Serv. - School Administration:					
Salaries of Principals/Assistant Principals	3,094,585	(280,357)	2,814,228	2,813,959	269
Salaries of Other Professional Staff	1,943,919	182,322	2,126,241	2,126,239	2
Salaries of Secretarial and Clerical Assistants	1,908,571	11,927	1,920,498	1,913,414	7,084
Other Salaries	24,400	173	24,573	24,572	1
Purchased Professional and Technical Services	3,500	4,086	7,586	7,232	354
Other Purchased Services	85,966	30,331	116,297	104,890	11,407
Supplies and Materials	129,056	(290)	128,766	83,809	44,957
Other Objects	49,900	(1,224)	48,676	35,663	13,013
Total Undist. Expend. - Support Serv. - School Administration	<u>7,239,897</u>	<u>(53,032)</u>	<u>7,186,865</u>	<u>7,109,778</u>	<u>77,087</u>
Undist. Expend. - Central Services:					
Salaries	1,187,531	(37,307)	1,150,224	1,148,223	2,001
Purchased Professional Services	4,500		4,500	4,235	265
Purchased Technical Services	44,500		44,500	44,114	386
Miscellaneous Purchased Services (400-500)	34,600		34,600	17,698	16,902
Supplies and Materials	19,000		19,000	10,243	8,757
Miscellaneous Expenditures	4,500		4,500	2,856	1,644
Total Undist. Expend. - Central Services	<u>1,294,631</u>	<u>(37,307)</u>	<u>1,257,324</u>	<u>1,227,369</u>	<u>29,955</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Administrative Information Technology:					
Purchased Technical Services	\$ 270,136	\$ 34,900	\$ 305,036	\$ 304,690	\$ 346
Supplies and Materials	102,228	(10,034)	92,194	71,205	20,989
Other Objects	1,500	(1,500)			
Total Undist. Expend. - Administrative Information Technology	<u>373,864</u>	<u>23,366</u>	<u>397,230</u>	<u>375,895</u>	<u>21,335</u>
Required Maintenance for School Facilities:					
Salaries	996,006	14,246	1,010,252	1,010,251	1
Cleaning, Repair and Maintenance Services	405,415	4,561	409,976	280,780	129,196
General Supplies	334,791	882	335,673	264,270	71,403
Other Objects	3,150	240	3,390	3,370	20
Total Required Maintenance for School Facilities	<u>1,739,362</u>	<u>19,929</u>	<u>1,759,291</u>	<u>1,558,671</u>	<u>200,620</u>
Undist. Expend. - Custodial Services:					
Salaries	638,536	(5,227)	633,309	625,228	8,081
Purchased Professional and Technical Services	4,109,893	(84,470)	4,025,423	4,022,269	3,154
Cleaning, Repair and Maintenance Services	731,342	(189,367)	541,975	529,872	12,103
Rental of Land & Building Other than Lease Purchase Agreement	713,374		713,374	711,428	1,946
Other Purchased Property Services	674,991		674,991	583,971	91,020
Insurance	218,000		218,000	208,554	9,446
Miscellaneous Purchased Services	1,000		1,000	278	722
General Supplies	395,080	62,166	457,246	449,327	7,919
Energy (Natural Gas)	658,500	(20,000)	638,500	371,012	267,488
Energy (Electricity)	1,330,828	1	1,330,829	935,436	395,393
Energy (Gasoline)	60,000	20,000	80,000	22,713	57,287
Other Objects	3,500		3,500	2,804	696
Total Undist. Expend. - Custodial Services	<u>9,535,044</u>	<u>(216,897)</u>	<u>9,318,147</u>	<u>8,462,892</u>	<u>855,255</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	\$ 435,784	\$ (6,253)	\$ 429,531	\$ 429,530	\$ 1
Cleaning, Repair, and Maintenance Services	5,000	36,500	41,500	41,151	349
General Supplies	47,000	36,512	83,512	80,208	3,304
Total Undist. Expend. - Care and Upkeep of Grounds	<u>487,784</u>	<u>66,759</u>	<u>554,543</u>	<u>550,889</u>	<u>3,654</u>
Undist. Expend. - Security					
Salaries	11,000		11,000	8,057	2,943
Cleaning, Repair, and Maintenance Services	300,086		300,086	285,564	14,522
General Supplies	5,000		5,000	822	4,178
Total Undist. Expend. - Security	<u>316,086</u>		<u>316,086</u>	<u>294,443</u>	<u>21,643</u>
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	953,947	503	954,450	954,449	1
Between Home and School - Special Education	158,254	(52,346)	105,908	102,842	3,066
Other than Between Home and School	95,000	16,533	111,533	111,533	
Management Fees - ESC Transportation Programs	34,000		34,000	29,606	4,394
Other Purchased Professional and Technical Services	12,700		12,700	11,089	1,611
Cleaning, Repair and Maintenance Services	54,000	20,575	74,575	52,281	22,294
Contracted Services:					
Aid in Lieu of Payments for Nonpublic School Students	266,188		266,188	207,671	58,517
Between Home and School - Vendors	4,360,000	(323,387)	4,036,613	3,949,377	87,236
Other than Between Home and School -Vendors	139,920	(50,000)	89,920	56,782	33,138
Special Education Students - Vendors	1,733,080	(20,575)	1,712,505	1,652,616	59,889
Special Education Students - Joint Agreements	80,000		80,000	8,175	71,825
Regular Students - ESCs & CTSA	37,000		37,000	35,615	1,385
Special Education Students - ESCs & CTSA	500,000	300,000	800,000	784,522	15,478

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Student Transportation Services: (Cont'd)					
Miscellaneous Purchased Services - Transportation	\$ 64,750	\$ 920	\$ 65,670	\$ 65,029	\$ 641
General Supplies	197,500	2,080	199,580	106,299	93,281
Transportation Supplies	82,500		82,500	61,788	20,712
Other Objects	2,000	2,000	4,000	3,297	703
Total Undist. Expend. - Student Transportation Services	<u>8,770,839</u>	<u>(103,697)</u>	<u>8,667,142</u>	<u>8,192,971</u>	<u>474,171</u>
Allocated Benefits - Student Transportation Services:					
Social Security Contributions	93,250		93,250	89,239	4,011
Health Benefits	489,438		489,438	283,967	205,471
Total Allocated Benefits - Student Transportation Services	<u>582,688</u>		<u>582,688</u>	<u>373,206</u>	<u>209,482</u>
Unallocated Benefits:					
Social Security Contributions	1,207,790	84,665	1,292,455	1,292,454	1
Other Retirement Contribution - PERS	1,307,405	(30,734)	1,276,671	1,271,676	4,995
Other Retirement Contribution - Regular		30,734	30,734	30,734	
Workmen's Compensation	585,151	(31,000)	554,151	475,055	79,096
Health Benefits	22,596,474	27,459	22,623,933	17,687,548	4,936,385
Tuition Reimbursement	884,310	(481,202)	403,108	401,662	1,446
Other Employee Benefits	524,545	145,354	669,899	662,388	7,511
Unused Sick Payment to Terminated / Retired Staff	421,590		421,590	364,910	56,680
Total Unallocated Benefits	<u>27,527,265</u>	<u>(254,724)</u>	<u>27,272,541</u>	<u>22,186,427</u>	<u>5,086,114</u>
On-Behalf Contributions:					
TPAF On-Behalf Pension Contributions (non-budgeted)				5,293,125	(5,293,125)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				6,302,649	(6,302,649)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,923,607	(4,923,607)
Total On-Behalf Contributions				<u>16,519,381</u>	<u>(16,519,381)</u>
Total Personal Services - Employee Benefits	<u>28,109,953</u>	<u>(254,724)</u>	<u>27,855,229</u>	<u>39,079,014</u>	<u>(11,223,785)</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Total Undistributed Expenditures	\$ 79,494,614	\$ (25,167)	\$ 79,469,447	\$ 87,718,312	\$ (8,248,865)
Total General Current Expense	144,794,916	(258,785)	144,536,131	151,866,653	(7,330,522)
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8	10,604	11,994	22,598	22,591	7
Grades 9-12		27,850	27,850	27,843	7
School-Sponsored and Other Instructional Programs	19,485	8,614	28,099	25,196	2,903
Undistributed:					
Related and Extraordinary Services	10,895		10,895	10,701	194
Administration Information Technology		26,579	26,579	26,578	1
Custodial Services		118,759	118,759	118,758	1
Care & Upkeep of Grounds		4,566	4,566	4,566	
School Buses - Regular	180,000	68,387	248,387	141,024	107,363
Total Equipment	220,984	266,749	487,733	377,257	110,476
Facilities Acquisition and Construction Services:					
Construction Services	321,258	(7,964)	313,294	63,294	250,000
Other Objects - Assessment for Debt Service on SDA Funding	148,888		148,888	148,888	
Total Facilities Acquisition and Construction Services	470,146	(7,964)	462,182	212,182	250,000
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Equipment				815,024	(815,024)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				815,024	(815,024)
Total Capital Outlay	691,130	258,785	949,915	1,404,463	(454,548)
Transfer of Funds to Charter Schools	27,292		27,292	27,292	
TOTAL EXPENDITURES	145,513,338		145,513,338	153,298,408	(7,785,070)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (7,702,945)		\$ (7,702,945)	\$ 2,390,089	\$ 10,093,034
Other Financing Sources/(Uses):					
Capital Outlay - Transfer from Capital Projects Fund				98,235	(98,235)
Capital Reserve - Transfer to Capital Projects Fund		\$ (1,959,413)	(1,959,413)	(1,959,413)	
Capital Reserve - Transfer from Capital Projects Fund				20,673	(20,673)
Capital Leases (Non-budgeted)				815,024	(815,024)
Total Other Financing Sources/(Uses)		(1,959,413)	(1,959,413)	(1,025,481)	(933,932)
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(7,702,945)	(1,959,413)	(9,662,358)	1,364,608	11,026,966
Fund Balance, July 1	23,924,891		23,924,891	23,924,891	
Fund Balance, June 30	\$ 16,221,946	\$ (1,959,413)	\$ 14,262,533	\$ 25,289,499	\$ 11,026,966
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 9,091,940	
Excess Surplus - Restricted for 2017-2018 school year				5,750,000	
Excess Surplus - Restricted for 2016-2017 school year				5,950,000	
Assigned Fund Balance:					
Year End Encumbrances				702,684	
Unassigned Fund Balance				3,794,875	
				25,289,499	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(892,442)	
Fund Balance per Governmental Funds (GAAP)				\$ 24,397,057	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 119,137	\$ 30,413	\$ 149,550	\$ 60,907	\$ (88,643)
State Sources	148,705	30,626	179,331	124,884	(54,447)
Federal Sources	2,087,987	366,529	2,454,516	2,372,419	(82,097)
Total Revenues	<u>2,355,829</u>	<u>427,568</u>	<u>2,783,397</u>	<u>2,558,210</u>	<u>(225,187)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	235,584	251,847	487,431	487,091	340
Purchased Professional - Educational Services	117,791	(9,163)	108,628	62,884	45,744
Other Purchased Services		11,555	11,555	567	10,988
Tuition	1,649,081	(192,184)	1,456,897	1,456,897	
General Supplies	117,791	(11,571)	106,220	41,194	65,026
Textbooks		20,958	20,958	20,958	
Total Instruction	<u>2,120,247</u>	<u>71,442</u>	<u>2,191,689</u>	<u>2,069,591</u>	<u>122,098</u>
Support Services:					
Salaries of Supervisors of Instruction	117,791	73,341	191,132	191,132	
Salaries of Other Professional Staff		9,816	9,816	9,808	8
Other Salaries		11,440	11,440	11,440	
Personal Services - Employee Benefits	117,791	67,803	185,594	172,083	13,511
Purchased Professional and Technical Services		42,273	42,273	33,643	8,630
Purchased Professional-Educational Services		80,143	80,143	33,660	46,483
Other Purchased Services		45,209	45,209	21,044	24,165
Supplies and Materials		14,206	14,206	8,725	5,481
Other Objects		329	329	329	
Total Support Services	<u>235,582</u>	<u>344,560</u>	<u>580,142</u>	<u>481,535</u>	<u>98,607</u>
Facilities Acquisition and Construction Services:					
Construction Services		4,482	4,482		4,482
Instructional Equipment		7,084	7,084	7,084	
Total Facilities Acquisition and Construction Services		<u>11,566</u>	<u>11,566</u>	<u>7,084</u>	<u>4,482</u>
Total Expenditures	<u>\$ 2,355,829</u>	<u>\$ 427,568</u>	<u>\$ 2,783,397</u>	<u>\$ 2,558,210</u>	<u>\$ 225,187</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

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	\$ 155,688,497	\$ 2,558,210
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(26,234)
Prior Year Encumbrances		1,956
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	893,437	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(892,442)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 155,689,492	\$ 2,533,932
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 153,298,408	\$ 2,558,210
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(26,234)
Prior Year Encumbrances		1,956
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 153,298,408	\$ 2,533,932

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Nonpublic Auxiliary Services</u>		<u>Nonpublic Handicapped Services</u>		
	<u>English As a Second Language</u>	<u>Compensatory Education</u>	<u>Supplementary Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>
REVENUES:					
Local Sources					
State Sources	\$ 2,157	\$ 31,133	\$ 6,312	\$ 11,246	\$ 11,036
Federal Sources					
Total Revenues	<u>2,157</u>	<u>31,133</u>	<u>6,312</u>	<u>11,246</u>	<u>11,036</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services	2,157	31,133	6,312	11,246	11,036
Other Purchased Professional Services					
Other Purchased Services					
Tuition					
General Supplies					
Textbooks					
Total Instruction	<u>2,157</u>	<u>31,133</u>	<u>6,312</u>	<u>11,246</u>	<u>11,036</u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Other Salaries					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					
Other Purchased Services					
Supplies and Materials					
Total Support Services					
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>\$ 2,157</u>	<u>\$ 31,133</u>	<u>\$ 6,312</u>	<u>\$ 11,246</u>	<u>\$ 11,036</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonpublic				Private Donations
	Nursing	Technology Initiative	Textbooks	Security Aid	
REVENUES:					
Local Sources					\$ 60,907
State Sources	\$ 28,671	\$ 8,399	\$ 20,958	\$ 4,972	
Federal Sources					
Total Revenues	28,671	8,399	20,958	4,972	60,907
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services					1,000
Other Purchased Services					567
Tuition					
General Supplies					20,200
Textbooks			20,958		
Total Instruction			20,958		21,767
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Other Salaries					11,440
Personal Services - Employee Benefits					
Purchased Professional and Technical Services	28,671			4,972	
Other Purchased Services					20,290
Supplies and Materials		8,399			326
Total Support Services	28,671	8,399		4,972	32,056
Facilities Acquisition and Construction Services:					
Instructional Equipment					7,084
Total Facilities Acquisition and Construction Services					7,084
Total Expenditures	\$ 28,671	\$ 8,399	\$ 20,958	\$ 4,972	\$ 60,907

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	I.D.E.A.		No Child Left Behind			Totals
	Basic	Preschool	Title I	Title IIA	Title III	2016
REVENUES:						
Local Sources						\$ 60,907
State Sources						124,884
Federal Sources	\$ 1,920,636	\$ 92,385	\$ 252,709	\$ 98,582	\$ 8,107	2,372,419
Total Revenues	1,920,636	92,385	252,709	98,582	8,107	2,558,210
EXPENDITURES:						
Instruction:						
Salaries of Teachers	210,828		197,963	78,300		487,091
Purchased Professional Educational Services						62,884
Other Purchased Services						567
Tuition	1,456,897					1,456,897
General Supplies			12,887		8,107	41,194
Textbooks						20,958
Total Instruction	1,667,725		210,850	78,300	8,107	2,069,591
Support Services:						
Salaries of Supervisors of Instruction	143,601	47,531				191,132
Salaries of Other Professional Staff			9,808			9,808
Other Salaries						11,440
Personal Services - Employee Benefits	108,650	11,854	32,051	19,528		172,083
Purchased Professional and Technical Services						33,643
Purchased Professional Educational Services	660	33,000				33,660
Other Purchased Services				754		21,044
Supplies and Materials						8,725
Total Support Services	252,911	92,385	41,859	20,282		481,535
Facilities Acquisition and Construction Services:						
Instructional Equipment						7,084
Total Facilities Acquisition and Construction Services						7,084
Total Expenditures	\$ 1,920,636	\$ 92,385	\$ 252,709	\$ 98,582	\$ 8,107	\$ 2,558,210

CAPITAL PROJECTS FUND

Exhibit F-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 1,959,413
	<hr/>
Total Revenue and Other Financing Sources	1,959,413
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	80,777
Construction Services	1,124,109
Cancellation of SDA Grant Receivable	40,935
Transfer to General Fund:	
Unexpended Balances to Capital Reserve	20,673
Unexpended Balances to Capital Outlay - Unassigned Fund Balance	98,235
	<hr/>
Total Expenditures and Other Financing Uses	1,364,729
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	594,684
	<hr/>
Fund Balance - Beginning of Year	784,474
	<hr/>
Fund Balance - End of Year	\$ 1,379,158
	<hr/> <hr/>
<u>Recapitulation:</u>	
Committed Fund Balance - Budgetary Basis	\$ 929,000
Committed - Year End Encumbrances	450,158
	<hr/>
Total Restricted Fund Balance - Budgetary Basis	\$ 1,379,158
	<hr/> <hr/>

Exhibit F-1A

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF CHILLER OUTSIDE OF BULDING 100
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 208,800	\$ (40,935)	\$ 167,865	\$ 167,865
Transfer from Capital Outlay	313,200		313,200	313,200
Total Revenue and Other Financing Sources	522,000	(40,935)	481,065	481,065
Expenditures:				
Construction Services	354,350	28,480	382,830	481,065
Transfer to Capital Outlay		98,235	98,235	
Total Expenditures	354,350	126,715	481,065	481,065
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 167,650	\$ (167,650)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	0555-005-13-2001
Grant Date	04/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 522,000
SDA Grant Cancelled	(40,935)
Revised Authorized Cost	\$ 481,065

Percentage Increase over Original Authorized Cost	-8%
Percentage Completion	100.00%
Original Target Completion Date	10/01/14
Revised Target Completion Date	10/01/15

Exhibit F-1B

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
PAVEMENT REHABILITATION - VARIOUS SITES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 428,460	\$ 23,937	\$ 452,397	\$ 452,397
Total Revenue and Other Financing Sources	<u>428,460</u>	<u>23,937</u>	<u>452,397</u>	<u>452,397</u>
Expenditures:				
Construction Services		<u>452,397</u>	<u>452,397</u>	<u>452,397</u>
Total Expenditures		<u>452,397</u>	<u>452,397</u>	<u>452,397</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 428,460</u>	<u>\$ (428,460)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 428,460
Additional Authorized Cost	23,937
Revised Authorized Cost	\$ 452,397
Percentage Increase over Original Authorized Cost	6%
Percentage Completion	100%
Original Target Completion Date	09/01/15
Revised Target Completion Date	N/A

Exhibit F-1C

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF GYMNASIUM SOUTH BLEACHERS - HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 118,900	\$ 2,145	\$ 121,045	\$ 121,045
Total Revenue and Other Financing Sources	<u>118,900</u>	<u>2,145</u>	<u>121,045</u>	<u>121,045</u>
Expenditures:				
Purchased Professional and Technical Services	9,139	1,706	10,845	12,845
Construction Services		<u>93,765</u>	<u>93,765</u>	<u>108,200</u>
Total Expenditures	<u>9,139</u>	<u>95,471</u>	<u>104,610</u>	<u>121,045</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 109,761</u>	<u>\$ (93,326)</u>	<u>\$ 16,435</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	0555-005-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 118,900
Additional Authorized Cost	2,145
Revised Authorized Cost	\$ 121,045
Percentage Increase over Original Authorized Cost	2%
Percentage Completion	86%
Original Target Completion Date	10/01/15
Revised Target Completion Date	09/01/16

Exhibit F-1D

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL TILING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 33,956		\$ 33,956	\$ 33,956
Total Revenue and Other Financing Sources	33,956		33,956	33,956
Expenditures:				
Construction Services		\$ 31,088	31,088	33,956
Transfer to Capital Reserve		2,868	2,868	
Total Expenditures		33,956	33,956	33,956
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 33,956	\$ (33,956)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 33,956
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 33,956
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	08/01/15
Revised Target Completion Date	N/A

Exhibit F-1E

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPAIR/REFINISH GYM FLOOR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 44,647		\$ 44,647	\$ 44,647
Total Revenue and Other Financing Sources	44,647		44,647	44,647
Expenditures:				
Construction Services		\$ 41,447	41,447	44,647
Transfer to Capital Reserve		3,200	3,200	
Total Expenditures		44,647	44,647	44,647
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 44,647	\$ (44,647)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	N/A	
Grant Date	N/A	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Bonds Issued	N/A	
Original Authorized Cost	\$ 44,647	
Additional Authorized Cost	-0-	
Revised Authorized Cost	\$ 44,647	
Percentage Increase over Original Authorized Cost		0%
Percentage Completion		100%
Original Target Completion Date		08/01/15
Revised Target Completion Date		N/A

Exhibit F-1F

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
WADE ADMINISTRATION BUILDING RESTROOM RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 68,594	\$ 68,594	\$ 68,594
Total Revenue and Other Financing Sources		68,594	68,594	68,594
Expenditures:				
Purchased Professional and Technical Services		8,594	8,594	8,594
Construction Services		45,395	45,395	60,000
Transfer to Capital Reserve		14,605	14,605	
Total Expenditures		68,594	68,594	68,594
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	0555-X01-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 68,594
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 68,594
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	03/16
Revised Target Completion Date	N/A

Exhibit F-1G

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL RUNNING TRACK RECONSTRUCTION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 407,200	\$ 407,200	\$ 407,200
Total Revenue and Other Financing Sources		407,200	407,200	407,200
Expenditures:				
Purchased Professional and Technical Services		3,525	3,525	4,700
Construction Services				402,500
Total Expenditures		3,525	3,525	407,200
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 403,675	\$ 403,675	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 407,200
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 407,200
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	1%
Original Target Completion Date	9/16
Revised Target Completion Date	N/A

Exhibit F-1H

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VAN HOLTEN ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 1,026,000	\$ 1,026,000	\$ 1,026,000
Total Revenue and Other Financing Sources		1,026,000	1,026,000	1,026,000
Expenditures:				
Purchased Professional and Technical Services		66,952	66,952	97,000
Construction Services				929,000
Total Expenditures		66,952	66,952	1,026,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 959,048	\$ 959,048	\$ -0-

Additional Project Information:

Project Numbers	0555-105-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,026,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,026,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	7%
Original Target Completion Date	9/16
Revised Target Completion Date	N/A

Exhibit F-11

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
WIRELESS ACCESS POINTS & INSTALLATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 431,537	\$ 431,537	\$ 431,537
Total Revenue and Other Financing Sources		431,537	431,537	431,537
Expenditures:				
Construction Services		431,537	431,537	431,537
Total Expenditures		431,537	431,537	431,537
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 431,537
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 431,537
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	6/16
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

Exhibit G-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 969,734
Intergovernmental Accounts Receivable:	
State	6,694
Federal	103,264
Other Accounts Receivable	21,416
Inventories	61,106
	<hr/>

Total Current Assets

1,162,214

Non-Current Assets:

Capital Assets	765,791
Less: Accumulated Depreciation	(462,431)
	<hr/>

Total Non-Current Assets

303,360

Total Assets

1,465,574

LIABILITIES:

Current Liabilities:

Accounts Payable	181,545
Unearned Revenue	85,965
	<hr/>

Total Current Liabilities

267,510

NET POSITION:

Investment in Capital Assets	303,360
Unrestricted	894,704
	<hr/>

Total Net Position

\$ 1,198,064

Exhibit G-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 1,279,796
Non-Reimbursable Programs	899,843
Special Events	15,174
Miscellaneous Revenue	103,099
Total Operating Revenue	<u>2,297,912</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	872,892
Non-Reimbursable Programs	606,586
Salaries & Wages	887,842
Benefits & Payroll Taxes	215,893
Other Purchased Services	21,468
Supplies and Materials	31,196
Management Fee	37,056
Miscellaneous Expenditures	47,884
Depreciation Expense	28,789
Total Operating Expenses	<u>2,749,606</u>
Operating Loss	(451,694)
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	1,367
State Sources:	
State School Lunch Program	26,254
Federal Sources:	
National School Lunch Program	487,537
School Breakfast Program	17,638
Food Distribution Program	134,037
Total Non-Operating Income	<u>666,833</u>
Change in Net Position	215,139
Net Position - Beginning of Year	<u>982,925</u>
Net Position - End of Year	<u>\$ 1,198,064</u>

Exhibit G-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,282,373
Payments to Food Service Contractors	(2,495,175)
Payments to Suppliers	(54,321)
Net Cash Used for Operating Activities	<u>(267,123)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(108,528)
Net Cash Used for Capital and Related Financing Activities	<u>(108,528)</u>
Cash Flows from Investment Activities:	
Interest Income	1,367
Net Cash Provided by Investment Activities	<u>1,367</u>
Cash Flows from Noncapital & Financing Activities:	
State Sources	21,083
Federal Sources	430,250
Net Cash Provided by Noncapital & Financing Activities	<u>451,333</u>
Net Increase in Cash and Cash Equivalents	77,049
Cash and Cash Equivalents, July 1	<u>892,685</u>
Cash and Cash Equivalents, June 30	<u>\$ 969,734</u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (451,694)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	28,789
Food Distribution Program	134,037
Changes in Assets and Liabilities:	
(Increase) in Other Accounts Receivable	(21,416)
(Increase) in Inventory	(16,263)
Increase in Accounts Payable	42,175
Increase in Unearned Revenue	17,249
Net Cash Used for Operating Activities	<u>\$ (267,123)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$145,409 and Utilized Commodities Valued at \$134,037.

FIDUCIARY FUNDS

Exhibit H-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Agency</u>		<u>Totals</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>		
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 909,637	\$ 1,268,000	\$ 2,177,637	\$ 2,698,183
Interfund Receivable - Payroll Agency				164,447
Total Assets	<u>909,637</u>	<u>1,268,000</u>	<u>2,177,637</u>	<u>2,862,630</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	64,334	21,736	86,070	
Unemployment Compensation Trust		164,447	164,447	
Payroll Deductions and Withholdings		1,081,817	1,081,817	
Due to Student Groups	<u>845,303</u>		<u>845,303</u>	
Total Liabilities	<u>909,637</u>	<u>1,268,000</u>	<u>2,177,637</u>	
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims				<u>2,862,630</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,862,630</u>

Exhibit H-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 182,276
Total Contributions	<u>182,276</u>
Investment Earnings:	
Interest	<u>6,557</u>
Net Investment Earnings	<u>6,557</u>
Total Additions	<u>188,833</u>
DEDUCTIONS:	
Unemployment Benefit Claims	61,678
Quarterly Unemployment Contributions	<u>53,608</u>
Total Deductions	<u>115,286</u>
Change in Net Position	73,547
Net Position - Beginning of the Year	<u>2,789,083</u>
Net Position - End of the Year	<u><u>\$ 2,862,630</u></u>

Exhibit H-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 1,117,879	\$ 94,667,568	\$ 94,517,447	\$ 1,268,000
Total Assets	<u>\$ 1,117,879</u>	<u>\$ 94,667,568</u>	<u>\$ 94,517,447</u>	<u>\$ 1,268,000</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 1,020,422	\$ 94,578,842	\$ 94,517,447	\$ 1,081,817
Interfund Payable:				
Unemployment Compensation Trust	97,457	66,990		164,447
General Fund		21,736		21,736
Total Liabilities	<u>\$ 1,117,879</u>	<u>\$ 94,667,568</u>	<u>\$ 94,517,447</u>	<u>\$ 1,268,000</u>

Exhibit H-4

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 822,941	\$ 1,462,788	\$ 1,376,092	\$ 909,637
Total Assets	<u>\$ 822,941</u>	<u>\$ 1,462,788</u>	<u>\$ 1,376,092</u>	<u>\$ 909,637</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 785,258	\$ 1,398,454	\$ 1,338,409	\$ 845,303
Interfund Payable - General Fund	37,683	64,334	37,683	64,334
Total Liabilities	<u>\$ 785,258</u>	<u>\$ 1,462,788</u>	<u>\$ 1,376,092</u>	<u>\$ 909,637</u>

Exhibit H-5

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
High School	\$ 494,019	645,310	572,269	\$ 567,060
Middle School	162,313	486,800	511,621	137,492
Elementary Schools:				
Adamsville	8,092	2,416	3,148	7,360
Bradley Gardens	8,538	1,510	1,099	8,949
Crim	17,096	5,946	5,023	18,019
Eisenhower	7,948	40,583	41,871	6,660
Hamilton	12,677	6,979	3,406	16,250
Hillside	43,082	37,316	33,119	47,279
John F. Kennedy	3,001	9,340	7,875	4,466
Milltown	6,153	9,521	10,733	4,941
Van Holten	22,067	28,388	24,949	25,506
Athletic Account	272	124,345	123,296	1,321
Total Assets	<u>\$ 785,258</u>	<u>\$ 1,398,454</u>	<u>\$ 1,338,409</u>	<u>\$ 845,303</u>

LONG-TERM DEBT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2015	Retired or Matured	Balance June 30, 2016
			Date	Amount				
2005 School Bonds	01/15/05	\$ 10,971,000				\$ 550,000	\$ 550,000	
2005 Refunding School Bonds	05/01/05	24,815,000				1,860,000	1,860,000	
2012 Refunding Project School Bonds	05/01/12	17,165,000	5/1/17	\$ 1,555,000	4.000%			
			5/1/18	1,635,000	4.000%			
			5/1/19	1,715,000	4.000%			
			5/1/20	1,795,000	5.000%			
			5/1/21	1,895,000	4.500%			
			5/1/22	1,995,000	4.500%			
			5/1/23	2,105,000	2.250%	14,195,000	1,500,000	\$ 12,695,000
2012 Refunding School Bonds	01/15/13	5,940,000	7/15/16	555,000	4.000%			
			7/15/17	580,000	4.000%			
			7/15/18	605,000	4.000%			
			7/15/19	630,000	5.000%			
			7/15/20	655,000	5.000%			
			7/15/21	690,000	5.000%			
			7/15/22	725,000	5.000%			
			7/15/23	755,000	2.375%			
			7/15/24	745,000	2.500%	5,940,000		5,940,000
2014 Refunding School Bonds	07/16/14	16,795,000	7/15/16	2,165,000	0.801%			
			7/15/17	790,000	1.237%			
			7/15/17	1,400,000	3.000%			
			7/15/18	2,320,000	1.988%			
			7/15/19	2,370,000	2.288%			
			7/15/20	2,430,000	2.632%			
			7/15/21	2,500,000	2.882%			
			7/15/22	2,575,000	3.079%	16,795,000	245,000	16,550,000
						<u>\$ 39,340,000</u>	<u>\$ 4,155,000</u>	<u>\$ 35,185,000</u>

Exhibit I-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2016</u>
Computer Technology	1.130%	\$ 815,816	\$ 271,927		\$ 271,927	
Information Technology Equipment	1.065%	816,334	541,334		269,233	\$ 272,101
Various Technology Equipment	1.229%	815,024		\$ 815,024	275,000	540,024
			<u>\$ 813,261</u>	<u>\$ 815,024</u>	<u>\$ 816,160</u>	<u>\$ 812,125</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,390,856		\$ 5,390,856	\$ 5,390,856	
Total Revenues	<u>5,390,856</u>		<u>5,390,856</u>	<u>5,390,856</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,236,512		1,236,512	1,236,512	
Redemption of Principal	4,155,000		4,155,000	4,155,000	
Total Expenditures	<u>5,391,512</u>		<u>5,391,512</u>	<u>5,391,512</u>	
Deficit of Revenues Under Expenditures	(656)		(656)	(656)	
Fund Balance, July 1	<u>90,956</u>		<u>90,956</u>	<u>90,956</u>	
Fund Balance, June 30	<u>\$ 90,300</u>	<u>\$ -0-</u>	<u>\$ 90,300</u>	<u>\$ 90,300</u>	<u>\$ -0-</u>
<u>Recapitulation:</u>					
Restricted - For Subsequent Year's Expenditures				<u>\$ 90,300</u>	

STATISTICAL SECTION**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents**Exhibit****Financial Trends**

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 28,564,655	\$ 27,256,161	\$ 29,418,191	\$ 31,175,722	\$ 20,563,460	\$ 20,233,516	\$ 20,374,625	\$ 19,566,968	\$ 20,824,238	\$ 19,930,664
Restricted	14,476,179	14,006,590	14,123,419	7,524,006	8,704,511	12,977,178	18,267,771	18,409,248	19,094,971	20,882,240
Unrestricted/(Deficit)	(3,548,197)	(1,443,727)	(4,759,052)	(4,413,804)	(1,846,573)	(1,348,650)	(5,629,952)	(31,772,137)	(33,437,609)	(34,476,020)
Total Governmental Activities Net Position	<u>\$ 39,492,637</u>	<u>\$ 39,819,024</u>	<u>\$ 38,782,558</u>	<u>\$ 34,285,924</u>	<u>\$ 27,421,398</u>	<u>\$ 31,862,044</u>	<u>\$ 33,012,444</u>	<u>\$ 6,204,079</u>	<u>\$ 6,481,600</u>	<u>\$ 6,336,884</u>
Business-type Activities:										
Investment in Capital Assets	\$ 88,944	\$ 85,837	\$ 174,331	\$ 194,940	\$ 260,112	\$ 286,544	\$ 273,705	\$ 246,789	\$ 223,621	\$ 303,360
Unrestricted	378,043	216,502	172,274	299,607	319,428	346,534	319,409	493,337	759,304	894,704
Total Business-type Activities Net Position	<u>\$ 466,987</u>	<u>\$ 302,339</u>	<u>\$ 346,605</u>	<u>\$ 494,547</u>	<u>\$ 579,540</u>	<u>\$ 633,078</u>	<u>\$ 593,114</u>	<u>\$ 740,126</u>	<u>\$ 982,925</u>	<u>\$ 1,198,064</u>
District-wide:										
Net Investment in Capital Assets	\$ 28,653,599	\$ 27,341,998	\$ 29,592,522	\$ 31,370,662	\$ 20,823,572	\$ 20,520,060	\$ 20,648,330	\$ 19,813,757	\$ 21,047,859	\$ 20,234,024
Restricted	14,476,179	14,006,590	14,123,419	7,524,006	8,704,511	12,977,178	18,267,771	18,409,248	19,094,971	20,882,240
Unrestricted/(Deficit)	(3,170,154)	(1,227,225)	(4,586,778)	(4,114,197)	(1,527,145)	(1,002,116)	(5,310,543)	(31,278,800)	(32,678,305)	(33,581,316)
Total District Net Position	<u>\$ 39,959,624</u>	<u>\$ 40,121,363</u>	<u>\$ 39,129,163</u>	<u>\$ 34,780,471</u>	<u>\$ 28,000,938</u>	<u>\$ 32,495,122</u>	<u>\$ 33,605,558</u>	<u>\$ 6,944,205</u>	<u>\$ 7,464,525</u>	<u>\$ 7,534,948</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 57,457,648	\$ 58,783,402	\$ 59,035,528	\$ 61,823,239	\$ 56,876,771	\$ 57,987,780	\$ 60,639,747	\$ 59,304,034	\$ 70,644,335	\$ 76,032,018
Special Education	19,093,179	21,215,963	21,619,660	22,848,338	23,071,348	23,498,111	25,362,954	27,687,602	24,000,221	26,049,605
Other Instruction	4,332,120	4,871,780	5,112,519	5,618,287	7,040,250	8,099,816	8,520,002	6,671,578	9,682,796	10,743,026
Support Services:										
Tuition									6,627,005	7,624,751
Student & Instruction Related Services	17,457,536	18,660,123	19,167,437	17,827,238	16,954,930	17,896,514	20,219,132	18,252,568	19,712,752	20,874,850
General Administrative Services	4,104,606	2,497,234	2,263,524	2,280,380	2,612,827	2,738,256	2,716,844	1,699,075	1,951,705	2,289,946
School Administrative Services	6,702,922	6,954,323	7,131,966	9,142,894	9,348,902	9,317,038	9,427,399	10,565,877	11,187,503	10,275,635
Central Services		1,767,991	1,523,477	1,609,191	1,484,746	1,566,166	1,282,261	1,811,530	1,628,099	1,627,302
Administrative Information Technology		131,113	194,790	193,794	349,758	251,263	434,327	268,100	331,869	375,895
Plant Operations and Maintenance	12,411,744	12,979,244	13,455,887	13,334,967	12,829,552	11,708,337	18,843,113	17,275,541	18,003,330	17,596,127
Pupil Transportation	7,208,320	7,662,432	8,568,744	8,795,113	9,526,083	9,437,729	8,081,089	8,727,538	9,193,741	9,002,460
Transfer of Funds to Charter School									26,835	27,292
Interest on Long-term Debt	3,388,807	2,624,363	2,523,084	2,351,535	2,275,297	1,973,150	1,891,941	1,812,609	1,204,755	1,103,284
Total Governmental Activities Expenses	132,156,882	138,147,968	140,596,616	145,824,976	142,370,464	144,474,160	157,418,809	154,076,052	174,194,946	183,622,191
		138,147,968								
Business-type Activities:										
Food Service	2,173,224	2,448,537	2,330,937	2,549,194	2,755,703	2,723,024	2,781,829	2,715,133	2,572,797	2,749,606
Reading Recovery	140,352	128,639	102,660	181,019						
Total Business-type Activities Expense	2,313,576	2,577,176	2,433,597	2,730,213	2,755,703	2,723,024	2,781,829	2,715,133	2,572,797	2,749,606
Total District-wide Expenses	\$ 134,470,458	\$ 140,725,144	\$ 143,030,213	\$ 148,555,189	\$ 145,126,167	\$ 147,197,184	\$ 160,200,638	\$ 156,791,185	\$ 176,767,743	\$ 186,371,797
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 37,274	\$ 102,816	\$ 105,474	\$ 193,745	\$ 119,659	\$ 152,670	\$ 250,508	\$ 191,060	\$ 116,408	\$ 111,689
Pupil Transportation	62,653	509,564	460,661	381,203	410,614	354,802	396,370	380,036	376,291	346,919
Operating Grants and Contributions	7,927,064	18,874,236	14,720,848	15,091,129	12,461,727	13,802,256	17,768,880	15,242,455	39,395,375	46,496,128
Capital Grants and Contributions				372,611	346,650	162,517			147,746	20,119
Total Governmental Activities Program Revenues	8,026,991	19,486,616	15,286,983	16,038,688	13,338,650	14,472,245	18,415,758	15,813,551	40,035,820	46,974,855
Business-type Activities:										
Charges for Services:										
Food Service	1,846,837	1,937,443	2,007,144	2,184,883	2,240,979	2,200,165	2,167,181	2,249,837	2,195,219	2,297,912
Reading Recovery	149,400	79,500	59,750	171,682						
Operating Grants and Contributions	336,508	385,871	406,704	520,855	599,436	576,163	590,441	585,377	619,433	665,466
Total Business-type Activities Program Revenues	2,332,745	2,402,814	2,473,598	2,877,420	2,840,415	2,776,328	2,757,622	2,835,214	2,814,652	2,963,378
Total District-wide Program Revenues	\$ 10,359,736	\$ 21,889,430	\$ 17,760,581	\$ 18,916,108	\$ 16,179,065	\$ 17,248,573	\$ 21,173,380	\$ 18,648,765	\$ 42,850,472	\$ 49,938,233

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue:										
Governmental Activities	\$(124,129,891)	\$(118,661,352)	\$(125,309,633)	\$(129,786,288)	\$(129,031,814)	\$(130,001,915)	\$(139,003,051)	\$(138,262,501)	\$(134,159,126)	\$(136,647,336)
Business-type Activities	19,169	(174,362)	40,001	147,207	84,712	53,304	(24,207)	120,081	241,855	213,772
Total District-wide Net Expense	<u>\$(124,110,722)</u>	<u>\$(118,835,714)</u>	<u>\$(125,269,632)</u>	<u>\$(129,639,081)</u>	<u>\$(128,947,102)</u>	<u>\$(129,948,611)</u>	<u>\$(139,027,258)</u>	<u>\$(138,142,420)</u>	<u>\$(133,917,271)</u>	<u>\$(136,433,564)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 105,178,496	\$ 107,988,805	\$ 110,648,297	\$ 113,403,369	\$ 117,979,825	\$ 119,155,099	\$ 120,346,649	\$ 122,590,785	\$ 124,875,621	\$ 127,373,133
Taxes Levied for Debt Service	5,421,866	5,453,251	5,449,937	5,561,671	5,558,329	5,148,576	5,486,480	5,366,434	5,436,412	5,390,856
Unrestricted Grants and Contributions	17,046,777	7,101,010	8,523,642	6,524,733	6,888,481	9,390,146	9,249,215	9,458,124	2,850,589	2,856,603
Investment Earnings	1,062,161	969,516	407,675	126,888	28,675	18,209	16,883	33,070	29,816	35,175
Miscellaneous Income	444,109	466,614	452,231	416,668	1,500,677	707,563	650,907	920,113	1,244,209	846,853
Special Item	1,186,324	(2,991,457)	(768,392)	(743,665)	(1,433,689)					
Transfers							15,914			
Total Governmental Activities	<u>130,339,733</u>	<u>118,987,739</u>	<u>124,713,390</u>	<u>125,289,664</u>	<u>130,522,298</u>	<u>134,419,593</u>	<u>135,766,048</u>	<u>138,368,526</u>	<u>134,436,647</u>	<u>136,502,620</u>
Business-type Activities:										
Investment Earnings	8,489	9,714	4,265	735	281	233	158	529	944	1,367
Total Business-type Activities	<u>8,489</u>	<u>9,714</u>	<u>4,265</u>	<u>735</u>	<u>281</u>	<u>233</u>	<u>(15,756)</u>	<u>529</u>	<u>944</u>	<u>1,367</u>
Total District-wide General Revenues and Other Changes in Net Position	<u>\$ 130,348,222</u>	<u>\$ 118,997,453</u>	<u>\$ 124,717,655</u>	<u>\$ 125,290,399</u>	<u>\$ 130,522,579</u>	<u>\$ 134,419,826</u>	<u>\$ 135,750,292</u>	<u>\$ 138,369,055</u>	<u>\$ 134,437,591</u>	<u>\$ 136,503,987</u>
Change in Net Position:										
Governmental Activities	\$ 6,209,842	\$ 326,387	\$ (596,243)	\$ (4,496,624)	\$ 1,490,484	\$ 4,417,678	\$ (3,237,003)	\$ 106,025	\$ 277,521	\$ (144,716)
Business-type Activities	27,658	(164,648)	44,266	147,942	84,993	53,537	(39,963)	120,610	242,799	215,139
Total District-wide Change in Net Position	<u>\$ 6,237,500</u>	<u>\$ 161,739</u>	<u>\$ (551,977)</u>	<u>\$ (4,348,682)</u>	<u>\$ 1,575,477</u>	<u>\$ 4,471,215</u>	<u>\$ (3,276,966)</u>	<u>\$ 226,635</u>	<u>\$ 520,320</u>	<u>\$ 70,423</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Modified Accrual Basis of Accounting)

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 13,431,599	\$ 15,185,036	\$ 14,420,458	\$ 7,008,082						
Restricted					\$ 8,587,080	\$ 12,439,313	\$ 18,861,394	\$ 18,390,522	\$ 19,004,015	\$ 20,791,940
Committed					415,022	731,545				
Assigned					630,641	2,881,197	1,195,715	1,102,983	936,568	702,684
Unassigned	2,205,031	2,815,561	1,772,797	2,025,883	2,733,214	2,839,567	2,699,450	2,963,711	3,090,871	2,902,433
Total General Fund	\$ 15,636,630	\$ 18,000,597	\$ 16,193,255	\$ 9,033,965	\$ 12,365,957	\$ 18,891,622	\$ 22,756,559	\$ 22,457,216	\$ 23,031,454	\$ 24,397,057
All Other Governmental Funds:										
Reserved	\$ 599,804	\$ 471,956	\$ 658,720	\$ 874,662						
Restricted					\$ 434,481	\$ 154,424	\$ 18,071	\$ 656	\$ 90,956	\$ 90,300
Committed					60,930	399,425	81,177	1,155,093	723,420	1,379,158
Unreserved, Reported in:										
Capital Projects Fund	1,073,674	193,510	349,081	597,291						
Debt Service Fund	11,924	1	1	40,379						
Total All Other Governmental Funds	\$ 1,685,402	\$ 665,467	\$ 1,007,802	\$ 1,512,332	\$ 495,411	\$ 553,849	\$ 99,248	\$ 1,155,749	\$ 814,376	\$ 1,469,458
Total Governmental Funds	\$ 17,322,032	\$ 18,666,064	\$ 17,201,057	\$ 10,546,297	\$ 12,861,368	\$ 19,445,471	\$ 22,855,807	\$ 23,612,965	\$ 23,845,830	\$ 25,866,515

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$110,600,362	\$113,442,056	\$116,098,234	\$118,965,030	\$123,538,154	\$124,303,675	\$125,833,129	\$122,590,785	\$130,312,033	\$132,763,989
Other Local Governmental Units	264,296	374,561	354,254	319,551	332,136	324,437	325,638	330,585	317,134	291,042
Tuition	37,274	102,816	105,474	193,745	119,659	152,670	250,508	32,012	116,408	111,689
Transportation Fees	62,653	135,003	106,407	61,652	78,478	30,365	70,732	75,114	59,157	55,877
Interest Earned on Capital Reserve Funds	1,062,161	969,516	407,675	126,888	28,675	18,209	16,883	15,437	12,081	7,972
Miscellaneous	444,109	466,614	452,231	507,622	1,659,861	793,574	753,465	1,018,823	1,350,343	916,991
State Sources	22,674,756	23,334,501	20,404,250	18,272,618	16,559,947	20,291,348	24,013,627	22,246,750	24,744,565	26,956,124
Federal Sources	2,034,789	2,640,744	2,840,240	3,624,900	2,977,726	2,977,560	2,901,910	16,433	2,617,607	2,530,715
Total Revenue	137,180,400	141,465,811	140,768,765	142,072,006	145,294,636	148,891,838	154,165,892	146,325,939	159,529,328	163,634,399
Expenditures:										
Instruction:										
Regular Instruction	40,949,714	41,691,054	43,180,718	45,766,553	41,294,431	39,449,291	41,760,639	41,563,425	42,794,436	43,395,923
Special Education Instruction	11,441,593	13,177,266	13,921,851	14,229,607	13,874,514	13,827,515	14,850,923	13,694,599	15,487,774	16,168,382
Other Special Instruction									4,547,574	4,752,425
School-Sponsored/Other Instruction	2,972,301	3,243,282	3,526,580	4,055,127	4,862,356	5,187,426	5,689,886	5,991,579	1,697,974	1,891,204
Support Services:										
Tuition	3,681,630	3,353,577	3,262,695	3,939,326	4,134,170	4,404,226	4,741,149	5,256,999	4,626,585	4,576,844
Student & Other Instruction Related Services	12,668,651	13,347,920	14,111,897	12,856,408	12,433,406	12,300,002	13,689,975	13,386,317	14,693,060	14,914,566
General & Business Administrative Services	3,329,859									
General Administrative Services		2,016,463	1,706,263	1,674,956	1,624,811	1,620,467	1,793,016	1,472,656	1,586,392	1,842,235
School Administrative Services	4,651,960	4,802,548	5,062,304	6,976,381	6,634,919	6,307,237	6,339,928	7,148,185	7,148,799	7,109,778
Central Services		1,260,274	1,271,570	1,322,051	1,217,902	1,246,526	1,282,262	1,302,449	1,264,935	1,227,369
Administrative Information Technology		131,113	163,301	159,611	288,178	204,487	434,327	268,100	331,869	375,895
Plant Operations and Maintenance	10,862,457	10,916,902	11,192,969	10,917,612	10,423,117	9,335,127	9,723,446	10,899,503	11,237,092	10,866,895
Student Transportation	6,787,301	6,905,133	7,475,322	7,765,596	7,472,374	7,444,376	7,501,432	7,916,397	8,293,917	8,192,971
Allocated Benefits		294,347	315,121	347,661	338,497	428,945	467,234	478,235	520,670	373,206
Unallocated Benefits	30,928,762	32,410,044	29,349,663	31,982,157	31,103,657	33,996,934	36,117,969	34,222,333	36,936,615	38,705,808
Transfer of Funds to Charter School			9,197	9,507	11,387			37,996	26,835	27,292
Capital Outlay	4,221,285	2,340,312	2,593,696	1,973,130	2,525,259	1,962,635	1,715,820	2,597,735	3,554,088	2,616,433
Debt Service:										
Principal	2,805,921	2,805,921	2,890,921	3,120,921	3,250,921	3,380,921	3,530,921	3,580,921	3,735,000	4,155,000
Interest and Other Charges	2,770,985	2,659,253	2,559,016	2,406,091	2,307,408	3,181,880	2,723,174	1,866,689	1,554,205	1,236,512
Total Expenditures	138,072,419	141,355,409	142,593,084	149,502,695	143,797,307	144,277,995	152,362,101	151,684,118	160,037,820	162,428,738

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess/(Deficit) of Revenues Over/(Under)										
Expenditures	\$ (892,019)	\$ 110,402	\$ (1,824,319)	\$ (7,430,689)	\$ 1,497,329	\$ 4,613,843	\$ 1,803,791	\$ (5,358,179)	\$ (508,492)	\$ 1,205,661
Other Financing Sources/(Uses):										
Serial Bonds Issued						17,165,000	5,940,000		16,795,000	
Bond Premium						2,282,257	537,577		72,394	
Serial Bonds Defeased						(18,284,000)	(6,001,000)		(16,120,000)	
Bond Issuance Costs									(123,216)	
Deferred Interest									(699,155)	
Capital Leases	900,000	793,409	799,531	775,928	817,741	807,002	814,055	(1,204,590)	816,334	815,024
Transfers								815,816		
Total Other Financing Sources/(Uses)	900,000	793,409	799,531	775,928	817,741	1,970,259	1,290,632	(388,774)	741,357	815,024
Net Change in Fund Balances	\$ 7,981	\$ 903,811	\$ (1,024,788)	\$ (6,654,761)	\$ 2,315,070	\$ 6,584,102	\$ 3,094,423	\$ (5,746,953)	\$ 232,865	\$ 2,020,685
Debt Service as a % of Noncapital Expenditures	4.17%	3.93%	3.89%	3.75%	3.93%	4.61%	4.15%	3.65%	3.38%	3.37%

Source: Bridgewater-Raritan Regional School District Financial Reports.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Athletic & Activity Fees	Tuition	Parking Permits	Transportation Fees	Hazardous Transportation Fees	Rentals	Miscellaneous	Total
2007	\$ 1,092,408		\$ 37,274	\$ 22,185	\$ 62,653		\$ 181,790	\$ 161,736	\$ 1,558,046
2008	969,516		102,816	47,520	135,003	\$ 374,561	159,533	238,160	2,027,109
2009	407,676		105,474	47,600	106,407	354,254	125,214	248,110	1,394,735
2010	126,888		193,745	48,005	61,652	319,551	112,879	250,065	1,112,785
2011	28,675	\$ 192,473	119,659	49,980	78,478	332,136	120,411	1,137,813	2,059,625
2012	18,209	287,514	152,670	46,400	30,365	324,437	117,021	242,070	1,218,686
2013	16,884	193,745	250,508	47,900	70,732	325,638	130,712	269,441	1,305,560
2014	33,070	211,847	191,060	48,000	49,451	330,585	72,503	535,455	1,471,971
2015	29,816	206,402	116,408	39,510	59,157	317,134	167,346	830,951	1,766,724
2016	35,175	190,555	111,689	50,509	55,877	291,042	312,981	292,808	1,340,636

Source: Bridgewater-Raritan Regional School District Financial Reports.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
Township of Bridgewater													
2006	\$ 135,876,200	\$ 6,778,949,600	\$ 6,224,700	\$ 126,700	\$ 1,723,683,100	\$ 365,904,900	\$ 47,851,100	\$ 9,058,616,300	\$ 9,117,403	\$ 9,067,733,703	\$ 522,577,900	\$ 1.04	\$ 9,400,492,772
2007	139,533,300	6,852,458,800	6,313,200	122,100	1,757,447,900	364,458,400	48,401,800	9,168,735,500	9,305,420	9,178,040,920	529,397,700	1.10	10,107,382,460
2008	119,347,100	6,733,962,500	5,689,900	121,700	1,804,513,500	366,284,400	48,523,200	9,078,442,300	10,321,568	9,088,763,868	538,193,500	1.11	9,880,225,511
2009	112,038,700	6,488,662,400	6,761,700	122,200	1,837,224,700	375,112,800	52,439,500	8,872,362,000	11,307,448	8,883,669,448	546,825,900	1.16	9,652,629,157
2010	104,974,600	6,278,722,100	6,547,300	122,200	1,824,068,900	417,412,900	52,336,300	8,684,184,300	12,662,084	8,696,846,384	583,951,900	1.22	10,448,531,025
2011	94,751,000	6,095,715,300	6,385,600	122,200	1,713,746,500	454,103,800	51,256,400	8,416,080,800	10,752,577	8,426,833,377	618,611,400	1.30	9,167,227,143
2012	93,049,400	6,103,102,700	6,385,600	121,200	1,741,513,700	467,203,800	51,256,400	8,462,632,800	10,720,405	8,473,353,205	624,502,700	1.32	9,073,523,515
2013	91,159,500	5,884,075,400	5,725,100	116,100	1,662,956,200	381,478,600	64,053,900	8,089,564,800	10,951,801	8,100,516,601	628,796,300	1.39	8,663,221,660
2014	86,915,900	5,941,045,400	5,674,400	116,100	1,664,998,000	346,979,600	65,336,400	8,111,065,800	8,288,494	8,119,354,294	629,987,000	1.41	8,655,157,455
2015	85,358,500	6,227,830,600	5,960,700	116,100	1,670,545,500	347,565,400	67,432,200	8,404,809,000	8,475,948	8,413,284,948	638,566,200	1.39	8,874,306,002
Borough of Raritan													
2006	\$ 10,395,650	\$ 608,522,634			\$ 217,894,686	\$ 309,623,219	\$ 1,898,600	\$ 1,148,334,789	\$ 1,690,412	\$ 1,150,025,201	\$ 41,177,480	\$ 1.00	\$ 1,191,220,610
2007	10,395,650	606,998,134			215,552,677	305,298,868	1,898,600	1,140,143,929	1,177,566	1,141,321,495	41,117,480	1.12	1,272,247,081
2008	10,612,600	608,953,934			251,226,741	278,406,500	1,898,600	1,151,098,375	1,177,566	1,152,275,941	41,799,580	1.13	1,281,119,204
2009	12,026,950	609,492,434			237,652,841	276,551,500	1,898,600	1,137,622,325	1,539,530	1,139,161,855	43,482,050	1.23	1,333,731,647
2010	11,579,600	611,784,284			237,416,923	276,551,500	1,898,600	1,139,230,907	1,718,485	1,140,949,392	43,067,450	1.27	1,370,898,190
2011	11,385,200	611,721,584			237,926,357	276,551,500	1,898,600	1,139,483,241	1,718,485	1,141,201,726	43,594,150	1.27	1,295,168,774
2012	11,711,500	611,088,984			237,925,357	276,551,500	1,898,600	1,139,175,941	1,601,370	1,140,777,311	43,619,950	1.29	1,242,625,011
2013	9,067,400	609,609,984			237,740,974	276,551,500	3,956,100	1,136,925,958	1,646,255	1,138,572,213	43,857,950	1.29	1,192,239,046
2014	9,323,900	608,734,384			237,683,074	276,534,100	25,670,300	1,157,945,758	1,407,412	1,159,353,170	43,601,450	1.26	1,132,375,825
2015	9,323,900	608,340,284			234,644,574	276,534,100	54,550,100	1,183,392,958	1,472,350	1,184,865,308	44,099,750	1.24	1,198,381,988

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

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

^b Tax rates are per \$100 of assessed value.

Source: Township of Bridgewater and Borough of Raritan Tax Assessor.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Year Ended December 31,	Township of Bridgewater School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct	Township of Bridgewater	Somerset County	
	Basic Rate ^a	Debt Service ^b				
2006	\$ 0.99	\$ 0.05	\$ 1.04	\$ 0.23	\$ 0.37	\$ 1.64
2007	1.04	0.06	1.10	0.23	0.38	1.70
2008	1.06	0.05	1.11	0.25	0.37	1.72
2009	1.11	0.05	1.16	0.25	0.36	1.78
2010	1.17	0.06	1.22	0.22	0.40	1.85
2011	1.24	0.06	1.30	0.24	0.39	1.93
2012	1.27	0.06	1.32	0.25	0.40	1.97
2013	1.33	0.06	1.39	0.26	0.41	2.05
2014	1.35	0.06	1.41	0.26	0.42	2.09
2015	1.33	0.06	1.39	0.25	0.42	2.06

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Borough of Raritan School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct	Borough of Raritan	Somerset County	
	Basic Rate ^a	Debt Service ^b				
2006	\$ 0.95	\$ 0.05	\$ 1.00	\$ 0.50	\$ 0.34	\$ 1.83
2007	1.08	0.04	1.12	0.55	0.34	2.01
2008	1.07	0.05	1.13	0.58	0.34	2.04
2009	1.17	0.06	1.23	0.59	0.35	2.17
2010	1.21	0.06	1.27	0.62	0.36	2.25
2011	1.21	0.06	1.27	0.64	0.36	2.27
2012	1.24	0.05	1.29	0.64	0.35	2.29
2013	1.24	0.06	1.29	0.65	0.35	2.29
2014	1.21	0.05	1.26	0.65	0.34	2.25
2015	1.19	0.05	1.24	0.65	0.35	2.24

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Township of Bridgewater

<u>Taxpayer</u>	<u>2015</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Bridgewater Commons Mall	\$ 203,450,000	1	2.42%
Arc HR5SNFI001 Spe, LLC	100,960,000	2	1.20%
Bridgewater ODC-Goldman Sachs	66,000,000	3	0.78%
724 Rt 202 Assoc	57,500,000	4	0.68%
Somerset Corporate Center	53,400,000	5	0.63%
MetLife	47,950,000	6	0.57%
CNL Bwt Htl % CNL Hosp Partners	46,620,000	7	0.55%
CIP II/AR	45,001,000	8	0.53%
SCC III, LLC,	42,850,000	9	0.51%
Piedmont-Bridgewater NJ LLC	38,020,000	10	0.45%
Total	<u>\$ 701,751,000</u>		<u>8.34%</u>

<u>Taxpayer</u>	<u>2006</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>

INFORMATION IS NOT AVAILABLE

Exhibit J-8

2 of 2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Borough of Raritan

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Ortho Pharmaceutical Corp.	\$ 192,938,000	1	16.28%
Bridge Walk, LLC	56,000,000	2	4.73%
Ortho Diagnostic Systems Inc.	54,798,000	3	4.62%
Johnson and Johnson	45,506,000	4	3.84%
CL River Park L.P.	39,000,000	5	3.29%
Roche Bio-Medical	16,664,300	6	1.41%
Levin Management Corp.	14,977,000	7	1.26%
Raritan Shop Center, NJ Mort Acq, LLC	13,000,000	8	1.10%
Ortho Bio-Tech Inc.	12,351,000	9	1.04%
Raritan Johnson Associates, LLC	9,569,000	10	0.81%
Total	<u>\$ 454,803,300</u>		<u>38.38%</u>

Taxpayer	2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
INFORMATION IS NOT AVAILABLE			

Exhibit J-9

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
<u>Township of Bridgewater</u>				
2007	\$ 100,637,326	\$ 100,637,326	100.00%	\$ -0-
2008	101,699,856	101,699,856	100.00%	-0-
2009	103,448,998	103,448,998	100.00%	-0-
2010	104,285,836	104,285,836	100.00%	-0-
2011	109,277,843	109,277,843	100.00%	-0-
2012	109,681,945	109,681,945	100.00%	-0-
2013	111,300,325	111,300,325	100.00%	-0-
2014	113,045,651	113,045,651	100.00%	-0-
2015	116,027,179	111,394,400	96.01%	4,632,779
2016	117,729,667	117,729,667	100.00%	-0-
<u>Borough of Raritan</u>				
2007	\$ 12,726,330	\$ 12,726,330	100.00%	\$ -0-
2008	12,837,698	12,837,698	100.00%	-0-
2009	13,383,676	13,383,676	100.00%	-0-
2010	14,679,194	14,679,194	100.00%	-0-
2011	14,415,304	14,415,304	100.00%	-0-
2012	14,621,730	14,621,730	100.00%	-0-
2013	14,532,804	14,532,804	100.00%	-0-
2014	14,911,568	14,911,568	100.00%	-0-
2015	14,284,854	13,144,111	92.01%	1,140,743
2016	15,034,322	15,034,322	100.00%	-0-

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

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans	Obligations Under Capital Leases				
2007	\$ 66,095,000	\$ 41,447	\$ 939,818	\$ -0-	\$ 67,076,265	1.80%	\$ 1,301
2008	63,295,000	35,526	793,409	-0-	64,123,935	1.65%	1,233
2009	60,410,000	29,605	799,531	-0-	61,239,136	1.65%	1,163
2010	57,300,000	23,684	791,636	-0-	58,115,320	1.58%	1,130
2011	54,055,000	17,763	796,395	-0-	54,869,158	1.43%	1,061
2012	49,561,000	11,842	800,193	-0-	50,373,035	1.24%	967
2013	45,975,000	5,921	808,282	-0-	46,789,203	1.11%	891
2014	42,400,000	-0-	812,154	-0-	43,212,154	0.98%	818
2015	39,340,000	-0-	813,261	-0-	40,153,261	0.90%	754
2016	35,185,000	-0-	812,125	-0-	35,997,125	0.81%	676

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

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

Exhibit J-11

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 66,095,000	\$ -0-	\$ 66,095,000	0.65%	\$ 1,282
2008	63,295,000	-0-	63,295,000	0.61%	1,217
2009	60,410,000	-0-	60,410,000	0.59%	1,147
2010	57,300,000	-0-	57,300,000	0.57%	1,114
2011	54,055,000	-0-	54,055,000	0.55%	1,045
2012	49,561,000	-0-	49,561,000	0.52%	951
2013	45,975,000	-0-	45,975,000	0.48%	875
2014	42,400,000	-0-	42,400,000	0.46%	803
2015	39,340,000	-0-	39,340,000	0.42%	739
2016	35,185,000	-0-	35,185,000	0.37%	661

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Bridgewater-Raritan Regional School District Financial Reports.

Exhibit J-12

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Township of Bridgewater	\$ 70,284,291	100.000%	\$ 70,284,291
Borough of Raritan	4,819,547	100.000%	4,819,547
Somerset County General Obligation Debt:			
Township of Bridgewater Share	167,277,357	15.459%	25,858,889
Borough of Raritan Share	167,277,357	2.088%	3,491,972
Subtotal, Overlapping Debt			104,454,699
Bridgewater-Raritan Regional School District Direct Debt			37,497,125
Total Direct and Overlapping Debt			<u>\$ 141,951,824</u>

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 Bridgewater and Raritan. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Somerset County Board of Taxation; debt outstanding data provided by each governmental unit.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 433,328,403	\$ 439,115,519	\$ 444,536,484	\$ 443,986,864	\$ 441,689,106	\$ 424,568,961	\$ 363,986,184	\$ 413,236,614	\$ 405,636,154	\$ 407,084,195
Total Net Debt Applicable to Limit	66,095,000	63,295,000	60,410,000	57,300,000	54,055,000	49,561,000	45,975,000	42,400,000	39,340,000	35,185,000
Legal Debt Margin	<u>\$ 367,233,403</u>	<u>\$ 375,820,519</u>	<u>\$ 384,126,484</u>	<u>\$ 386,686,864</u>	<u>\$ 387,634,106</u>	<u>\$ 375,007,961</u>	<u>\$ 318,011,184</u>	<u>\$ 370,836,614</u>	<u>\$ 366,296,154</u>	<u>\$ 371,899,195</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	15.25%	14.41%	13.59%	12.91%	12.24%	11.67%	12.63%	10.26%	9.70%	8.64%

Legal Debt Margin Calculation for Fiscal Year 2016

	Township of Bridgewater	Borough of Raritan	Total
Equalized valuation basis:			
2015	\$9,010,301,244	\$1,235,919,538	\$10,246,220,782
2014	9,092,103,800	1,160,731,514	10,252,835,314
2013	8,932,823,322	1,099,435,217	10,032,258,539
			<u>\$30,531,314,635</u>
Average Equalized Valuation of Taxable Property			<u>\$10,177,104,878</u>
Debt Limit (4% of average equalization value) ^a			\$ 407,084,195
Net Bonded School Debt			<u>35,185,000</u>
Legal Debt Margin			<u>\$ 371,899,195</u>

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

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Township of Bridgewater

Year	Population ^a	Somerset County Per Capita Personal Income ^b	Township of Bridgewater Personal Income ^c	Unemployment Rate ^d
2007	44,381	\$ 72,113	\$ 3,200,447,053	2.70%
2008	44,519	74,860	3,332,692,340	4.10%
2009	45,076	70,311	3,169,338,636	7.40%
2010	44,527	71,473	3,182,478,271	7.40%
2011	44,772	74,238	3,323,783,736	7.10%
2012	45,142	78,163	3,528,434,146	7.40%
2013	45,233	80,167	3,626,193,911	6.30%
2014	45,298	83,731	3,792,846,838	5.10%
2015	45,198	83,731 *	3,784,473,738	4.10%
2016	45,198 **	83,731 *	3,784,473,738 ***	N/A

* - Latest Somerset County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Somerset County per capita personal income (2014) was used for calculation purposes.

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Borough of Raritan</u>				
<u>Year</u>	<u>Population ^a</u>	<u>Somerset County Per Capita Personal Income ^b</u>	<u>Borough of Raritan Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	7,166	\$ 72,113	\$ 516,761,758	2.70%
2008	7,501	74,860	561,524,860	4.10%
2009	7,571	70,311	532,324,581	7.40%
2010	6,893	71,473	492,663,389	7.40%
2011	6,932	74,238	514,617,816	7.10%
2012	6,946	78,163	542,920,198	7.40%
2013	7,280	80,167	583,615,760	6.30%
2014	7,522	83,731	629,824,582	5.10%
2015	8,031	83,731 *	672,443,661	4.20%
2016	8,031 **	83,731 *	672,443,661 ***	N/A

* - Latest Somerset County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Somerset County per capita personal income (2014) was used for calculation purposes.

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SOMERSET
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	Employees	2015	
		Rank	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Employer	Employees	2006	
		Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	620	643	651	654	597	593	624	662	613	615
Special Education	289	274	267	272	266	241	249	205	262	261
Support Services:										
Student & Instruction Related Services	181	184	189	189	156	170	163	166	166	141
School Administration	67	69	70	70	78	78	76	78	82	82
General Administration	4	4	5	5	5	5	5	5	5	5
Central Services	19	18	19	19	17	17	17	21	17	17
Plant Operations and Maintenance	136	138	139	138	30	30	45	38	45	25
Pupil Transportation	28	27	27	27	28	28	27	27	27	27
Total	<u>1,344</u>	<u>1,357</u>	<u>1,367</u>	<u>1,374</u>	<u>1,177</u>	<u>1,162</u>	<u>1,206</u>	<u>1,202</u>	<u>1,217</u>	<u>1,173</u>

Source: Bridgewater-Raritan Regional School District Financial Reports.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	** Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	8,951	\$ 128,274,228	\$14,331	9.84%	825	N/A	N/A	N/A	8,951	8,864	-0.43%	99.03%
2008	9,133	133,549,923	14,623	2.04%	917	N/A	N/A	N/A	9,133	8,764	2.03%	95.96%
2009	9,126	134,549,451	14,744	0.83%	918	9:1	N/A	11:1	9,126	8,760	-0.08%	95.99%
2010	9,110	142,002,553	15,588	5.72%	926	9:1	10:1	11:1	9,092	8,724	-0.37%	95.95%
2011	8,953	135,713,719	15,158	-2.75%	863	10:1	10:1	11:1	8,854	8,501	-2.62%	96.01%
2012	8,827	135,752,559	15,379	1.46%	834	10:1	10:1	11:1	8,706	8,362	-1.67%	96.05%
2013	8,697	144,392,186	16,603	7.95%	873	N/A	N/A	N/A	8,619	8,280	-1.00%	96.07%
2014	8,642	143,638,773	16,621	0.11%	867	N/A	N/A	N/A	8,527	8,210	-1.07%	96.28%
2015	8,570	151,194,527	17,642	6.14%	875	N/A	N/A	N/A	8,451	8,158	-0.89%	96.53%
2016	8,554	154,420,793	18,052	2.32%	876	N/A	N/A	N/A	8,543	8,216	1.09%	96.17%

Note: Enrollment based on annual October District count.

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

^b Cost Per Pupil calculated above is the sum of operating expenditures divided by enrollment. This may be different from the State's Cost Per Pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

** Includes out-of-district students.

N/A Information is not available.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Adamsville (1953)										
Square Feet	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996
Capacity (Students)	501	501	501	501	501	501	501	501	501	501
Enrollment	397	520	559	550	572	603	505	537	538	550
Bradley Gardens (1955)										
Square Feet	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	302	352	353	364	326	295	283	293	291	270
Crim (1968)										
Square Feet	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	425	456	465	442	421	402	409	356	344	328
Eisenhower (1967)										
Square Feet	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850
Capacity (Students)	653	653	653	653	653	653	653	653	653	653
Enrollment - PSD	790	843	854	846	890	885	811	766	773	746
Hamilton (1965)										
Square Feet	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Capacity (Students)	370	370	370	370	370	370	370	370	370	370
Enrollment	366	458	463	456	410	395	470	499	475	467
Hillside (1961)										
Square Feet	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070
Capacity (Students)	515	515	515	515	515	515	515	515	515	515
Enrollment - PSD	655	698	600	576	576	588	599	598	578	562
John F. Kennedy (1963)										
Square Feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (Students)	320	320	320	320	320	320	320	320	320	320
Enrollment	417	518	494	466	444	407	414	412	427	434
Milltown (2006)										
Square Feet	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832
Capacity (Students)	498	498	498	498	498	498	498	498	498	498
Enrollment	452	575	551	531	519	501	460	433	430	478
Van Holten (1963)										
Square Feet	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200
Capacity (Students)	321	321	321	321	321	321	321	321	321	321
Enrollment - PSD	415	485	476	491	431	421	431	440	397	414
Middle School (1966)										
Square Feet	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120
Capacity (Students)	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304
Enrollment - PSD	2,174	1,446	1,482	1,522	1,450	1,423	1,484	1,474	1,409	1,377
Bridgewater-Raritan High School (1964)										
Square Feet	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390
Capacity (Students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment - PSD	2,558	2,782	2,829	2,866	2,914	2,907	2,831	2,834	2,777	2,793
Maintenance/Transportation Building										
Square Feet	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120
Central Administration (1959)										
Square Feet	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120

Number of Schools at June 30, 2016

Elementary = 7
Intermediate = 2
Middle School = 1
High School = 1
Other = 2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities*
 Account Number 11-000-261-XXX

Fiscal Year Ended June 30,	Adamsville Elementary School	Bradley Gardens Elementary School	Crim Elementary School	Eisenhower Intermediate School	Hamilton Elementary School	Hillside Intermediate School	JFK Elementary School	Milltown Elementary School	Van Holten Elementary School	Bridgewater-Raritan Middle School	Bridgewater-Raritan High School	Central Administration & Maintenance/Transportation	Total
2007	\$ 81,211	\$ 65,706	\$ 72,468	\$ 150,361	\$ 55,492	\$ 112,788	\$ 83,231	\$ 71,805	\$ 78,114	\$ 328,450	\$ 582,199		\$ 1,681,825
2008	84,221	81,920	78,165	160,318	59,629	129,623	61,227	75,502	75,291	305,058	571,524	\$ 41,758	1,724,236
2009	90,369	67,517	78,030	156,752	85,777	122,573	59,950	90,233	82,310	319,615	504,268	42,301	1,699,695
2010	112,282	75,504	78,136	164,038	65,060	128,167	76,952	73,569	69,409	326,267	454,015	40,778	1,664,177
2011	70,611	64,150	64,286	178,517	60,090	116,710	66,226	68,006	51,362	306,793	459,489	40,227	1,546,467
2012	107,414	72,402	69,606	155,785	65,517	116,924	87,454	73,690	61,130	288,380	516,083	40,577	1,654,962
2013	94,535	58,981	49,567	150,823	73,682	151,304	77,058	122,796	64,944	253,135	462,622	38,104	1,597,551
2014	75,231	70,822	60,890	144,500	90,887	116,244	78,913	79,769	71,460	299,761	572,005	32,294	1,692,776
2015	136,310	76,963	67,424	141,184	56,982	114,373	63,404	75,384	57,447	305,085	545,181	38,877	1,678,614
2016	76,837	82,378	56,850	138,210	77,831	117,693	58,698	66,354	64,178	312,544	464,906	42,192	1,558,671

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

Exhibit J-20

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Insurance Group:		
School Package Policy:		
Building & Personal Property	\$ 237,700,805	\$ 5,000
Environmental Package	1,000,000	25,000
General Liability	6,000,000	N/A
Automobile Liability	6,000,000	
Auto Physical Damage	ACV basis (replacement cost on buses)	1,000
Beazley Breach Response Services	1,000,000	various
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
EDP	2,000,000	1,000
Equip Breakdown	100,000,000	5,000
Crime & Bonds:		
Faithful Performance	250,000	1,000
Forgery & Aleration	100,000	1,000
Money & Securities	100,000	1,000
Money orders/ Counterfeit	25,000	500
Computer Fraud	50,000	500
Errors & Omissions	6,000,000	10,000
Workers' Compensation:		
Employer's Liability	Statutory 2,000,000	
Supplemental Indemnity	Not Included	
Bollinger Insurance:		
Student Accident	5,000,000	250
Public Officials' Bonds - Selective Insurance Company of America:		
Treasurer of School Monies	575,000	1,000
School Business Administrator/Board Secretary	575,000	500

Source: Bridgewater-Raritan Regional School District Financial Reports.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Bridgewater-Raritan Regional School District, in the County of Somerset (the "District") 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, and have issued our report thereon dated September 6, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

Purpose of this Report

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

Nisivoccia, LLP

September 6, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program
 and Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Bridgewater-Raritan Regional School District's (the "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 fiscal year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

Report on Internal Control Over Compliance

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

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

September 6, 2016
Mount Arlington, New Jersey

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2015			Cash Received	Budgetary Expendi- tures	Adjust- ments	Repayment of Prior Years' Balances	Balance at June 30, 2016			Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
<u>U.S. Department of Agriculture:</u>															
Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	\$ 145,409			\$ 145,409	\$ (117,762)					\$ 27,647		
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	139,910		\$ 16,275		(16,275)							
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	487,537			388,426	(487,537)				\$ (99,111)			
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	447,079	\$ (27,469)		27,469								
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	17,638			13,485	(17,638)				(4,153)			
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	12,019	(870)		870								
Total Child Nutrition Cluster					(28,339)	16,275	575,659	(639,212)				(103,264)	27,647		
Total U.S. Department of Agriculture					(28,339)	16,275	575,659	(639,212)				(103,264)	27,647		
<u>U.S. Department of Education:</u>															
No Child Left Behind:															
Title I	84.010	NCLB055516	7/1/15-6/30/16	260,508			105,889	(252,709)				(146,820)			
Title I	84.010	NCLB055515	7/1/14-6/30/15	286,954	(162,998)		162,999		\$ (1)						
Total Title I					(162,998)		268,888	(252,709)	(1)			(146,820)			
Title IIA	84.367	NCLB055516	7/1/15-6/30/16	121,161			44,400	(98,582)				(54,182)			
Title IIA	84.367	NCLB055515	7/1/14-6/30/15	122,148	(39,374)		39,374					(54,182)			
Total Title II					(39,374)		83,774	(98,582)				(54,182)			
Title IID	84.318	NCLB055513	9/1/12-8/31/13	1,308	(1,307)					1,307					
Total Title IID					(1,307)					1,307					
Title III	84.365	NCLB055516	7/1/15-6/30/16	8,113				(8,107)				(8,107)			
Title III	84.365	NCLB055515	7/1/14-6/30/15	49,145	(16,439)		16,439					(8,107)			
Total Title III					(16,439)		16,439	(8,107)				(8,107)			
Title III - Immigrant	84.365	NCLB055510	9/1/09-8/31/10	40,914			\$ 100				\$ (100)				
Total Title III							100				(100)				
Special Education Cluster:															
I.D.E.A. Part B, Basic	84.027	IDEA055516	7/1/15-6/30/16	1,971,768			1,201,676	(1,920,636)				(718,960)			
I.D.E.A. Part B, Basic	84.027	IDEA055515	7/1/14-6/30/15	1,933,024	(356,191)		356,191								
I.D.E.A. Preschool	84.173	IDEA055516	7/1/15-6/30/16	92,964			31,688	(92,385)				(60,697)			
I.D.E.A. Preschool	84.173	IDEA055515	7/1/14-6/30/15	108,499	(40,975)		40,975								
I.D.E.A. Preschool	84.173	IDEA055514	7/1/13-6/30/14	121,271	(1,900)					1,900					
I.D.E.A. Preschool	84.173	IDEA055513	9/1/12-8/31/13	120,703			19,200				(19,200)				
I.D.E.A. Preschool	84.173	ARRA055511	9/1/09-8/31/11	72,583			1				(1)				
Total Special Education Cluster					(399,066)		19,201	1,630,530	(2,013,021)	1,900	(19,201)	(779,657)			
Subtotal - Special Revenue Fund					(619,184)		19,301	1,999,631	(2,372,419)	3,206	(19,301)	(988,766)			
Total U.S. Department of Education					(619,184)		19,301	1,999,631	(2,372,419)	3,206	(19,301)	(988,766)			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2015			Cash Received	Budgetary Expendi- tures	Adjust- ments	Repayment of Prior Years' Balances	Balance at June 30, 2016			Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services:															
Medicaid Assistance Program	93.778	N/A	7/1/15-6/30/16	\$ 142,547			\$ 126,814	\$ (142,547)				\$ (15,733)			
Medicaid Assistance Program	93.778	N/A	7/1/13-6/30/14	22,055				(22,055)				(22,055)			
Total U.S. Department of Health and Human Services							126,814	(164,602)				(37,788)			
U.S. Department of Homeland Security:															
Passed-through NJ Department of Law and Public Safety:															
Disaster Grants - Public Assistance - FEMA	97.036	N/A	9/1/12-8/31/13	16,760					\$ 12,260					\$ 12,260	
Toal U.S. Department of Homeland Security									12,260					12,260	
Total Federal Awards					<u>\$ (647,523)</u>	<u>\$ 16,275</u>	<u>\$ 19,301</u>	<u>\$ 2,702,104</u>	<u>\$ (3,176,233)</u>	<u>\$ 15,466</u>	<u>\$ (19,301)</u>	<u>\$(1,129,818)</u>	<u>\$ 27,647</u>	<u>\$ 12,260</u>	<u>\$ -0-</u>

N/A - Not Applicable

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 2,091,882			\$ 1,890,151	\$ (2,091,882)			\$ (201,731)	\$ 2,091,882	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	804,953			727,327	(804,953)			(77,626)	804,953	
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	5,509,599			4,978,281	(5,509,599)			(531,318)	5,509,599	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	680,923			615,258	(680,923)			(65,665)	680,923	
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	1			1	(1)				1	
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	83,490			75,439	(83,490)			(8,051)	83,490	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	83,490			75,439	(83,490)			(8,051)	83,490	
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15-6/30/16	962,457				(962,457)	\$ (962,457)		(962,457)	962,457	
Excess Nonpublic Transportation Costs	16-495-034-5120-014	7/1/15-6/30/16	73,950				(73,950)	(73,950)		(73,950)	73,950	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	4,923,607			4,549,152	(4,923,607)	(374,455)		(374,455)	4,923,607	
Homeless Tuition Reimbursement	N/A	7/1/15-6/30/16	13,145				(13,145)	(13,145)		(13,145)	13,145	
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	2,091,882	\$ (201,956)		201,956					2,091,882	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	804,953	(77,712)		77,712					804,953	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	5,509,599	(531,911)		531,911					5,509,599	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	680,923	(65,738)		65,738					680,923	
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	83,490	(8,060)		8,060					83,490	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	83,490	(8,060)		8,060					83,490	
Extraordinary Special Education Costs Aid	14-495-034-5120-044	7/1/14-6/30/15	1,168,964	(1,168,964)		1,168,964					1,168,964	
Excess Nonpublic Transportation Costs	14-495-034-5120-014	7/1/14-6/30/15	68,657	(68,657)		68,657					68,657	
Reimbursed TPAF Social Security Contributions	14-495-034-5094-003	7/1/14-6/30/15	4,848,341	(240,418)		240,418					4,848,341	
Subtotal - General Fund				(2,371,476)		15,282,524	(15,227,497)		(1,424,007)	(2,316,449)	30,567,796	
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	37,732			37,732	(31,133)		\$ 6,599		31,133	
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	33,682		\$ 8,152			\$ (8,152)			25,530	
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	6,039			6,039	(2,157)			3,882	2,157	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	731		91			(91)			640	
Nonpublic Handicapped Services:												
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	8,985			8,985	(6,312)			2,673	6,312	
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	8,475		1,727			(1,727)			6,748	
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	34,279			34,279	(11,036)			23,243	11,036	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	43,292		22,883			(22,883)			20,409	
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	19,591			19,591	(11,246)			8,345	11,246	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	24,306		1,260			(1,260)			23,046	
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	20,958			20,958	(20,958)				20,958	
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	25,441		3,080			(3,080)			22,361	
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	33,030			33,030	(28,671)			4,359	28,671	
N.J. Nonpublic Nursing Aid	15-100-034-5120-070	7/1/14-6/30/15	40,594		6,648			(6,648)			33,946	
N.J. Nonpublic Technology Initiative	16-100-034-5120-373	7/1/15-6/30/16	9,542			9,542	(8,399)			1,143	8,399	
N.J. Nonpublic Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	13,664		4,381			(4,381)			9,283	
N.J. Nonpublic Security	16-100-034-5120-509	7/1/15-6/30/16	9,175			9,175	(4,972)			4,203	4,972	
Subtotal - Special Revenue Fund					48,222	179,331	(124,884)	(48,222)		54,447	266,847	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Food Service Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	\$ 26,254			\$ 19,560	\$ (26,254)		\$ (6,694)		\$ (6,694)	\$ 26,254
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	23,999	\$ (1,523)		1,523						23,999
Subtotal - Food Service Fund				(1,523)		21,083	(26,254)		(6,694)		(6,694)	52,528
Total State Department of Education				(2,372,999)	\$ 48,222	15,482,938	(15,378,635)	\$ (48,222)	(1,430,701)	\$ 54,447	(2,323,143)	30,887,171
NJ Schools Development Authority:												
Capital Projects Fund:												
Educational Facilities Construction and Financing Act:												
High School Chiller Replacement	0555-005-13-2001	4/30/14-6/30/16	208,800			20,119	(20,119)					167,865
Total NJ Schools Development Authority						20,119	(20,119)					167,865
Total State Awards				\$ (2,372,999)	\$ 48,222	\$ 15,503,057	\$ (15,398,754)	\$ (48,222)	\$ (1,430,701)	\$ 54,447	\$ (2,323,143)	\$ 31,055,036

N/A - Not Applicable/Available

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Bridgewater-Raritan Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$995 for the general fund and (\$24,278) (of which \$17,972 is for local grants) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and on-behalf TPAF Post Retirement Contributions revenue of \$5,293,125 and \$6,302,649 respectively.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 164,602	\$ 26,811,121	\$ 26,975,723
Special Revenue Fund	2,366,113	124,884	2,490,997
Capital Projects Funds		20,119	20,119
Food Service Fund	<u>639,212</u>	<u>26,254</u>	<u>665,466</u>
Total Awards	<u>\$ 3,169,927</u>	<u>\$ 26,982,378</u>	<u>\$ 30,152,305</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2016.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District was awarded a \$208,800 grant in the Capital Projects Fund from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, \$167,865 of the grant fund has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit disclosed audit finding 2016-001 which is required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>C.F.D.A./</u> <u>State Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/15-6/30/16	\$ 1,971,768	\$ 1,920,636
I.D.E.A. Preschool	84.173	7/1/15-6/30/16	92,964	92,385
<u>State:</u>				
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	804,953	804,953
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	7/1/15-6/30/16	4,923,607	4,923,607
Extraordinary Special Education Costs Aid	16-100-034-5120-473	7/1/15-6/30/16	962,457	962,457

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>C.F.D.A./</u> <u>State Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/15-6/30/16	\$ 1,971,768	\$ 1,920,636
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<u>State:</u>				
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	804,953	804,953
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	7/1/15-6/30/16	4,923,607	4,923,607
Extraordinary Special Education Costs Aid	16-100-034-5120-473	7/1/15-6/30/16	962,457	962,457

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

The District had no prior year audit findings.