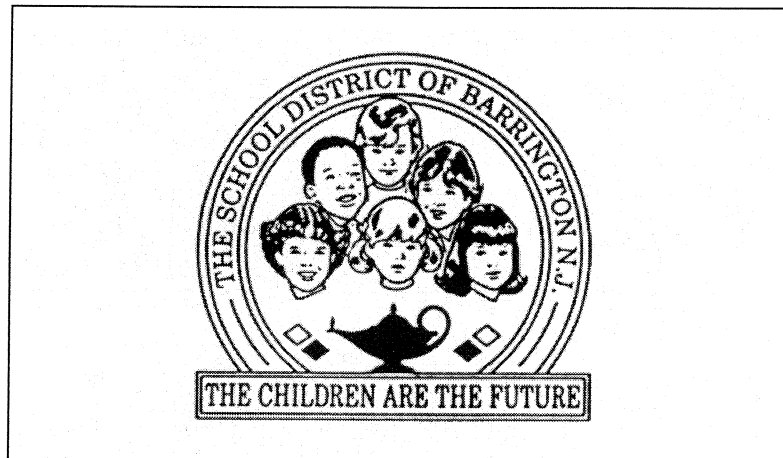


SCHOOL DISTRICT
OF
BARRINGTON



Barrington Board of Education
Barrington, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

**Comprehensive Annual
Financial Report**

of the

Barrington Board of Education

Barrington, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by
Barrington Board of Education
Finance Department

BARRINGTON SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	9
-------------------------------------	---

K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
---	----

Required Supplementary Information - Part I Management's Discussion and Analysis	15
---	----

Basic Financial Statements

A. District-wide Financial Statements:

A-1 Statement of Net Position	24
A-2 Statement of Activities	25

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29

Proprietary Funds:

B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	34

Notes to the Financial Statements	35
--	----

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	65
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	72

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	73
-----	-------------------------------	----

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	75
L-2	Schedule of the District Contributions - Public Employees Retirement System	76
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	77
	Notes to the Required Supplementary Information - Part III	78

Other Supplementary Information

D.	School Level Schedules :	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	81
F.	Capital Projects Fund:	
F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
G.	Proprietary Fund:	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	83
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	84
G-3	Combining Statement of Cash Flows	85
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	87
H-2	Combining Statement of Changes in Fiduciary Net Position	88
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	89
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	90

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	92
I-2	Schedule of Obligations under Capital Leases	93
I-3	Budgetary Comparison Schedule - Debt Service Fund	94

STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	96
J-2	Changes in Net Position, Last Ten Fiscal Years	97
J-3	Fund Balances, Governmental Funds, Last ten Fiscal Years	99
J-4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	100
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	101
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	102
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	103
J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	104
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	105
J-10	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	106
J-11	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	107
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2016	108
J-13	Legal Debt Margin Information, Last Ten Fiscal Years	109
J-14	Demographic and Economic Statistics	110
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	111
J-17	Operating Statistics, Last Ten Fiscal Years	112
J-18	School Building Information, Last Ten Fiscal Years	113
J-19	Schedule of Required Maintenance, Last Ten Fiscal Years	114
J-20	Insurance Schedule	115

SINGLE AUDIT SECTION

K-2	Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by New Jersey Circular 15-08-OMB	117
K-3	Schedule of Expenditures of Federal Awards, Schedule A	119
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	120
K-5	Notes to the Schedules of Awards and Financial Assistance	121
K-6	Schedule of Findings and Questioned Costs	123
K-7	Financial Statement Findings	125
K-7	Federal Awards and State Financial Assistance Findings and Questioned Costs	126
K-8	Summary Schedule of Prior Audit Findings	127

Introductory Section

Barrington School District

*311 Reading Avenue
Barrington, NJ 08007*

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

*Anthony Arcodia
Superintendent*

*Samuel Dutkin
School Business Administrator/
Board Secretary*

October 19, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Barrington School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officers. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (Uniform Guidance), and State of New Jersey Circular OMB15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

The District provides the following services:

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

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

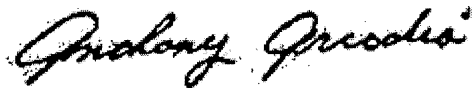
As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation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

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

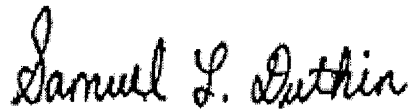
5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by a state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board also carried Builders Risk coverage for the facility expansion and renovation projects.
9. **OTHER INFORMATION: Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, LLC was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of of Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (Uniform Guidance), and State of New Jersey OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to once again express our appreciation to the members of the Barrington School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



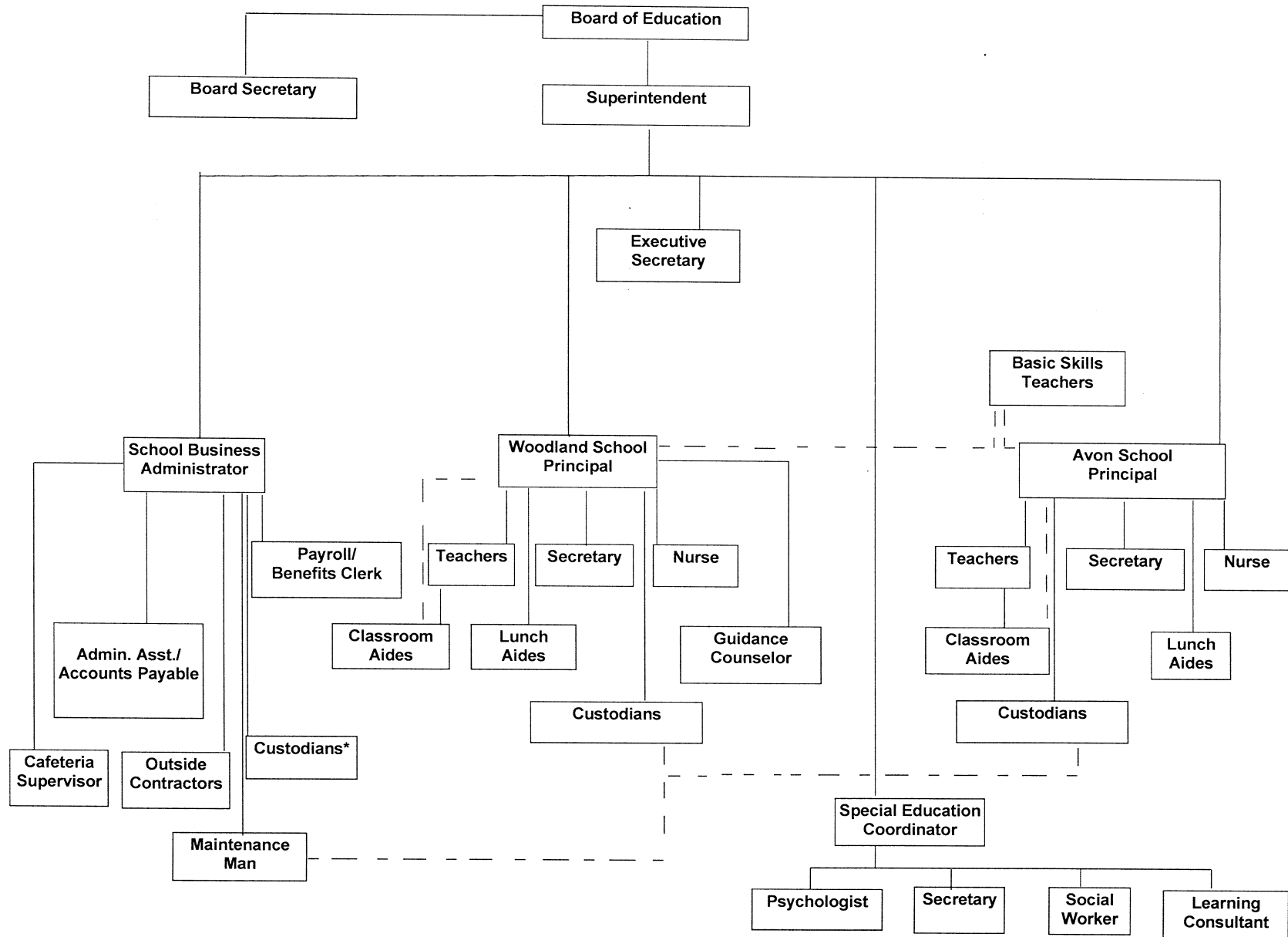
Anthony Arcodia
Superintendent of Schools



Samuel Dutkin
School Business Administrator/
Board Secretary

BARRINGTON BOARD OF EDUCATION

Organizational Chart (Unit Control)



5

*Summer

BARRINGTON SCHOOL DISTRICT

Roster of Officials

June 30, 2017

Members of the Board of Education:

Term Expires

Michael Drumm, President	2018
Carla Bolling, Vice President	2019
Sherry Chin-Glaser	2018
Mark Correa	2018
Robert Klopp	2019
Kelli Martone	2017
Holly McCauley	2019
Martin Schoettler, Jr.	2017
Jennifer Schuster	2017

Other Officials:

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

BARRINGTON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

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

Broker of Record

Hardenbergh Insurance Group
8000 Sagemore Drive
Suite 8101
Marlton, NJ 08053

Official Depository

BB&T Bank
305 White Horse Pike
Lawnside, NJ 08045

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
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E-Mail: iscpas@concentric.net

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of June 30, 2017, 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 19, 2017 on my consideration of the Barrington School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrington School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R P A', is positioned above the printed name of Robert P. Inverso.

Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
October 19, 2017

INVERSO & STEWART, LLC
 Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated October 19, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Barrington School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2017-001.

The Barrington School District's Response to Findings

The Barrington School District's response to the findings identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
October 19, 2017

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Barrington School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

As management of the Board of Education of the Barrington, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$228,611 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$2,214,331. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$258,064, or a 53.03% decrease from the prior fiscal year-end balance. The majority of this decrease is attributable to the operations in the governmental funds.
- Fund balance of the School District's governmental funds increased by \$293,894 resulting in an ending fund balance of \$1,962,617. This increase is primarily attributable to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$59,384 which may be used for the operation of the School District's enterprise-related activities (Food Services Program).
- The School District's long-term obligations increased by \$498,848 which is the reduction of general obligation bonds, compensated absences and capital leases and an increase in net pension liability.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2017. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2017.

The assets of the primary government activities exceeded liabilities by \$159,157 with a deficit unrestricted balance of \$2,214,331. As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, capital leases payable, accrued interest payable, the June state aid payment, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

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

A net investment of \$421,969 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's students, accounts for 265.13% of the total net position of the District.

Net position of \$1,951,519 has been restricted as follows:

Designated for the 2017/18 budget	\$ 170,678
Tuition Reserve	600,000
Emergency Reserve	160,000
Maintenance Reserve	160,000
Capital projects	836,652
Year-end encumbrances	24,189

**Barrington School District
Comparative Summary of Net Position
As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current assets	\$ 2,004,579	\$ 1,701,021	\$ 95,543	\$ 49,367	\$ 2,100,122	\$ 1,750,388
Capital assets	4,940,258	5,490,870	10,070	11,077	4,950,328	5,501,947
Total assets	<u>6,944,837</u>	<u>7,191,891</u>	<u>105,613</u>	<u>60,444</u>	<u>7,050,450</u>	<u>7,252,335</u>
Deferred Outflows of Resources	1,020,123	478,650			1,020,123	478,650
LIABILITIES						
Current liabilities	472,664	357,913	36,159	2,386	508,823	360,299
Noncurrent liabilities	7,333,139	6,848,756			7,333,139	6,848,756
Total liabilities	<u>7,805,803</u>	<u>7,206,669</u>	<u>36,159</u>	<u>2,386</u>	<u>7,841,962</u>	<u>7,209,055</u>
Deferred Inflows of Resources		35,255			-	35,255
Net Position	<u>\$ 159,157</u>	<u>\$ 428,617</u>	<u>\$ 69,454</u>	<u>\$ 58,058</u>	<u>\$ 228,611</u>	<u>\$ 486,675</u>
Net Position Consists of:						
Net investment in						
Capital Assets	\$ 421,969	\$ 690,191	\$ 10,070	\$ 11,077	\$ 432,039	\$ 701,268
Restricted Assets	1,951,519	1,676,285			1,951,519	1,676,285
Unrestricted Assets	(2,214,331)	(1,937,859)	59,384	46,981	(2,154,947)	(1,890,878)
Net Position	<u>\$ 159,157</u>	<u>\$ 428,617</u>	<u>\$ 69,454</u>	<u>\$ 58,058</u>	<u>\$ 228,611</u>	<u>\$ 486,675</u>

Governmental Activities

Governmental activities decreased the net position of the School District by \$269,460 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Depreciation expense of \$553,100.
- Results of Operations in the General Fund of \$293,894.

Business-type Activities

Business-type activities increased the School District's net position by \$11,396. Key elements of the increase in net position for business-type activities are as follows:

- The food service fund had a net profit of \$11,396.

Barrington School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2017 and 2016

	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenue						
Charges for services	\$ 112,718	\$ 26,946	\$ 122,455	\$ 123,313	\$ 235,173	\$ 150,259
Operating grants and contributions	1,647,553	1,555,032	94,981	97,911	1,742,534	1,652,943
General Revenue						
Property taxes	10,296,131	10,051,250			10,296,131	10,051,250
State aid - unrestricted	3,338,827	3,302,529			3,338,827	3,302,529
Other revenues	11,962	51,987	26	21	11,988	52,008
Total Revenues	15,407,191	14,987,744	217,462	221,245	15,624,653	15,208,989
Expenses:						
Governmental Activities:						
Instruction	4,966,529	4,823,282			4,966,529	4,823,282
Tuition	3,842,255	3,737,670			3,842,255	3,737,670
Related services	1,176,168	1,134,161			1,176,168	1,134,161
Administrative services	773,263	707,595			773,263	707,595
Operations and Maintenance	765,718	749,376			765,718	749,376
Transportation	435,809	462,781			435,809	462,781
Interest on debt	170,988	161,100			170,988	161,100
Other	93,307	114,214			93,307	114,214
Transfer to Charter School	29,991	68,094			29,991	68,094
Employee Benefits	3,422,623	2,899,324			3,422,623	2,899,324
Business-Type Activities:						
Food Service			206,066	236,872	206,066	236,872
Total Expenses	15,676,651	14,857,597	206,066	236,872	15,882,717	15,094,469
Increase (Decrease) in Net Position before transfers	(269,460)	130,147	11,396	(15,627)	(258,064)	114,520
Transfers						
Change in Net Position	(269,460)	130,147	11,396	(15,627)	(258,064)	114,520
Net Position, July 1	428,617	298,470	58,058	73,685	486,675	372,155
Net Position, June 30	\$ 159,157	\$ 428,617	\$ 69,454	\$ 58,058	\$ 228,611	\$ 486,675

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,962,617, an increase of \$293,894 in comparison with the prior year. The increase can be attributed to the results of operations in the general fund.

The unassigned General Fund balance at the end of the fiscal year is \$11,098. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) restricted cash reserved for future capital outlay expenditures \$836,652, 2) appropriated as a revenue source in the subsequent year's budget \$514,867, 3) reserved for future budget appropriation \$280,000, 4) reserved for emergency \$160,000, or 5) reserved for future maintenance projects \$160,000.

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

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

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$322,024, while total fund balance (budgetary basis) was \$2,273,543. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$14,312,875. Unassigned fund balance (budgetary basis) represents 2.25% of expenditures while total fund balance (budgetary basis) represents 15.88% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$4,950,328 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$551,619, or an 10.03% decrease.

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

- Depreciation expense for the current fiscal year was \$554,107
- Capital Additions totaling \$2,488

Barrington School District Capital Asset (net of accumulated depreciation) June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Land	\$ 133,067	\$ 133,067			\$ 133,067	\$ 133,067
Const. in Progress					-	-
Site Improvements	35,262	40,097			35,262	40,097
Building and Building Improvements	4,668,091	5,164,282			4,668,091	5,164,282
Equipment	103,838	153,424	\$ 10,070	\$ 11,077	113,908	164,501
Total	\$ 4,940,258	\$ 5,490,870	\$ 10,070	\$ 11,077	\$ 4,950,328	\$ 5,501,947

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

Long-term debt – During the fiscal year ended June 30, 2017, the School District had total bonded debt outstanding of \$4,270,000 backed by the full faith and credit of the School District. In addition, the School District has outstanding lease obligations in the amount of \$40,539 and future compensated absences of \$114,172.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$15,324,735 and the legal debt margin was \$11,054,735.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2017-2018 fiscal year.

- For the 2017-18 fiscal year the School District will be receiving no increase in state aid. The local tax levy in the General Fund increased \$197,365 over the previous year. Salaries continue to increase contractually; however, the District has managed to control costs. The 2017-18 General Fund Budget is \$50,550 greater than the previous year or a 0.37% increase.

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

BARRINGTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,823,945	\$ 83,781	\$ 1,907,726
Receivables, net	180,634	4,304	184,938
Inventory		7,458	7,458
Capital Assets, net (Note 5)	<u>4,940,258</u>	<u>10,070</u>	<u>4,950,328</u>
Total Assets	<u>6,944,837</u>	<u>105,613</u>	<u>7,050,450</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>1,020,123</u>		<u>1,020,123</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>7,964,960</u>	<u>105,613</u>	<u>8,070,573</u>
LIABILITIES:			
Accounts Payable			
Related to pensions	92,534		92,534
Other		31,729	31,729
Intergovernmental Payable			
State	37,762		37,762
Unearned Revenue		4,430	4,430
Other liability	4,200		4,200
Accrued Interest Payable	41,313		41,313
Noncurrent Liabilities:			
Due within one year	296,855		296,855
Due beyond one year	<u>7,333,139</u>		<u>7,333,139</u>
Total Liabilities	<u>7,805,803</u>	<u>36,159</u>	<u>7,841,962</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions			-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>7,805,803</u>	<u>36,159</u>	<u>7,841,962</u>
NET POSITION:			
Net Investment in Capital Assets	421,969	10,070	432,039
Restricted for:			
Capital Projects	836,652		836,652
Debt Service			
Other Purposes	1,114,867		1,114,867
Unrestricted (Deficit)	<u>(2,214,331)</u>	<u>59,384</u>	<u>(2,154,947)</u>
Total Net Position	<u>\$ 159,157</u>	<u>\$ 69,454</u>	<u>\$ 228,611</u>

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

BARRINGTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

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	\$ 3,366,236	\$ 112,718	\$ 132,193	\$ -	\$ (3,121,325)	\$ -	\$ (3,121,325)
Special Education	1,433,344		217,099		(1,216,245)		(1,216,245)
Other instruction	166,949				(166,949)		(166,949)
Support Services:							
Tuition	3,842,255				(3,842,255)		(3,842,255)
Student & instruction related services	1,176,168		23,230		(1,152,938)		(1,152,938)
General administrative services	280,442				(280,442)		(280,442)
School administrative services	175,749				(175,749)		(175,749)
Central services	317,072				(317,072)		(317,072)
Plant operations and maintenance	765,718				(765,718)		(765,718)
Pupil transportation	435,809				(435,809)		(435,809)
Unallocated benefits	3,422,623		1,275,031		(2,147,592)		(2,147,592)
Interest on long-term debt	170,988				(170,988)		(170,988)
Transfer to charter school	29,991				(29,991)		(29,991)
Unallocated depreciation and amortization	93,307				(93,307)		(93,307)
Total Governmental Activities	<u>15,676,651</u>	<u>112,718</u>	<u>1,647,553</u>		<u>(13,916,380)</u>		<u>(13,916,380)</u>
Business-Type Activities:							
Food service	206,066	122,455	94,981			11,370	11,370
Total Business-Type Activities	<u>206,066</u>	<u>122,455</u>	<u>94,981</u>			<u>11,370</u>	<u>11,370</u>
Total Primary Government	<u>\$ 15,882,717</u>	<u>\$ 235,173</u>	<u>\$ 1,742,534</u>	<u>\$ -</u>	<u>(13,916,380)</u>	<u>11,370</u>	<u>(13,905,010)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					9,868,231		9,868,231
Taxes levied for debt service					427,900		427,900
Federal and State aid not restricted					3,338,827		3,338,827
Investment Earnings					377	26	403
Miscellaneous Income					11,585		11,585
Total general revenues, special items, extraordinary items and transfers					<u>13,646,920</u>	<u>26</u>	<u>13,646,946</u>
Change in Net Position					(269,460)	11,396	(258,064)
Net Position - July 1, 2016					428,617	58,058	486,675
Net Position - June 30, 2017					<u>\$ 159,157</u>	<u>\$ 69,454</u>	<u>\$ 228,611</u>

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

Fund Financial Statements

BARRINGTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 717,356	\$ 77,987	\$ 191,950	\$ -	\$ 987,293
Receivables, net					
State aid	105,972	670			106,642
Federal aid		39,070			39,070
Other accounts receivable	34,911				34,911
Interfund	271,926				271,926
Restricted assets:					
Cash and cash equivalents	<u>836,652</u>				<u>836,652</u>
Total Assets	<u>\$ 1,966,817</u>	<u>\$ 117,727</u>	<u>\$ 191,950</u>	<u>\$ -</u>	<u>\$ 2,276,494</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					
Interfund payable	4,200	79,965	191,950		276,115
Intergovernmental payable:					
State		<u>37,762</u>			<u>37,762</u>
Total Liabilities	<u>4,200</u>	<u>117,727</u>	<u>191,950</u>		<u>313,877</u>
Fund Balances:					
Restricted for:					
Capital reserve	836,652				836,652
Maintenance reserve	160,000				160,000
Tuition reserve - current year	280,000				280,000
Tuition reserve - prior year	320,000				320,000
Emergency reserve	160,000				160,000
Assigned to:					
Year-end encumbrances	24,189				24,189
Subsequent year's budget	170,678				170,678
Unassigned	<u>11,098</u>				<u>11,098</u>
Total Fund Balances	<u>1,962,617</u>				<u>1,962,617</u>
Total Liabilities and Fund Balances	<u>\$ 1,966,817</u>	<u>\$ 117,727</u>	<u>\$ 191,950</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,149,757 and the accumulated depreciation is \$7,209,499. 4,940,258

Bond issuance premiums are recorded as revenue in the Governmental Funds in the year of receipt. The premiums are amortized over the life of the issued bonds. (207,750)

Accounts payable related to the April 1, 2018 required PERS contribution that is not to be liquidated with current financial resources. (92,534)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	1,020,123	
Net Pension Liability	(2,997,533)	
Deferred Inflows of resources from Pensions	<u>-</u>	(1,977,410)

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

General Obligation Bonds	\$ (4,270,000)	
Compensated Absences Payable	(114,172)	
Capital Leases Payable	(40,539)	
Accrued Interest Payable	<u>(41,313)</u>	(4,466,024)

Net position of governmental activities \$ 159,157

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

BARRINGTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 9,868,231	\$ -	\$ -	\$ 427,900	\$ 10,296,131
Tuition	112,718				112,718
Interest earned on capital reserve	377				377
Miscellaneous	11,585				11,585
Total local sources	9,992,911			427,900	10,420,811
State sources	4,613,858	48,163			4,662,021
Federal sources		324,359			324,359
Total Revenues	14,606,769	372,522	-	427,900	15,407,191
EXPENDITURES:					
Current expense:					
Regular instruction	2,870,411	132,193			3,002,604
Special education instruction	1,216,245	217,099			1,433,344
Other instruction	166,949				166,949
Support services and undistributed costs:					
Tuition	3,842,255				3,842,255
Student & instruction related services	1,152,938	23,230			1,176,168
General administrative services	252,787				252,787
School administrative services	175,749				175,749
Central services	146,924				146,924
Administrative information technology	142,493				142,493
Plant operations and maintenance	757,160				757,160
Pupil transportation	435,809				435,809
Unallocated employee benefits	3,102,041				3,102,041
Capital outlay	21,123				21,123
Transfer to charter school	29,991				29,991
Debt service:					
Principal				255,000	255,000
Interest and other charges				172,900	172,900
Total Expenditures	14,312,875	372,522	-	427,900	15,113,297
Excess (Deficiency) of Revenues over (under) Expenditures	293,894	-	-	-	293,894
Other Financing Sources (Uses):					
Proceeds of Capital Lease					-
Transfers in					-
Transfers out					-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	293,894	-	-	-	293,894
Fund Balances - July 1, 2016	1,668,723	-	-	-	1,668,723
Fund Balances - June 30, 2017	\$ 1,962,617	\$ -	\$ -	\$ -	\$ 1,962,617

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

BARRINGTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 293,894

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

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (553,100)	
Capital Outlay Additions	<u>2,488</u>	(550,612)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 255,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 10,077

Bond Premium arising from the issuance of the refunding school bonds is recorded as a deferred inflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of amortization. 17,313

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. (320,582)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt. 1,912

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+) 23,538

Change in net position of Governmental Activities \$ (269,460)

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

BARRINGTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 83,781
Intergovernmental receivables:	
State	97
Federal	4,207
Inventories	<u>7,458</u>
Total current assets	<u>95,543</u>
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	<u>10,070</u>
Total noncurrent assets	<u>10,070</u>
Total Assets	<u>\$ 105,613</u>
LIABILITIES:	
Current liabilities:	
Accounts Payable	\$ 31,729
Unearned Revenue	<u>4,430</u>
Total current liabilities	<u>36,159</u>
NET POSITION:	
Net investment in capital assets	10,070
Unrestricted	<u>59,384</u>
Total Net Position	<u>\$ 69,454</u>

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

BARRINGTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 63,337
Non-reimbursable programs	59,118
	122,455
Operating Expenses:	
Salaries and fringe benefits	90,319
Supplies and materials	4,564
Management fee	16,747
Other costs	15,468
Depreciation	1,007
Cost of Sales - reimbursable programs	62,174
Cost of Sales - non-reimbursable programs	15,787
	206,066
Total Operating Expenses	206,066
Operating Income (Loss)	(83,611)
Non-Operating Revenues:	
State sources:	
State school lunch program	1,917
Federal sources:	
National school lunch program	65,293
School breakfast program	11,792
Food distribution program	15,979
Local sources:	
Interest earned	26
	95,007
Total Non-Operating Revenues	95,007
Income (Loss) before Contributions and Transfers	11,396
Operating Transfers In	11,396
Change in Net Position	11,396
Net Position - July 1, 2016	58,058
Net Position - June 30, 2017	\$ 69,454

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

BARRINGTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 124,500
Cash payments to employees for services	(73,747)
Cash payments to suppliers for goods and services	(88,386)
Net Cash Provided by (used for) Operating Activities	(37,633)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,942
Cash received from federal sources	77,928
Cash received from operating transfer in	
Net Cash Provided by (used for) Noncapital Financing Activities	79,870
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of Equipment	
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	26
Net Increase (Decrease) in Cash and Cash Equivalents	42,263
Cash and Cash Equivalents - July 1, 2016	41,518
Cash and Cash Equivalents - June 30, 2017	\$ 83,781
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (83,611)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for)	
Operating Activities:	
Depreciation	1,007
Commodities	15,979
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	(4,781)
Increase (Decrease) in Accounts Payables	31,729
Increase (Decrease) in Unearned Revenue	2,044
Net Cash Provided by (used for) Operating Activities	\$ (37,633)

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

BARRINGTON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Trust Funds		Agency Funds
	Unemployment Compensation Trust	Flexible Benefit Trust	
ASSETS:			
Cash and Cash Equivalents	\$ 4,543	\$ 147	\$ 18,599
Interfund Receivable	4,200		
Total Assets	\$ 8,743	\$ 147	\$ 18,599
 LIABILITIES:			
Interfund Payable	\$ -	\$ -	\$ 11
Accounts Payable	7,755		650
Due to Student Groups			17,938
Total Liabilities	7,755		\$ 18,599
 NET Position:			
Held in Trust for Claims	\$ 988	\$ 147	

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

BARRINGTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	<u>Unemployment Compensation Trust Fund</u>	<u>Flexible Benefits Trust Fund</u>
ADDITIONS:		
Contributions - employee	\$ 10,236	\$ 7,560
Contributions - other	9,744	
Interest on Investments	1	
	<hr/>	<hr/>
Total Additions	19,981	7,560
	<hr/>	<hr/>
DEDUCTIONS:		
Claims paid	24,472	9,667
	<hr/>	<hr/>
Total Deductions	24,472	9,667
	<hr/>	<hr/>
Change in Net Position	(4,491)	(2,107)
Net Position - July 1	5,479	2,254
	<hr/>	<hr/>
Net Position - June 30	<u>\$ 988</u>	<u>\$ 147</u>

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Barrington School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend, on a tuition basis, the Haddon Heights High School District. The Barrington School District has an approximate enrollment at June 30, 2017 of 615 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

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

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

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

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

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

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

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

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

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The School District's enterprise funds are:

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

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

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

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

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued) – The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

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

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

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

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

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

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

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

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

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

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

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

Bond Discount and Bond Premium - Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

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

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (Continued) Net position is classified into the following three components:

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

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

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2017.

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

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

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

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

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

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Recently Issued Accounting Pronouncements - In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 30, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$2,198,571 as of June 30, 2017, \$250,000 was insured under FDIC and the remaining balance of \$1,948,571 was collateralized under GUDPA.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follow:

Balance – July 1, 2016		\$	437,275
Increased by:			
Interest earned	377		
Unspent appropriation	40,000		
Board resolution	399,000		439,377
Decreased by:			
Budget withdrawal			40,000
Balance – June 30, 2017		\$	836,652

The June 30, 2017 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2017 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2017 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
Local	\$ 34,911	\$ -	\$ -	\$ 34,911
State	105,972	670	97	106,739
Federal		39,070	4,207	43,277
Total	\$ 140,883	\$ 39,740	\$ 4,304	\$ 184,927

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:				
Land	\$ 133,067	\$ -	\$ -	\$ 133,067
Construction in Progress				-
Total Capital Assets not being				
Depreciation	133,067			133,067
Land Improvements	161,200			161,200
Building and Improvements	11,279,201			11,279,201
Vehicles	30,000			30,000
Equipment	543,801	2,488		546,289
Total Historical Cost	<u>12,147,269</u>	<u>2,488</u>	<u>-</u>	<u>12,149,757</u>
Less Accumulated Depreciation:				
Land Improvements	(121,103)	(4,835)		(125,938)
Building and Improvements	(6,114,919)	(496,191)		(6,611,110)
Vehicles	(16,875)	(3,750)		(20,625)
Equipment	(403,502)	(48,324)		(451,826)
Total Accumulated Depreciation	<u>(6,656,399)</u>	<u>(553,100)</u>	<u>-</u>	<u>(7,209,499)</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 5,490,870</u>	<u>\$ (550,612)</u>	<u>\$ -</u>	<u>\$ 4,940,258</u>
Business-Type Activities:				
Equipment	\$ 62,900	\$ -	\$ -	\$ 62,900
Less - Accumulated Depreciation	<u>(51,823)</u>	<u>(1,007)</u>		<u>(52,830)</u>
Business-Type Activities Capital				
Assets, Net	<u>\$ 11,077</u>	<u>\$ (1,007)</u>	<u>\$ -</u>	<u>\$ 10,070</u>

Depreciation expense in the amount of \$553,100 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 387,170
Central Administration	27,655
General Administration	27,655
Unallocated	<u>110,620</u>
Total depreciation expense	<u>\$ 553,100</u>

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 6,222
Supplies	<u>1,236</u>
	<u>\$ 7,458</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 137,710	\$ -	\$ 23,538	\$ 114,172	\$ -
Obligations under Capital					
Leases	50,616		10,077	40,539	9,543
Unamortized Bond Premium	225,063		17,313	207,750	17,312
General Obligation Bonds	4,525,000		255,000	4,270,000	270,000
Net Pension Liability	<u>2,192,757</u>	<u>804,776</u>		<u>2,997,533</u>	
	<u>\$ 7,131,146</u>	<u>\$ 804,776</u>	<u>\$ 305,928</u>	<u>\$ 7,629,994</u>	<u>\$ 296,855</u>

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

Series 2012 Refunding Bonds dated December 19, 2012 in the amount of \$4,270,000 due in annual installments through April 1, 2029, bearing an interest rate of 3.00% to 4.00%.

As of June 30, 2017, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 270,000	\$ 165,250	\$ 435,250
2019	285,000	157,150	442,150
2020	295,000	148,600	443,600
2021	315,000	136,800	451,800
2022	325,000	124,200	449,200
2023-2027	1,930,000	409,400	2,339,400
2028-2029	<u>850,000</u>	<u>51,000</u>	<u>901,000</u>
	<u>\$ 4,270,000</u>	<u>\$ 1,192,400</u>	<u>\$ 5,462,400</u>

As of June 30, 2017, the School District had no authorizations to issue additional bonded debt

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

7. LONG-TERM OBLIGATIONS (Continued)

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

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

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Phone System	July 1, 2020	4.02%	\$ 40,539

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,542	\$ 1,633	\$ 11,175
2019	9,927	1,249	11,176
2020	10,327	849	11,176
2021	10,743	432	11,175
	<u>\$ 40,539</u>	<u>\$ 4,163</u>	<u>\$ 44,702</u>

8. OPERATING LEASES

At June 30, 2017, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$28,569 for the fiscal year ended June 30, 2017. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2018	\$ 15,161
2019	13,897
	<u>\$ 29,058</u>

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

Vesting and Benefit Provisions – 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 medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

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

Contributions (Continued) -Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$342,733 and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$347,305

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

At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2017, the School District recognized pension expense of \$2,543,686 and revenue of \$2,543,686 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/16</u>	<u>06/30/15</u>
Collective deferred outflows of resources	\$ 17,414,701,002	\$ 7,521,378,257
Collective deferred inflows of resources	134,532,594	554,399,005
Collective net pension liability (Non-Employer – State of New Jersey)	79,028,907,033	63,577,864,440
State's portion of the net pension liability that was associated with the School District	33,854,383	34,159,911
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0430353966%	.0398964849%

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

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

Actuarial assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation: 2.5%
Salary Increases: Varies based on experience
Investment Rate of Return: 7.65%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	0.39%
Government Bonds	01.50%	1.28%
Credit Bonds	13.00%	2.76%
Mortgages	02.00%	2.38%
Inflation-Indexed Bonds	01.50%	1.41%
High Yield Bonds	02.00%	4.70%
Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	06.50%	8.16%
Private Real Estate Property	05.25%	3.64%
Timber	01.00%	3.86%
Farmland	01.00%	4.39%
Private Equity	09.00%	8.97%
Commodities	00.50%	2.87%
Hedge Funds – MultiStrategy	05.00%	3.70%
Hedge Funds – Equity Hedge	03.75%	4.72%
Hedge Funds - Distressed	03.75%	3.49%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

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

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 (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) that the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	40,429,699	33,854,383	28,484,789
	\$ 40,429,699	\$ 33,854,383	\$ 28,484,789

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

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

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.28% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$89,913 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$51,392.

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

Fiscal Year	Normal Contributions	Adjustment	Accrued Liability	Non Contributory Life	Total Liability Paid by District
2017	\$ 14,064	\$ -	\$ 71,575	\$ 4,274	\$ 89,913
2016	14,217	-	65,495	4,268	83,980
2015	12,813	-	59,271	4,882	76,966

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2017, the School District reported a liability of \$2,997,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2017, the School District recognized pension expense of \$320,578. At June 30, 2017, the School District reported a liability of \$2,997,533 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,745	\$ -
Changes of assumptions	620,929	
Net Difference between projected and actual earnings on pension plan investments	114,299	
Changes in proportion	136,616	
District contributions subsequent to the measurement date	92,534	
Total	\$ 1,020,123	\$ -

\$92,534 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net liability in the year ended June 30, 2017.

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

For the year ended:	Net Deferred Outflows of Resources
2017	\$ 204,880
2018	204,880
2019	230,923
2020	191,988
2021	94,918
Total	\$ 927,589

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	-	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	\$ 870,133,595	\$ 993,410,455
Collective net pension liability	\$ 29,617,131,759	\$ 22,447,996,119
District's Proportion	.0101209416%	.0097681625%

Actuarial assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.08%
- Salary Increases:
 - Through 2025: 1.65-4.15% based on age
 - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.65%

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	00.87%
U.S. Treasuries	01.50%	01.74%
Investment Grade Credit	08.00%	01.79%
Mortgages	02.00%	01.67%
High Yield Bonds	02.00%	04.56%
Inflation Indexed Bonds	01.50%	03.44%
Broad US Equities	26.00%	08.53%
Developed Foreign Equities	13.25%	06.83%
Emerging Market Equities	06.50%	09.95%
Private Equity	09.00%	12.40%
Hedge Funds/Absolute Ret	12.50%	04.68%
Real Estate (Property)	02.00%	06.91%
Commodities	00.50%	05.45%
Global Debt ex US	05.00%	-0.25%
REIT	05.25%	05.63%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount rate (Continued) - The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 3,673,127	\$ 2,997,533	\$ 2,439,772

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

Fiscal Year	Total Liability	Paid by School District
2017	\$ 4,156	\$ 4,156
2016	1,983	1,983
2015	1,306	1,306

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

10. STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.1 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 Pensions and Benefits issues a publicly 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/financial/2015divisioncombined.pdf>

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long term disability insurance were \$505,409, \$421,121, and \$1,772, respectively. In addition, \$346,729 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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

The Fund publishes its own financial report which can be obtained at www.njsbaig.com.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

12. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - Effective January 1, 2015, The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "benefit reimbursement method" in lieu of the "contributory method". Under this plan, the District is required to maintain a trust fund and 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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 10,236	\$ 9,744	\$ 1	\$ 24,472	\$ 988
2015-2016	9,275	7,297	1	15,351	5,479
2014-2015	4,682	-	-	425	4,257

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2017, the liability for compensated absences in the governmental activities fund types was \$114,172.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2018. The following interfund balances were recorded on the various balance sheets as of June 30, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 271,926	\$ 4,200
Special Revenue		79,965
Capital Projects		191,950
Fiduciary Fund	4,200	11
	<u>\$ 276,126</u>	<u>\$ 276,126</u>

16. CONTINGENCIES

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

At June 30, 2017, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Barrington (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The municipality recognized revenue of \$209,124 from the annual service charge in lieu of payment of taxes in 2016. The assessed value on these tax exemption properties amounted to \$20,621,400 which would have resulted in 2016 taxes billed in full of \$773,509. A portion of the \$564,385 abatement would have been allocated to the District.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

18. FLEXIBLE BENEFITS PROGRAM

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ -	\$ 7,560	\$ 9,667	\$ 147
2016	-	13,050	11,973	2,254
2015	-	11,965	11,731	1,177

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2017, a deficit of \$2,214,331 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2017	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 11,098
Liabilities:	
Accrued Interest Payable	(41,313)
Net Pension Differences	(2,069,944)
Compensated Absences	<u>(114,172)</u>
Unrestricted Net Position (Deficit)	<u>\$ (2,214,331)</u>

20. FUND BALANCES

RESTRICTED

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

General Fund:

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2017 in the amount of \$600,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. \$320,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018 and \$280,000 is reserved for use in the June 30, 2019 year.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

20. FUND BALANCES (Continued)

General Fund (Continued):

Capital Reserve – As of June 30, 2017, the balance in the capital reserve account is \$836,652. This amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2017, the balance in the maintenance reserve account is \$160,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Emergency Reserve – As of June 30, 2017, the balance in the emergency reserve is \$160,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

ASSIGNED

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

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$170,678 of general fund balance.

Other Purposes – At June 30, 2017 the School District has \$24,189 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund – As of June 30, 2017, the unassigned fund balance of the general fund was \$11,098.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 9,868,231	\$ -	\$ 9,868,231	\$ 9,868,231	\$ -
Tuition from Individuals				34,948	34,948
Tuition from other LEA's (within state)				77,770	77,770
Interest earned on Capital Reserve				377	377
Unrestricted misc. revenues	1,200	-	1,200	11,585	10,385
Total local sources	9,869,431		9,869,431	9,992,911	123,480
State sources:					
Categorical Special Education Aid	524,444		524,444	524,444	
Equalization Aid	2,677,160		2,677,160	2,677,160	
Security Aid	23,536		23,536	23,536	
Transportation Aid	23,765		23,765	23,765	
PARCC Readiness Aid	8,540		8,540	8,540	
Per Pupil Growth Aid	8,540		8,540	8,540	
Professional Learning Community Aid	8,360		8,360	8,360	
Extraordinary Aid				53,659	53,659
Nonpublic Transportation Aid				8,004	8,004
Homeless Tuition Aid				4,301	4,301
Lead Testing for Schools Aid				5,548	5,548
On-behalf TPAF pension contrib.. (non-budgeted)				505,409	505,409
On-behalf Post Retirement Medical (non-budgeted)				421,121	421,121
On-behalf Long Term Disability Insurance (non-budgeted)				1,772	1,772
Reimbursed TPAF social security contribution (non-budgeted)				346,729	346,729
Total state sources	3,274,345		3,274,345	4,620,888	1,346,543
TOTAL REVENUES	13,143,776		13,143,776	14,613,799	1,470,023
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	287,273		287,273	274,756	12,517
Grades 1-5	1,631,746		1,631,746	1,437,990	193,756
Grades 6-8	959,939	(500)	959,439	942,700	16,739
Regular Programs - Home Instruction:					
Salaries of teachers	2,000	500	2,500	906	1,594
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	21,825		21,825	17,448	4,377
Purchased technical services	20,000		20,000	16,352	3,648
Other purchased services	1,500		1,500	1,295	205
General supplies	117,403	(28,926)	88,477	55,776	32,701
Textbooks	144,950	(14,527)	130,423	122,031	8,392
Other objects	1,405		1,405	1,157	248
Total - Regular Programs - Instruction	3,188,041	(43,453)	3,144,588	2,870,411	274,177

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of teachers	\$ 59,926	\$ 3,953	\$ 63,879	\$ 63,399	\$ 480
Other salaries for instruction	66,828	67,693	134,521	134,521	
General supplies	3,400	(3,400)			
Total multiple disabilities	<u>130,154</u>	<u>68,246</u>	<u>198,400</u>	<u>197,920</u>	<u>480</u>
Resource room/resource center:					
Salaries of teachers	808,911	55,828	864,739	863,640	1,099
Other salaries for instruction	74,040	(24,454)	49,586	49,586	
General supplies	15,000	(7,000)	8,000	7,994	6
Textbooks	2,000	(1,832)	168	168	
Total resource room/resource center	<u>899,951</u>	<u>22,542</u>	<u>922,493</u>	<u>921,388</u>	<u>1,105</u>
Preschool disabilities - part time:					
Salaries of teachers	62,398	(2,875)	59,523	59,523	
Other salaries for instruction	40,536	(1,077)	39,459	36,895	2,564
General supplies	6,000	(5,481)	519	519	
Total preschool disabilities - part time	<u>108,934</u>	<u>(9,433)</u>	<u>99,501</u>	<u>96,937</u>	<u>2,564</u>
Total Special Education - Instruction	<u>1,139,039</u>	<u>81,355</u>	<u>1,220,394</u>	<u>1,216,245</u>	<u>4,149</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	108,193	25,220	133,413	132,813	600
General supplies	3,000		3,000	2,828	172
Total basic skills/remedial - instruction	<u>111,193</u>	<u>25,220</u>	<u>136,413</u>	<u>135,641</u>	<u>772</u>
School Sponsored Cocurricular Activities - Instruc.					
Salaries	8,000	(1,483)	6,517	6,517	
School Sponsored Athletics - Instruc.					
Salaries	14,500	4,042	18,542	18,542	
Purchased services	4,000	522	4,522	4,522	
Other objects	3,700	(1,973)	1,727	1,727	
Total school sponsored athletics - instruc	<u>22,200</u>	<u>2,591</u>	<u>24,791</u>	<u>24,791</u>	
Total Instruction	<u>4,468,473</u>	<u>64,230</u>	<u>4,532,703</u>	<u>4,253,605</u>	<u>279,098</u>

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 3,209,524	\$ (41,543)	\$ 3,167,981	\$ 3,167,558	\$ 423
Tuition to other LEAs within the state - spec	302,432	194,487	496,919	496,299	620
Tuition to County Voc. School Districts - reg.	30,000	8,465	38,465	37,942	523
Tuition to County Voc. School Districts - spec.	30,000	(4,738)	25,262	20,208	5,054
Tuition to CSSD & Reg. Day Schools	37,000	1,971	38,971	38,971	
Tuition to priv. sch. for the disabled in state	276,000	(181,518)	94,482	77,681	16,801
Tuition - other	27,000	(23,404)	3,596	3,596	
Total undistributed expenditures - instruction	3,911,956	(46,280)	3,865,676	3,842,255	23,421
Attendance and Social Work Services:					
Salaries	21,610		21,610	17,251	4,359
Total attendance and social work services	21,610		21,610	17,251	4,359
Health Services:					
Salaries	157,765	(1,000)	156,765	156,271	494
Purchased professional and technical services	750	14,725	15,475	14,762	713
Other purchased services	600	(250)	350	300	50
Supplies and materials	6,000	(1,376)	4,624	4,370	254
Other objects	1,250	(1,250)			
Total health services	166,365	10,849	177,214	175,703	1,511
Speech, OT, PT & Related Services:					
Salaries	141,150	57,771	198,921	198,921	
Purchased professional - educational services	50,000	(15,193)	34,807	34,740	67
Supplies and materials	5,000	(1,608)	3,392	2,086	1,306
Total speech, ot, pt & related services	196,150	40,970	237,120	235,747	1,373
Other Support Services Student - Extra. Serv.					
Salaries	59,004	(58,063)	941		941
Purchased professional - educational services	200,000	(3,480)	196,520	173,850	22,670
Supplies and materials	3,000		3,000	80	2,920
Total other support services student - extra. serv.	262,004	(61,543)	200,461	173,930	26,531
Guidance:					
Salaries of other professional staff	122,785	(44,241)	78,544	66,305	12,239
Supplies and materials	700		700	332	368
Total guidance	123,485	(44,241)	79,244	66,637	12,607

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child Study Teams:					
Salaries of other professional staff	\$ 319,225	\$ (1,679)	\$ 317,546	\$ 281,426	\$ 36,120
Salaries of secretarial and clerical assistants	41,864	1,679	43,543	43,543	
Purchased professional - educational services	53,135	(3,756)	49,379	49,249	130
Other purchased services	5,000	(1,244)	3,756	3,448	308
Supplies and materials	13,000		13,000	4,500	8,500
Other objects	1,000		1,000		1,000
Total child study teams	433,224	(5,000)	428,224	382,166	46,058
Improvement of Instructional Services:					
Salaries of supervisors of instruction	87,418		87,418	87,418	
Other purchased services	200		200		200
Total improvement of instructional services	87,618		87,618	87,418	200
Educational Media Services/School Library:					
Salaries	75,810		75,810		75,810
Purchased professional and technical services	5,500		5,500	4,000	1,500
Supplies and materials	1,000		1,000		1,000
Total educational media services/school library	82,310		82,310	4,000	78,310
Instructional Staff Training Services:					
Purchased professional - educational services	1,000	300	1,300	1,300	
Other purchased services	10,000	(300)	9,700	8,539	1,161
Supplies and materials	800		800	247	553
Total instructional staff training services	11,800		11,800	10,086	1,714
General Administration:					
Salaries	159,175	3,558	162,733	162,733	
Legal services	15,000	(3,558)	11,442	8,404	3,038
Audit fees	25,000		25,000	25,000	
Architectural/Engineering Services	5,000		5,000	1,020	3,980
Purchased technical services	4,500		4,500	750	3,750
Communications / telephone	32,000		32,000	31,995	5
BOE other purchased services	1,000	358	1,358	1,358	
Other purchased services	11,400	(358)	11,042	7,113	3,929
Supplies and materials	2,000		2,000	1,996	4
BOE In-House Training/Meeting supplies	1,000		1,000		1,000
Miscellaneous expenditures	6,000		6,000	5,092	908
BOE membership dues and fees	8,000		8,000	7,326	674
Total general administration	270,075		270,075	252,787	17,288

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Administration:					
Salaries of principals/assist. principals	\$ 99,100	\$ -	\$ 99,100	\$ 99,100	\$ -
Salaries of secretarial and clerical assistants	65,076	8,475	73,551	73,551	
Other purchased services	1,100	(249)	851	824	27
Supplies and materials	7,000	(4,726)	2,274	2,274	
Other objects	3,500	(3,500)			
Total school administration	175,776		175,776	175,749	27
Central Services:					
Salaries	109,674	3,866	113,540	113,540	
Purchased technical services	23,700	2,000	25,700	25,698	2
Misc. purchased services	3,000	(340)	2,660	2,259	401
Supplies and materials	6,500	(1,700)	4,800	4,633	167
Other objects	3,200	(2,406)	794	794	
Total central services	146,074	1,420	147,494	146,924	570
Administrative Information Technology:					
Salaries	81,619	1,763	83,382	83,382	
Purchased technical services	51,800	(3,183)	48,617	44,031	4,586
Other purchased services	1,000		1,000		1,000
Supplies and materials	26,000		26,000	15,080	10,920
Total admin. information technology	160,419	(1,420)	158,999	142,493	16,506
Required Maintenance School Facilities:					
Salaries	53,745	(9,607)	44,138	31,500	12,638
Cleaning, repair and maintenance services	70,500	13,919	84,419	78,267	6,152
General supplies	13,300		13,300	13,300	
Total required maintenance school facilities	137,545	4,312	141,857	123,067	18,790
Custodial Services:					
Salaries	246,786	40,443	287,229	287,229	
Salaries of Non-Instructional Aides	29,396	54,454	83,850	83,850	
Unused vacation payment to term/retired staff		2,342	2,342	2,342	
Purchased prof. and technical services	9,000	(3,850)	5,150	5,150	
Cleaning, repair and maintenance services	9,800	(497)	9,303	8,914	389
Other purchased property services	21,000	689	21,689	20,967	722
Insurance	67,350	(930)	66,420	66,304	116
General Supplies	20,000	(6,171)	13,829	13,705	124
Energy (Electricity)	100,000	(24,893)	75,107	75,107	
Energy (Gasoline)	1,500	(623)	877	626	251
Energy (Natural Gas)	100,000	(38,864)	61,136	59,225	1,911
Total custodial services	604,832	22,100	626,932	623,419	3,513
Care and Upkeep of Grounds:					
Purchased prof. and technical services	3,000		3,000	2,903	97
Cleaning, repair and maintenance services	2,000		2,000	2,000	
General Supplies	2,100	(25)	2,075	1,905	170
Total care and upkeep of grounds	7,100	(25)	7,075	6,808	267
Security:					
Purchased prof. and technical services	4,000		4,000	3,866	134
Total operation & maint. of plant services	753,477	26,387	779,864	757,160	22,704

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Management fee - ESC Transp. programs	\$ 6,000	\$ 310	\$ 6,310	\$ 6,303	\$ 7
Contr. serv. (between home & sch) - vendor	286,000	1,857	287,857	283,571	4,286
Contr. serv. (not between home & sch) - vendor	10,000	685	10,685	10,685	
Contr. Serv. (Regular Students) - ESC	50,000	(16,800)	33,200	28,953	4,247
Contr. Serv. (Spl. Ed. Students) - ESC	90,000	(26,000)	64,000	60,771	3,229
Contr. Serv. - Aid in Lieu of Payments - nonpublic	10,000	39,005	49,005	45,084	3,921
Contr. Serv. - Aid in Lieu of Payments - charter sch	884		884	884	
Contr. Serv. - Aid in Lieu of Payments - choice sch	4,420	(3,200)	1,220	442	778
Total student transportation services	457,304	(4,143)	453,161	435,809	17,352
Unallocated Benefits - Employee Benefits:					
Social security contributions	100,000	(16,698)	83,302	83,302	
Other retirement contributions - PERS	100,000	(9,929)	90,071	90,057	14
Unemployment compensation	25,000		25,000	9,747	15,253
Workmen's compensation	82,000		82,000	65,411	16,589
Health benefits	1,609,939	(14,626)	1,595,313	1,481,624	113,689
Tuition reimbursement	25,000		25,000	19,139	5,861
Unused Sick Payment to Term/Retired Staff		12,347	12,347	12,347	
Other employee benefits	38,000	28,906	66,906	65,383	1,523
Total unallocated benefits - employee benefits	1,979,939		1,979,939	1,827,010	152,929
On-behalf TPAF pension contr. (non-budgeted)				505,409	(505,409)
On-behalf Post Retirement Medical (non-budgeted)				421,121	(421,121)
On-behalf Long Term Disability Insurance (non-budgeted)				1,772	(1,772)
Reimbursed TPAF social security contr. (non-budgeted)				346,729	(346,729)
Total Undistributed Expenditures	9,239,586	(83,001)	9,156,585	10,008,156	(851,571)
Total General Current Expense	13,708,059	(18,771)	13,689,288	14,261,761	(572,473)
CAPITAL OUTLAY:					
Facilities Acquisition and Constr. Services:					
Architectural/engineering Services	4,000		4,000		4,000
Construction Services	36,000		36,000		36,000
Assessment for Debt Service on SDA Funding	21,123		21,123	21,123	
Total facilities acq. and constr. services	61,123		61,123	21,123	40,000
Total Capital Outlay	61,123		61,123	21,123	40,000
Transfer to Charter Schools	13,604	18,771	32,375	29,991	2,384
TOTAL EXPENDITURES	13,782,786		13,782,786	14,312,875	(530,089)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(639,010)		(639,010)	300,924	939,934

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

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources:					
Proceeds of Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects transfer to Capital Reserve					-
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	\$ (639,010)	\$ -	\$ (639,010)	\$ 300,924	939,934
Fund Balance - July 1, 2016	<u>1,972,619</u>		<u>1,972,619</u>	<u>1,972,619</u>	
Fund Balance - June 30, 2017	<u>\$ 1,333,609</u>	<u>\$ -</u>	<u>\$ 1,333,609</u>	<u>\$ 2,273,543</u>	<u>\$ 939,934</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 836,652	
Tuition reserve - current year				280,000	
Tuition reserve - prior year				320,000	
Maintenance reserve				160,000	
Emergency reserve				160,000	
Assigned Fund Balance:					
Year-end encumbrances				24,189	
Designated for subsequent year's expenditures				170,678	
Unassigned Fund Balance				<u>322,024</u>	
				2,273,543	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(310,926)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,962,617</u>	

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

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 79,527	\$ -	\$ 79,527	\$ 48,163	\$ (31,364)
Federal sources	329,597	-	329,597	324,359	(5,238)
Total Revenues	409,124	-	409,124	372,522	(36,602)
EXPENDITURES:					
Instruction:					
Salaries of teachers	90,566	-	90,566	90,566	-
Purchased professional - educ. services	37,483	-	37,483	11,294	26,189
Tuition	210,563	-	210,563	210,563	-
Other purchased services	16,920	-	16,920	16,751	169
Textbooks	10,836	-	10,836	10,836	-
General supplies	14,289	-	14,289	9,282	5,007
Total Instruction	380,657	-	380,657	349,292	31,365
Support Services:					
Salaries of other professional staff	1,166	-	1,166	-	1,166
Personal services - employee benefits	23,319	-	23,319	23,230	89
Purchased professional - educational services	3,982	-	3,982	-	3,982
Travel	-	-	-	-	-
Total Support Services	28,467	-	28,467	23,230	5,237
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	-	-	-	-	-
Total Expenditures	409,124	-	409,124	372,522	36,602
Total Outflows	409,124	-	409,124	372,522	36,602
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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

BARRINGTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2017

**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 schedules	\$ 14,613,799	\$ 372,522
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	303,896	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(310,926)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 14,606,769</u>	<u>\$ 372,522</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 14,312,875	\$ 372,522
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 14,312,875</u>	<u>\$ 372,522</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0101209416%	0.0097681625%	0.0093361653%	0.0090908901%
District's proportionate share of the net pension liability (asset)	\$ 2,997,553	\$ 2,192,757	\$ 1,747,985	\$ 1,737,450
District's covered-employee payroll	696,643	674,631	666,509	648,986
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	430.29%	325.03%	262.26%	267.72%
Plan fiduciary net position as a percentage of the total pension liability	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 92,534	\$ 89,913	\$ 83,980	\$ 76,966
Contributions in relation to the contractually required contributions	<u>(92,534)</u>	<u>(89,913)</u>	<u>(83,980)</u>	<u>(76,966)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 696,643	\$ 674,631	\$ 666,509	\$ 648,986
Contributions as a percentage of covered-employee payroll	13.28%	13.33%	12.60%	11.86%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0430353966%	0.0398964849%	0.0394278417%	0.0414913849%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 33,854,383</u>	<u>\$ 25,216,282</u>	<u>\$ 21,072,898</u>	<u>\$ 20,969,420</u>
Total	<u><u>\$ 33,854,383</u></u>	<u><u>\$ 25,216,282</u></u>	<u><u>\$ 21,072,898</u></u>	<u><u>\$ 20,969,420</u></u>
District's covered-employee payroll	\$ 4,728,854	\$ 4,602,687	\$ 4,503,664	\$ 4,382,275
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

Barrington School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2017

1. Teacher's Pension and Annuity Fund (TPAF)

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

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

2. Public Employees' Retirement System (PERS)

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

Changes of assumptions: Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Other Supplementary Information

Special Revenue Fund

BARRINGTON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2017

	Nonpublic	Nonpublic	Nonpublic	Nonpublic	Nonpublic	Nonpublic	Individuals with Disabilities Act		No Child Left Behind		Total
	Handicap Services	Auxiliary Services					Textbooks	Nursing	Technology	Security	
	Exam. & Classification	Home Instruction									
REVENUES:											
State sources	\$ 10,624	\$ 670	\$ 10,836	\$ 16,751	\$ 4,783	\$ 4,499	\$ -	\$ -	\$ -	\$ -	\$ 48,163
Federal sources							210,563	8,235	93,838	11,723	324,359
Total revenues	\$ 10,624	\$ 670	\$ 10,836	\$ 16,751	\$ 4,783	\$ 4,499	\$ 210,563	\$ 8,235	\$ 93,838	\$ 11,723	\$ 372,522
EXPENDITURES:											
<i>Instruction:</i>											
Salaries of teachers								6,536	74,726	9,304	90,566
Purchased professional educational services	10,624	670									11,294
Tuition							210,563				210,563
Other purchased services				16,751							16,751
Textbooks			10,836								10,836
General Supplies					4,783	4,499					9,282
Total instruction	10,624	670	10,836	16,751	4,783	4,499	210,563	6,536	74,726	9,304	349,292
<i>Support services:</i>											
Personal services-employee benefits								1,699	19,112	2,419	23,230
Purchased professional technical services											-
Travel											-
Total support services	-	-	-	-	-	-	-	1,699	19,112	2,419	23,230
<i>Facilities acquisition & construction services</i>											
Instructional equipment											-
Noninstructional equipment											-
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 10,624	\$ 670	\$ 10,836	\$ 16,751	\$ 4,783	\$ 4,499	\$ 210,563	\$ 8,235	\$ 93,838	\$ 11,723	\$ 372,522
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Proprietary Funds

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2017

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 83,781
Accounts receivable:	
State	97
Federal	4,207
Inventories	<u>7,458</u>
Total Current Assets	<u>95,543</u>
Noncurrent Assets:	
Equipment	62,900
Less - accumulated depreciation	<u>(52,830)</u>
Total Noncurrent Assets	<u>10,070</u>
Total Assets	<u>\$ 105,613</u>
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 31,729
Unearned Revenue	<u>4,430</u>
Total Current Liabilities	<u>36,159</u>
 NET POSITION:	
Invested in capital assets	10,070
Unrestricted	<u>59,384</u>
Total Net Position	<u>\$ 69,454</u>

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 60,866
School breakfast	2,471
Daily sales non-reimbursable programs	
Adult and a la carte sales	51,182
Miscellaneous	7,936
	<u>122,455</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	90,319
Supplies and materials	4,564
Management fee	16,747
Other costs	15,468
Depreciation	1,007
Cost of Sales - reimbursable programs	62,174
Cost of Sales - non-reimbursable programs	15,787
	<u>206,066</u>
Total Operating Expenses	<u>206,066</u>
Operating Income (Loss)	<u>(83,611)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,917
Federal sources:	
National school lunch program	65,293
School breakfast program	11,792
Food distribution program	15,979
Local sources:	
Interest earned	26
	<u>95,007</u>
Total Non-Operating Revenues	<u>95,007</u>
Income (Loss) before Contributions and Transfers	11,396
Operating Transfers In	<u> </u>
Change in Net Position	11,396
Net Position - July 1, 2016	<u>58,058</u>
Net Position - June 30, 2017	<u>\$ 69,454</u>

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 124,500
Cash payments to employees for services	(73,747)
Cash payments to suppliers for goods and services	<u>(88,386)</u>
Net cash provided by (used for) operating activities	<u>(37,633)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,942
Cash received from federal sources	<u>77,928</u>
Net cash provided by noncapital financing activities	<u>79,870</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>26</u>
Net increase (decrease) in cash and cash equivalents	42,263
Cash and Cash Equivalents - July 1, 2016	<u>41,518</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 83,781</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (83,611)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	1,007
Commodities	15,979
Change in assets and liabilities:	
(Increase) decrease in inventories	(4,781)
Increase (decrease) in accounts payable	31,729
Increase (decrease) in unearned revenue	<u>2,044</u>
Net cash provided by (used for) operating activities	<u>\$ (37,633)</u>

Fiduciary Funds

BARRINGTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	Trust Funds		Agency Funds		Total
	Unemployment Compensation Trust	Flexible Benefits Trust	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 4,543	\$ 147	\$ 17,938	\$ 661	\$ 23,289
Interfund Receivable	4,200				4,200
Total Assets	\$ 8,743	\$ 147	\$ 17,938	\$ 661	\$ 27,489
 LIABILITIES:					
Liabilities:					
Accounts Payable	\$ 7,755	\$ -	\$ -	\$ 650	\$ 8,405
Interfund Payable				11	11
Due to Student Groups			17,938		17,938
Total Liabilities	7,755		\$ 17,938	\$ 661	26,354
 NET POSITION:					
Held in Trust for Payment of Claims	988	147			1,135
Total Net Position	\$ 988	\$ 147			\$ 1,135

BARRINGTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust Fund	Flexible Benefits Trust Fund
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions - Employee	\$ 10,236	\$ 7,560
Contributions - Other	9,744	
Interest on Investments	<u>1</u>	
Total Additions	<u>19,981</u>	<u>7,560</u>
DEDUCTIONS:		
Claims paid	<u>24,472</u>	<u>9,667</u>
Total Deductions	<u>24,472</u>	<u>9,667</u>
Change in Net Position	(4,491)	(2,107)
Net Position-- July 1, 2016	<u>5,479</u>	<u>2,254</u>
Net Position -- June 30, 2017	<u>\$ 988</u>	<u>\$ 147</u>

BARRINGTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2017</u>
Avon School	\$ 10,494	\$ 14,051	\$ 14,947	\$ -	\$ 9,598
Woodland School	6,896	26,056	24,612		8,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total all schools	<u>\$ 17,390</u>	<u>\$ 40,107</u>	<u>\$ 39,559</u>	<u>\$ -</u>	<u>\$ 17,938</u>

BARRINGTON SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ -	\$ 6,391,215	\$ 6,390,554	\$ 661
Accounts Receivable	8,502		8,502	-
Total Assets	<u>\$ 8,502</u>	<u>\$ 6,391,215</u>	<u>\$ 6,399,056</u>	<u>\$ 661</u>
 LIABILITIES:				
Cash Overdraft	\$ 2,704	\$ -	\$ 2,704	\$ -
Net payroll	-	3,322,997	3,322,997	-
Interfund Payable	5,798	220	6,007	11
Payroll deductions and withholdings	-	3,067,998	3,067,348	650
Total Liabilities	<u>\$ 8,502</u>	<u>\$ 6,391,215</u>	<u>\$ 6,399,056</u>	<u>\$ 661</u>

Long-Term Debt Schedules

BARRINGTON SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2017

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Series 2012 Refunding Bonds	12/19/12	\$ 5,030,000	4/01/18	\$ 270,000	3.000%	\$ 4,525,000	\$ -	\$ 255,000	\$ 4,270,000
			4/01/19	285,000	3.000%				
			4/01/20	295,000	4.000%				
			4/01/21	315,000	4.000%				
			4/01/22	325,000	4.000%				
			4/01/23	345,000	4.000%				
			4/01/24	370,000	4.000%				
			4/01/25	385,000	4.000%				
			4/01/26	405,000	4.000%				
			4/01/27	425,000	4.000%				
			4/01/28	425,000	4.000%				
			4/01/29	425,000	4.000%				

BARRINGTON SCHOOL DISTRICT
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2017

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2016	Issued	Retired	Amount Outstanding June 30, 2017
				Principal	Interest				
Phone System	12/21/15	07/01/20	4.02%	\$ 50,616	\$ 5,262	\$ 50,616	\$ -	\$ 10,077	\$ 40,539
						-			-
						\$ 50,616	\$ -	\$ 10,077	\$ 40,539

BARRINGTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 427,900	\$ -	\$ 427,900	\$ 427,900	\$ -
Total Revenues	<u>427,900</u>		<u>427,900</u>	<u>427,900</u>	
EXPENDITURES:					
Regular debt service:					
Interest on Bonds	86,450	86,450	172,900	172,900	
Principal on Bonds	341,450	(86,450)	255,000	255,000	-
Total Expenditures	<u>427,900</u>		<u>427,900</u>	<u>427,900</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Other Financing Sources:					
Transfers from other funds					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):					
Fund Balance - July 1, 2016					
Fund Balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

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

J-1

	<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>	<u>2017</u>
Governmental activities:										
Net investment in capital assets	\$ 2,876,484	\$ 2,831,996	\$ 3,488,688	\$ 3,498,016	\$ 3,082,076	\$ 3,106,894	\$ 3,042,304	\$ 998,793	\$ 690,191	\$ 421,969
Restricted for:										
Capital projects	277,962	238,213	382,311	381,021	520,226	313,731	314,071	234,024	437,275	836,652
Debt service	165,418	83,958	826	1,023	197	38,216	38,216	-	-	-
Special revenue	-	-	27,297	21,333	-	-	-	-	-	-
Other purposes	2,395,448	3,016,686	1,790,833	849,692	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867
Unrestricted	(32,887)	(180,417)	(166,615)	(108,583)	(246,700)	(177,829)	(227,737)	(1,906,403)	(1,937,859)	(2,214,331)
Total governmental activities net position	<u>\$ 5,682,425</u>	<u>\$ 5,990,436</u>	<u>\$ 5,523,340</u>	<u>\$ 4,642,502</u>	<u>\$ 4,013,491</u>	<u>\$ 4,328,108</u>	<u>\$ 4,178,520</u>	<u>\$ 298,470</u>	<u>\$ 428,617</u>	<u>\$ 159,157</u>
Business-type activities:										
Net investment in capital assets	\$ 57,387	\$ 43,325	\$ 36,294	\$ 29,263	\$ 16,596	\$ 9,958	\$ 16,623	\$ 12,083	\$ 11,077	\$ 10,070
Unrestricted	47,429	56,961	68,308	64,874	67,642	69,098	46,761	61,602	46,981	59,384
Total business-type activities net position	<u>\$ 104,816</u>	<u>\$ 100,286</u>	<u>\$ 104,602</u>	<u>\$ 94,137</u>	<u>\$ 84,238</u>	<u>\$ 79,056</u>	<u>\$ 63,384</u>	<u>\$ 73,685</u>	<u>\$ 58,058</u>	<u>\$ 69,454</u>
District-wide:										
Net investment in capital assets	\$ 2,933,871	\$ 2,875,321	\$ 3,524,982	\$ 3,527,279	\$ 3,098,672	\$ 3,116,852	\$ 3,058,927	\$ 1,010,876	\$ 701,268	\$ 432,039
Restricted:										
Capital projects	277,962	238,213	382,311	381,021	520,226	313,731	314,071	234,024	437,275	836,652
Debt service	165,418	83,958	826	1,023	197	38,216	38,216	-	-	-
Special revenue	-	-	27,297	21,333	-	-	-	-	-	-
Other purposes	2,395,448	3,016,686	1,790,833	849,692	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867
Unrestricted	14,542	(123,456)	(98,307)	(43,709)	(179,058)	(108,731)	(180,976)	(1,844,801)	(1,890,878)	(2,154,947)
Total district net position	<u>\$ 5,787,241</u>	<u>\$ 6,090,722</u>	<u>\$ 5,627,942</u>	<u>\$ 4,736,639</u>	<u>\$ 4,097,729</u>	<u>\$ 4,407,164</u>	<u>\$ 4,241,904</u>	<u>\$ 372,155</u>	<u>\$ 486,675</u>	<u>\$ 228,611</u>

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

J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 2,800,749	\$ 2,964,105	\$ 3,227,596	\$ 3,075,513	\$ 2,356,419	\$ 2,767,185	\$ 2,826,277	\$ 3,634,351	\$ 3,279,189	\$ 3,366,236
Special education	704,224	666,103	912,498	875,724	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344
Other instruction	185,749	163,770	121,054	114,440	132,951	129,602	128,154	149,707	143,912	166,949
Support Services:										
Tuition	4,488,479	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255
Student & instruction related services	1,056,512	1,015,097	1,112,276	974,562	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168
School administrative services	241,820	243,180	233,613	232,984	242,768	221,099	167,302	187,326	159,401	175,749
General and business administrative services	533,826	624,892	491,402	438,662	418,260	363,212	514,319	541,394	548,194	597,514
Plant operations and maintenance	688,279	705,217	715,660	633,014	734,569	501,324	722,348	1,214,681	749,376	765,718
Pupil transportation	528,241	439,960	503,433	395,754	385,491	415,007	463,689	449,777	462,781	435,809
Unallocated employee benefits	1,874,877	1,575,531	1,667,956	1,727,132	2,023,740	2,360,090	2,241,382	2,472,777	2,899,324	3,422,623
Transfer to Charter School			25,165	41,726		8,347	35,055	5,571	68,094	29,991
Interest on long-term debt	370,177	275,760	264,756	254,181	246,381	181,865	196,250	187,450	161,100	170,988
Unallocated depreciation	43,890	43,888	43,889	43,890	310,297	286,687	296,561	97,417	114,214	93,307
Total governmental activities expenses	13,516,823	13,429,641	14,634,747	14,164,261	13,961,053	13,282,486	13,958,876	14,884,229	14,857,597	15,676,651
Business-type activities:										
Food service	174,882	176,020	182,806	186,009	205,550	211,842	216,298	202,067	236,872	206,066
Total business-type activities expense	174,882	176,020	182,806	186,009	205,550	211,842	216,298	202,067	236,872	206,066
Total district expenses	\$ 13,691,705	\$ 13,605,661	\$ 14,817,553	\$ 14,350,270	\$ 14,166,603	\$ 13,494,328	\$ 14,175,174	\$ 15,086,296	\$ 15,094,469	\$ 15,882,717
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 1,582,810	\$ 1,112,922	\$ 1,216,402	\$ 1,024,704	\$ 1,045,161	\$ 1,296,205	\$ 1,141,282	\$ 1,483,956	\$ 1,555,032	\$ 1,647,553
Charges for services - Tuition	28,474							26,946	112,718	
Capital grants and contributions										
Total governmental activities program revenues	1,611,284	1,112,922	1,216,402	1,024,704	1,045,161	1,296,205	1,141,282	1,483,956	1,581,978	1,760,271

(Continued)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Food service	\$ 116,649	\$ 125,399	\$ 120,077	\$ 107,730	\$ 110,915	\$ 121,464	\$ 116,546	\$ 120,434	\$ 123,313	\$ 122,455
Operating grants and contributions	47,025	52,813	66,770	67,569	84,373	85,072	84,060	91,910	97,911	94,981
Capital grants and contributions										
Total business type activities program revenues	<u>163,674</u>	<u>178,212</u>	<u>186,847</u>	<u>175,299</u>	<u>195,288</u>	<u>206,536</u>	<u>200,606</u>	<u>212,344</u>	<u>221,224</u>	<u>217,436</u>
Total district program revenues	<u>\$ 1,774,958</u>	<u>\$ 1,291,134</u>	<u>\$ 1,403,249</u>	<u>\$ 1,200,003</u>	<u>\$ 1,240,449</u>	<u>\$ 1,502,741</u>	<u>\$ 1,341,888</u>	<u>\$ 1,696,300</u>	<u>\$ 1,803,202</u>	<u>\$ 1,977,707</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (11,905,539)	\$ (12,316,719)	\$ (13,418,345)	\$ (13,139,557)	\$ (12,915,892)	\$ (11,986,281)	\$ (12,817,594)	\$ (13,400,273)	\$ (13,275,619)	\$ (13,916,380)
Business-type activities	(11,208)	2,192	4,041	(10,710)	(10,262)	(5,306)	(15,692)	10,277	(15,648)	11,370
Total district-wide net expense	<u>\$ (11,916,747)</u>	<u>\$ (12,314,527)</u>	<u>\$ (13,414,304)</u>	<u>\$ (13,150,267)</u>	<u>\$ (12,926,154)</u>	<u>\$ (11,991,587)</u>	<u>\$ (12,833,286)</u>	<u>\$ (13,389,996)</u>	<u>\$ (13,291,267)</u>	<u>\$ (13,905,010)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,740,030	\$ 8,761,095	\$ 9,179,832	\$ 8,886,209	\$ 9,063,933	\$ 8,812,500	\$ 8,988,750	\$ 9,168,525	\$ 9,626,000	\$ 9,868,231
Taxes levied for debt service	470,026	359,001	499,351	446,081	457,655	449,884	416,250	389,234	425,250	427,900
Unrestricted grants and contributions	3,129,155	3,408,769	2,963,040	2,877,280	3,099,923	3,061,305	3,259,343	3,326,395	3,302,529	3,338,827
State aid restricted for capital projects	(7,529)	(2,801)	229,531	779						
Investment earnings	9,102	1,005	488	478	347		340	408	251	377
Miscellaneous income	339,032	97,661	79,007	47,892	34,194	11,060	3,323	24,945	51,736	11,585
Loss on disposal of assets	(724,654)									
Transfers										
Total governmental activities	<u>11,955,162</u>	<u>12,624,730</u>	<u>12,951,249</u>	<u>12,258,719</u>	<u>12,656,052</u>	<u>12,334,749</u>	<u>12,668,006</u>	<u>12,909,507</u>	<u>13,405,766</u>	<u>13,646,920</u>
Business-type activities:										
Investment earnings	1,008	309	275	245	363	124	20	24	21	26
Prior year payables canceled	12,571	(7,031)								
Transfers										
Total business-type activities	<u>13,579</u>	<u>(6,722)</u>	<u>275</u>	<u>245</u>	<u>363</u>	<u>124</u>	<u>20</u>	<u>24</u>	<u>21</u>	<u>26</u>
Total district-wide	<u>\$ 11,968,741</u>	<u>\$ 12,618,008</u>	<u>\$ 12,951,524</u>	<u>\$ 12,258,964</u>	<u>\$ 12,656,415</u>	<u>\$ 12,334,873</u>	<u>\$ 12,668,026</u>	<u>\$ 12,909,531</u>	<u>\$ 13,405,787</u>	<u>\$ 13,646,946</u>
Change in Net Position:										
Governmental activities	\$ 49,623	\$ 308,011	\$ (467,096)	\$ (880,838)	\$ (259,840)	\$ 348,468	\$ (149,588)	\$ (490,766)	\$ 130,147	\$ (269,460)
Business-type activities	2,371	(4,530)	4,316	(10,465)	(9,899)	(5,182)	(15,672)	10,301	(15,627)	11,396
Total district-wide	<u>\$ 51,994</u>	<u>\$ 303,481</u>	<u>\$ (462,780)</u>	<u>\$ (891,303)</u>	<u>\$ (269,739)</u>	<u>\$ 343,286</u>	<u>\$ (165,260)</u>	<u>\$ (480,465)</u>	<u>\$ 114,520</u>	<u>\$ (258,064)</u>

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

	<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>	<u>2017</u>
General Fund:										
Restricted for:										
Capital reserve	\$ 45,402	\$ 45,891	\$ 22,921	\$ 23,202	\$ 223,549	\$ 313,731	\$ 314,071	\$ 231,079	\$ 437,275	\$ 836,652
Maintenance reserve						200,000	200,000	200,000	200,000	160,000
Emergency reserve						200,000	200,000	200,000	200,000	160,000
Tuition reserve	405,000	805,000	805,000		160,533	447,096	423,623	457,060	640,000	600,000
Excess surplus	1,051,207	597,150		252,249			-	-	-	
Assigned to:										
Year end encumbrances	141,971	182,355	48,683	17,443	105,514	-	-	-	-	24,189
Designated for subsequent year's budget	797,270	1,246,207	937,150	580,000	391,645	200,000	188,043	114,996	199,010	170,678
Unassigned	150,238	9,521	41,052	108,101	(29,473)	1,398	(40,177)	(28,886)	(7,562)	11,098
Total general fund	<u>\$ 2,591,088</u>	<u>\$ 2,886,124</u>	<u>\$ 1,854,806</u>	<u>\$ 980,995</u>	<u>\$ 851,768</u>	<u>\$ 1,362,225</u>	<u>\$ 1,285,560</u>	<u>\$ 1,174,249</u>	<u>\$ 1,668,723</u>	<u>\$ 1,962,617</u>
All Other Governmental Funds										
Restricted for, reported in:										
Special revenue fund	\$ (2,143)	\$ 140,083	\$ 27,297	\$ 21,333						
Capital projects fund	307,899	238,213	359,390	357,819	\$ 296,677	\$ -	\$ -	\$ 2,945		
Debt service fund	90,079	83,958	826	1,023	197	38,216	38,216			
Total all other governmental funds	<u>\$ 395,835</u>	<u>\$ 462,254</u>	<u>\$ 387,513</u>	<u>\$ 380,175</u>	<u>\$ 296,874</u>	<u>\$ 38,216</u>	<u>\$ 38,216</u>	<u>\$ 2,945</u>	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ending June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 9,210,056	\$ 9,120,096	\$ 9,679,183	\$ 9,332,290	\$ 9,521,588	\$ 9,262,384	\$ 9,405,000	\$ 9,557,759	\$ 10,051,250	\$ 10,296,131
Tuition	28,474							22,138	26,946	112,718
Transportation fees										
Interest earnings	9,102	1,005	488	478	347	-	340	408	251	377
Miscellaneous	339,032	97,661	79,007	47,892	34,194	11,060	3,323	2,807	51,736	11,585
State sources	4,427,218	4,144,516	3,368,440	3,481,610	3,705,289	3,983,279	4,061,072	4,457,669	4,436,988	4,662,021
Federal sources	284,747	377,175	1,040,533	421,153	439,795	374,231	339,553	352,682	420,573	324,359
Total revenue	<u>14,298,629</u>	<u>13,740,453</u>	<u>14,167,651</u>	<u>13,283,423</u>	<u>13,701,213</u>	<u>13,630,954</u>	<u>13,809,288</u>	<u>14,393,463</u>	<u>14,987,744</u>	<u>15,407,191</u>
Expenditures										
Instruction										
Regular Instruction	2,682,842	2,832,388	3,076,326	2,902,186	2,354,150	2,789,552	2,790,601	3,215,363	2,893,556	3,002,604
Special education instruction	704,224	666,103	912,498	875,724	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344
Other instruction	185,749	163,770	121,054	114,440	132,951	129,602	128,154	149,707	143,912	166,949
Support Services:										
Tuition	4,488,479	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255
Student & instruction related services	1,056,512	1,015,097	1,112,276	974,562	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168
School administrative services	241,820	243,180	233,613	232,984	242,768	221,099	167,302	158,193	159,401	175,749
General and business admin. services	512,878	603,944	470,454	417,714	416,397	361,349	513,388	512,261	491,086	542,204
Plant operations and maintenance	687,829	683,964	667,907	650,774	635,652	578,674	723,029	717,604	723,713	757,160
Pupil transportation	528,241	439,960	503,433	395,754	385,491	415,007	463,689	449,777	462,781	435,809
Other support services	1,874,877	1,575,531	1,667,956	1,727,132	2,023,740	2,360,090	2,241,382	2,461,104	2,830,587	3,102,041
Transfer to Charter School		25,165	41,726			8,347	35,055	5,571	68,094	29,991
Capital outlay	35,197		624,435	28,816	153,934	55,502	39,564	499,237	76,439	21,123
Debt service:										
Principal	150,000	165,000	275,000	190,000	210,000	230,000	220,000	240,000	245,000	255,000
Interest and other charges	370,927	275,122	268,144	256,081	248,481	181,865	196,250	187,450	180,250	172,900
Total expenditures	<u>13,519,575</u>	<u>13,376,197</u>	<u>15,273,710</u>	<u>14,164,572</u>	<u>13,913,741</u>	<u>13,379,155</u>	<u>13,885,953</u>	<u>14,540,045</u>	<u>14,546,831</u>	<u>15,113,297</u>
Excess (Deficiency) of revenues over (under) expenditures	779,054	364,256	(1,106,059)	(881,149)	(212,528)	251,799	(76,665)	(146,582)	440,913	293,894
Other Financing sources (uses)										
Proceeds from borrowing									50,616	
Accrued interest on sale of bonds										
Prior year payable canceled	(7,529)	(2,801)								
Capital reserve transfer to Capital Projects			(23,253)							
Capital outlay transfer to Capital Projects			(367,220)							
Transfers in	6,340	855	390,677	197		90,182		278,400	2,945	
Transfers out	(6,340)	(855)	(204)	(197)		(90,182)		(278,400)	(2,945)	
Total other financing sources (uses)	<u>(7,529)</u>	<u>(2,801)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,616</u>	<u>-</u>
Net change in fund balances	<u>\$ 771,525</u>	<u>\$ 361,455</u>	<u>\$ (1,106,059)</u>	<u>\$ (881,149)</u>	<u>\$ (212,528)</u>	<u>\$ 251,799</u>	<u>\$ (76,665)</u>	<u>\$ (146,582)</u>	<u>\$ 491,529</u>	<u>\$ 293,894</u>
Debt service as a percentage of noncapital expenditures	3.86%	3.29%	3.71%	3.16%	3.33%	3.09%	3.01%	3.04%	2.94%	2.84%

100

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Contributions</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Custodial</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 124,726	\$ 28,474	\$ -	\$ 219,949	\$ 205	\$ -	\$ 3,254	\$ 376,608
2009	35,278			62,928	460			98,666
2010	57,011			21,689			795	79,495
2011	16,947			30,850			573	48,370
2012	12,673			21,357			511	34,541
2013	3,646						7,414	11,060
2014	1,634			28			1,661	3,323
2015	1,382	22,138		1,425				24,945
2016	2,055	26,946		18,963		23,282	7,687	78,933
2017	2,271	112,718		2,950	700		6,041	124,680
	<u>\$ 257,623</u>	<u>\$ 190,276</u>	<u>\$ -</u>	<u>\$ 380,139</u>	<u>\$ 1,365</u>	<u>\$ 23,282</u>	<u>\$ 27,936</u>	<u>\$ 880,621</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2008	\$ 1,699,000	\$ 217,466,000	\$ 304,000		\$ 19,162,000	\$ 18,061,400	\$ 16,921,300	\$ 273,613,700	\$ 411,346	\$ 274,025,046	\$ 65,793,400	\$ 3.382	\$ 550,204,210
2009	1,646,000	218,339,000	304,000		19,582,900	20,061,400	16,499,500	276,432,800	427,049	276,859,849	65,956,600	3.368	592,849,692
2010	R 3,961,800	455,758,000	521,200		41,750,600	44,350,800	45,198,600	591,541,000	1,323,638	592,864,638	145,746,400	1.603	607,642,268
2011	3,718,800	451,117,000	521,200		40,934,300	30,174,100	44,707,700	571,173,100	1,072,135	572,245,235	146,126,700	1.647	563,323,573
2012	3,931,000	448,796,300	521,200		40,940,900	30,174,100	44,707,700	569,071,200	1,027,921	570,099,121	145,896,800	1.648	549,911,838
2013	3,839,000	446,818,000	521,200		40,054,500	30,174,100	37,129,900	558,536,700	986,545	559,523,245	146,061,300	1.668	527,825,972
2014	3,894,000	444,079,600	521,200		35,620,800	30,154,100	37,053,900	551,323,600	863,954	552,187,554	146,579,000	1.717	518,282,758
2015	3,702,400	442,083,600			35,588,700	26,054,100	37,053,900	544,482,700	870,278	545,352,978	146,942,700	1.798	511,919,710
2016	3,443,200	439,400,700			35,580,000	25,894,400	36,669,000	540,987,300	861,706	541,849,006	146,638,800	1.878	512,007,524
2017	2,798,500	387,324,500			31,387,510	33,276,600	39,190,300	493,977,410	871,110	494,848,520	144,473,200	2.101	446,453,328

Source:

Municipal Tax Assessor

Note:

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

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

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

Fiscal Year Ended June 30,	Barrington School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Barrington	Camden County	
2008	\$ 3.193	\$ 0.189	\$ 3.382	\$ 1.409	\$ 1.279	\$ 6.070
2009	3.187	0.181	3.368	1.482	1.328	6.178
2010	R 1.528	0.075	1.603	0.742	0.670	3.015
2011	1.572	0.075	1.647	0.811	0.694	3.152
2012	1.573	0.075	1.648	0.857	0.739	3.244
2013	1.594	0.074	1.668	0.903	0.718	3.289
2014	1.645	0.072	1.717	0.966	0.792	3.475
2015	1.720	0.078	1.798	1.007	0.823	3.628
2016	1.800	0.078	1.878	1.045	0.828	3.751
2017	2.015	0.086	2.101	1.172	0.916	4.189

Source: Municipal Tax Collector

R Revaluation

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

J-8

104

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Sr. Housing of Barrington Mews	\$ 18,121,400	3.66%	Haddonfield Manor, LLC	\$ 8,421,800	3.07%
East Coast, The Willows, LLC	17,350,000	3.51%	Greenville Gardens Limited	6,602,900	2.41%
Lighthouse Haddonfield LLC	17,820,000	3.60%	AP-KEERA Barrington, LLC	6,300,000	2.30%
1 Commerce Dr Holdings	21,000,000	4.24%	Weyerhaeuser Paper Co.	5,496,800	2.01%
International Paper Company	5,726,100	1.16%	Berg Enterprise Associates	2,500,000	0.91%
101 Gloucester Pike Assoc.	3,594,900	0.73%	Norman & Pauline Edmund	2,419,100	0.88%
Berg Enterprises Associates	3,116,100	0.63%	BVW Associates, LP	1,814,700	0.66%
Daniel G Kamin (Rite Aid)	2,792,900	0.56%	Sieck Brothers/Royal Courts	1,288,700	0.47%
Barrington Redevelopment Urban Renewal	2,000,000	0.40%	Maureen Lenahan	1,140,600	0.42%
Sieck Brothers/Royal Courts	1,718,800	0.35%	FBV Inc.	1,057,200	0.39%
Total	\$ 93,240,200	18.84%		\$ 37,041,800	13.52%

Source: Municipal Tax Assessor

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

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2008	\$ 9,210,056	\$ 9,210,056	100.00%	-
2009	9,120,096	9,120,096	100.00%	-
2010	9,179,832	9,179,832	100.00%	-
2011	9,332,290	9,332,290	100.00%	-
2012	9,521,588	9,521,588	100.00%	-
2013	9,262,384	8,262,384	89.20%	-
2014	9,405,000	9,405,000	100.00%	-
2015	9,557,759	9,557,759	100.00%	-
2016	10,051,250	10,051,250	100.00%	-
2017	10,296,131	10,296,131	100.00%	-

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

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

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

J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	\$ 6,547,000	\$ -	\$ -	\$ -	\$ 6,547,000	2.28%	942
2009	6,382,000	21,253	-	-	6,403,253	2.22%	923
2010	6,107,000	35,751	-	-	6,142,751	2.10%	881
2011	5,917,000	17,991	-	-	5,934,991	1.94%	856
2012	5,707,000	16,982	-	-	5,723,982	1.85%	830
2013	5,230,000	6,621	-	-	5,236,621	1.70%	764
2014	5,010,000	2,320	-	-	5,012,320	1.57%	734
2015	4,770,000	160	-	-	4,770,160	1.46%	700
2016	4,525,000	-	-	-	4,525,000	c	666
2017	4,270,000	-	-	-	4,270,000	c	c

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2008	\$ 6,547,000	\$ -	\$ 6,547,000	1.17%	942
2009	6,382,000	-	6,382,000	1.16%	919
2010	6,697,000	-	6,697,000	1.23%	960
2011	6,547,000	-	6,547,000	1.21%	944
2012	5,707,000	-	5,707,000	1.05%	827
2013	5,230,000	-	5,230,000	0.97%	764
2014	5,010,000	-	5,010,000	0.91%	734
2015	4,770,000	-	4,770,000	0.87%	700
2016	4,525,000	-	4,525,000	0.84%	666
2017	4,270,000	-	4,270,000	0.86%	c

Sources:

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

**Barrington School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2016**

<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:			
Borough of Barrington	\$ 14,411,600 (1)	100.000%	\$ 14,411,600
Camden County General Obligation Debt	437,189,420 (1)	1.373% (2)	6,002,611
			<hr/>
Subtotal, overlapping debt			20,414,211
Barrington School District Direct Debt			<hr/> 4,525,000
Total direct and overlapping debt			<hr/> \$ 24,939,211 <hr/>

Sources:

- (1) Entity's Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2016 Equalized Valuation. The source for this computation was the 2016 County Abstract of Ratables, provided by the County Board of Taxation.

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

J-13

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis (1)
2014	\$ 510,957,924
2015	508,244,843
2016	513,270,683
	<u>\$1,532,473,450</u>
Average equalized valuation of taxable property	<u>\$ 510,824,483</u>
Debt limit (3% of average equalized valuation) (2)	15,324,735
Net bonded school debt (3)	4,270,000
Legal debt margin	<u>\$ 11,054,735</u>

Fiscal Year

	<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>	<u>2017</u>
Debt limit	\$ 14,711,483	\$ 16,148,257	\$ 17,115,174	\$ 17,483,972	\$ 17,132,672	\$ 16,469,440	\$ 15,903,776	\$ 15,578,788	\$ 15,365,580	\$ 15,324,735
Total net debt applicable to limit (3)	<u>6,547,000</u>	<u>6,382,000</u>	<u>6,107,000</u>	<u>5,917,000</u>	<u>5,707,000</u>	<u>5,230,000</u>	<u>5,010,000</u>	<u>4,770,000</u>	<u>4,525,000</u>	<u>4,270,000</u>
Legal debt margin	<u>\$ 8,164,483</u>	<u>\$ 9,766,257</u>	<u>\$ 11,008,174</u>	<u>\$ 11,566,972</u>	<u>\$ 11,425,672</u>	<u>\$ 11,239,440</u>	<u>\$ 10,893,776</u>	<u>\$ 10,808,788</u>	<u>\$ 10,840,580</u>	<u>\$ 11,054,735</u>
Total net debt applicable to the limit as a percentage of debt limit	44.50%	39.52%	35.68%	33.84%	33.31%	31.76%	31.50%	30.62%	29.45%	27.86%

Sources:

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2008	6,948	\$ 287,459,604	\$ 41,373	4.2%
2009	6,941	289,030,181	41,641	6.6%
2010	6,975	292,901,175	41,993	7.0%
2011	6,932	305,805,180	44,115	6.8%
2012	6,898	308,630,316	44,742	6.9%
2013	6,850	308,777,450	45,077	6.7%
2014	6,827	320,090,722	46,886	6.4%
2015	6,817	327,788,628	48,084	5.0%
2016	6,792	e	e	4.2%
2017	e	e	e	e

Source:

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

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

J-16

<u>Function/Program</u>	<u>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>	<u>2017</u>
Instruction										
Regular	38.0	36.8	34.8	31.0	38.0	41.0	42.0	42.0	43.0	43.0
Special education	12.0	15.0	15.0	13.0	13.0	13.0	13.0	13.0	12.0	17.0
Support Services:										
Student & instruction related services	38.0	24.7	24.4	24.4	22.0	19.0	19.0	19.0	19.0	20.0
School administrative services	4.0	3.0	3.0	3.0	3.0	5.5	5.5	6.5	6.5	6.0
General and business administrative services	3.0	1.4	1.4	1.4	0.6	0.6	0.6	0.6	0.6	1.0
Plant operations and maintenance	6.0	8.1	6.5	6.5	6.5	7.0	7.0	7.0	7.0	7.0
Business and other support services	3.0	2.7	1.3	1.3	1.7	1.7	1.7	1.7	1.7	1.7
Total	<u>104.0</u>	<u>91.7</u>	<u>86.4</u>	<u>80.6</u>	<u>84.8</u>	<u>87.8</u>	<u>88.8</u>	<u>89.8</u>	<u>89.8</u>	<u>95.7</u>

Source:
 District Personnel Records

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

J-17

<u>Fiscal Year</u>	<u>Resident Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2008	588	\$ 12,230,911	\$ 20,801	3.41%	58	1:10	580.1	559.8	1.60%	96.49%
2009	578	12,963,451	22,428	7.82%	52	1:10	577.8	547.3	-0.40%	94.72%
2010	612	12,936,075	21,137	-5.76%	58	1:10	604.5	574.5	4.62%	95.04%
2011	608	14,106,131	23,201	9.76%	56	1:10	625.6	594.5	3.49%	95.03%
2012	614	13,301,326	21,663	-6.63%	51	1:10	619.2	592.5	-1.02%	95.69%
2013	625	12,903,441	20,646	-4.70%	54	1:10	615.3	587.8	-0.63%	95.53%
2014	613	13,430,139	21,909	6.12%	55	1:11	612.9	587.8	-0.39%	95.90%
2015	616	13,613,358	22,100	0.87%	55	1:11	617.4	591.7	0.73%	95.84%
2016	619	14,045,142	22,690	2.67%	55	1:11	615.8	590.0	-0.26%	95.81%
2017	610	14,664,274	24,040	5.95%	60	1:10	614.7	589.7	-0.18%	95.93%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

J-18

	<u>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>	<u>2017</u>
<u>District Building</u>										
<u>Elementary</u>										
Woodland Elementary (1982)										
Square Feet	49,100	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462
Capacity (students)	350	353	353	353	353	353	353	353	353	353
Enrollment	198	170	198	252	237	250	224	248	256	264
Avon Elementary (1982)										
Square Feet	21,590	45,390	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876
Capacity (students)	173	380	308	308	308	308	308	308	308	308
Enrollment	379	408	412	356	377	375	389	370	360	350
<u>Other</u>										
Central Administration (1982)										
Square Feet	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
Number of Schools at June 30, 2017										
Elementary = 1										
Middle School = 1										
Senior High School = 0										
Other = 0										

Source: District Facilities Office

Barrington School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

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

* School Facilities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Woodland School	\$ 33,400	\$ 43,649	\$ 38,031	\$ 43,672	\$ 30,122	\$ 61,265	\$ 56,949	\$ 70,057	\$ 65,692	\$ 63,871	\$ 506,708
Avon School	31,900	33,085	35,390	42,185	35,844	55,258	50,772	62,457	58,553	56,938	462,382
Other Facilities	13,800		7,450	3,358	11,087	3,604	2,008	2,470	2,329	2,258	48,364
Total School Facilities	<u>\$ 79,100</u>	<u>\$ 76,734</u>	<u>\$ 80,871</u>	<u>\$ 89,215</u>	<u>\$ 77,053</u>	<u>\$ 120,127</u>	<u>\$ 109,729</u>	<u>\$ 134,984</u>	<u>\$ 126,574</u>	<u>\$ 123,067</u>	<u>\$ 1,017,454</u>

114

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

Source: District records

**Barrington School District
Insurance Schedule
June 30, 2017**

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 450,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
General Liability	16,000,000	
Automobile Liability	16,000,000	1,000
Workers' Compensation	Statutory	
School Board Legal Liability	16,000,000	5,000
Crime Coverage	250,000	1,000
Electronic Data Processing Equipment	580,000	1,000
Student Accident (1)	1,000,000	
Surety Bonds (3)		
Treasurer	200,000	
Board Secretary	50,000	

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

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
 Certified Public Accountants

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 American Institute of CPAs
 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

I have audited Barrington School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2017. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In my opinion, the Barrington School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
October 19, 2017

BARRINGTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2016			Carryover/ Walkover	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2017		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I:																
Fiscal Year 2017	84.010	S010A160030	NCLB019017	\$ 93,838	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ -	\$ 74,726	\$ (93,838)	\$ -	\$ -	\$ (19,112)	\$ -	\$ -
Fiscal Year 2016	84.010	S010A150030	NCLB019016	110,431	7/1/15 - 6/30/16	(22,337)				22,337						
Title II A:																
Fiscal Year 2017	84.367	S367A160029	NCLB019017	15,705	7/1/16 - 6/30/17						(11,723)			(11,723)		
Fiscal Year 2016	84.367	S367A150029	NCLB019016	10,194	7/1/15 - 6/30/16	(9,642)				7,871		1,771				
I.D.E.A. Part B - Basic:																
Fiscal Year 2017	84.027	H027A160100	IDEA019017	210,563	7/1/16 - 6/30/17					210,563	(210,563)					
I.D.E.A. Part B - Preschool:																
Fiscal Year 2017	84.173	H173A160114	IDEA019017	8,236	7/1/16 - 6/30/17						(8,235)			(8,235)		
Total U.S. Department of Education						(31,979)				315,497	(324,359)	1,771		(39,070)		
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program																
Fiscal Year 2017	10.565	171NJ304N1099	N/A	15,979	7/1/16 - 6/30/17					15,979	(15,979)					
School Breakfast Program:																
Fiscal Year 2017	10.553	171NJ304N1099	N/A	11,792	7/1/16 - 6/30/17					11,018	(11,792)			(774)		
Fiscal Year 2016	10.553	16161NJ304N1099	N/A	12,942	7/1/15 - 6/30/16	(1,030)				1,030						
National School Lunch Program:																
Fiscal Year 2017	10.555	171NJ304N1099	N/A	65,293	7/1/16 - 6/30/17					61,860	(65,293)			(3,433)		
Fiscal Year 2016	10.555	16161NJ304N1099	N/A	66,185	7/1/15 - 6/30/16	(4,019)				4,019						
Total U.S. Department of Agriculture						(5,049)				93,906	(93,064)			(4,207)		
Total Federal Awards						\$ (37,028)	\$ -	\$ -	\$ -	\$ 409,403	\$ (417,423)	\$ 1,771	\$ -	\$ (43,277)	\$ -	\$ -

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

BARRINGTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2016			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2017		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	17-495-034-5120-078	\$ 2,677,160	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ -	\$ 2,422,942	\$ (2,677,160)	\$ -	\$ (254,218)	\$ -	\$ -
Equalization Aid	16-495-034-5120-078	2,677,918	7/1/15 - 6/30/16	(250,095)				250,095					
Special Education Categorical Aid	17-495-034-5120-089	524,444	7/1/16 - 6/30/17					474,644	(524,444)		(49,800)		
Special Education Categorical Aid	16-495-034-5120-089	518,323	7/1/15 - 6/30/16	(48,407)				48,407					
Categorical Security Aid	17-495-034-5120-084	23,536	7/1/16 - 6/30/17					21,301	(23,536)		(2,235)		
Categorical Security Aid	16-495-034-5120-084	20,049	7/1/15 - 6/30/16	(1,872)				1,872					
Categorical Transportation Aid	17-495-034-5120-014	23,765	7/1/16 - 6/30/17					21,508	(23,765)		(2,257)		
Categorical Transportation Aid	16-495-034-5120-014	20,628	7/1/15 - 6/30/16	(1,926)				1,926					
Per Pupil Growth Aid	17-495-034-5120-097	8,540	7/1/16 - 6/30/17					7,729	(8,540)		(811)		
Per Pupil Growth Aid	16-495-034-5120-097	8,540	7/1/15 - 6/30/16	(798)				798					
PARCC Readiness Aid	17-495-034-5120-098	8,540	7/1/16 - 6/30/17					7,729	(8,540)		(811)		
PARCC Readiness Aid	16-495-034-5120-098	8,540	7/1/15 - 6/30/16	(798)				798					
Professional Learning Community Aid	17-495-034-5120-101	8,360	7/1/16 - 6/30/17					7,566	(8,360)		(794)		
Lead Testing for Schools Aid	17-495-034-5120-104	5,548	7/1/16 - 6/30/17					(5,548)			(5,548)		
Extraordinary Special Education Cost Aid	17-495-034-5120-044	53,659	7/1/16 - 6/30/17					(53,659)			(53,659)		
Extraordinary Special Education Cost Aid	16-495-034-5120-044	38,835	7/1/15 - 6/30/16	(38,835)									
Nonpublic Transportation Aid	17-495-034-5120-014	8,004	7/1/16 - 6/30/17					38,835					
Nonpublic Transportation Aid	16-495-034-5120-014	7,208	7/1/15 - 6/30/16	(7,208)				7,208	(8,004)		(8,004)		
Homeless Tuition Aid	17-495-034-5120-005	4,301	7/1/16 - 6/30/17					5,023	(4,301)		(4,301)		
Homeless Tuition Aid	16-495-034-5120-005	5,023	7/1/15 - 6/30/16	(5,023)									
On-behalf TPAF Pension Contribution	17-495-034-5094-002	505,409	7/1/16 - 6/30/17					505,409	(505,409)				
On-behalf TPAF Post Retirement Medical	17-495-034-5094-001	421,121	7/1/16 - 6/30/17					421,121	(421,121)				
On-behalf TPAF Long Term Disability Ins.	17-495-034-5094-004	1,772	7/1/16 - 6/30/17					1,772	(1,772)				
Reimbursed TPAF Social Security Contr.	17-495-034-5094-003	346,729	7/1/16 - 6/30/17					312,269	(346,729)		(34,460)		
Reimbursed TPAF Social Security Contr.	16-495-034-5094-003	344,558	7/1/15 - 6/30/16	(32,462)				32,462					
Total General Fund				<u>(387,424)</u>				<u>4,591,414</u>	<u>(4,620,888)</u>		<u>(416,898)</u>		
Special Revenue Fund:													
NJ Nonpublic Aid:													
Textbook Aid	17-100-034-5120-064	10,836	7/1/16 - 6/30/17					10,836	(10,836)				
Textbook Aid	16-100-034-5120-064	11,534	7/1/15 - 6/30/16				2,862			2,862			
Nursing Aid	17-100-034-5120-070	16,920	7/1/16 - 6/30/17					16,920	(16,751)				169
Nursing Aid	16-100-034-5120-070	18,180	7/1/15 - 6/30/16				182			182			
Technology Aid	17-100-034-5120-373	4,888	7/1/16 - 6/30/17					4,888	(4,783)				105
Technology Aid	16-100-034-5120-373	5,252	7/1/15 - 6/30/16				506			506			
Security Aid	17-100-034-5120-509	9,400	7/1/16 - 6/30/17					9,400	(4,499)				4,901
Security Aid	16-100-034-5120-509	5,050	7/1/15 - 6/30/16				1,423			1,423			
Auxiliary Services:													
Home Instruction	17-100-034-5120-067	670	7/1/16 - 6/30/17						(670)		(670)		
Handicapped Services:													
Supplemental Instruction	16-100-034-5120-066	20,792	7/1/15 - 6/30/16				20,792			20,792			
Examination & Classification	17-100-034-5120-066	43,211	7/1/16 - 6/30/17					43,211	(10,624)				32,587
Examination & Classification	16-100-034-5120-066	21,299	7/1/15 - 6/30/16				3,583			3,583			
Total Special Revenue Fund							<u>29,348</u>	<u>85,255</u>	<u>(48,163)</u>		<u>29,348</u>	<u>(670)</u>	<u>37,762</u>
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)	17-100-010-3350-023	1,917	7/1/16 - 6/30/17					1,820	(1,917)		(97)		
National School Lunch Program (State Share)	16-100-010-3350-023	2,048	7/1/15 - 6/30/16	(122)				122					
Total Enterprise Fund				<u>(122)</u>				<u>1,942</u>	<u>(1,917)</u>		<u>(97)</u>		
Total State Financial Assistance				<u>\$ (387,546)</u>	<u>\$ -</u>	<u>\$ 29,348</u>	<u>\$ -</u>	<u>\$ 4,678,611</u>	<u>(4,670,968)</u>	<u>\$ 29,348</u>	<u>\$ (417,665)</u>	<u>\$ -</u>	<u>\$ 37,762</u>
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)													
									(505,409)				
On-Behalf TPAF Contribution - Post Retirement Medical (Non-Budgeted)													
									(421,121)				
On-Behalf TPAF Contribution - Long Term Disability Insurance (Non-Budgeted)													
									(1,772)				
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08													
									<u>\$ (3,742,666)</u>				

120

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

Barrington School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,030) for the general fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 4,613,858	\$ 4,613,858
Special Revenue	324,359	48,163	372,522
Food Service	93,064	1,917	94,981
Total	<u>\$ 417,423</u>	<u>\$ 4,663,938</u>	<u>\$ 5,081,361</u>

**Barrington School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

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

	<u>Federal</u>
Cancelation of Accounts Receivable	\$ 1,171
Total	<u>\$ 1,171</u>

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified? _____ yes X none reported

Noncompliance material to general purpose financial statements noted? X yes _____ no

Federal Awards

NOT APPLICABLE

Internal Control over major programs:

Material weaknesses identified? _____ yes _____ no

Significant deficiencies identified? _____ yes _____ none reported

Type of auditor's report on compliance for major programs: _____

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

 Material weaknesses identified? yes X no

 Significant deficiencies identified that are
 not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 2 -- Schedule of Financial Statement Findings

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

Finding No. 2017-001

Criteria or specific requirement:

Good internal control requires strict adherence to payment of approved salaries.

Condition:

One employee was not paid in accordance with their approved contract.

Context:

Of the twenty-five employees tested, one employee was overpaid.

Effect:

The Board overpaid \$5,625 in salaries.

Cause:

Oversight.

Recommendation:

That employees be paid in accordance with their approved contract.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

**BARRINGTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding #2016-001

Several Avon School Student Activity Fund receipts were not deposited promptly.

Current Status:

This finding has been corrected.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.