

**SCHOOL DISTRICT**  
**OF**  
**BLAIRSTOWN TOWNSHIP**

**Blairstown Township School District**  
**Board of Education**  
**Blairstown, Warren County**  
**New Jersey**

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



# **Comprehensive Annual**

## **Financial Report**

**of the**

**Blairstown Township School District**

**Board of Education**

**Blairstown, New Jersey**

**For the Fiscal Year Ending June 30, 2017**

**Prepared by**

**Blairstown Township School District**

**Board of Education**

**Finance Department**



# OUTLINE OF CAFR

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## Introductory Section



# Blairstown Board of Education

P.O. Box E  
One Sunset Hill Road  
Blairstown, New Jersey 07825

Phone (908) 362-8536 Fax (908) 362-9638

September 30, 2017

Honorable President and  
Members of the Board of Education  
Blairstown School District  
County of Warren, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Blairstown School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*, and the state Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to 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:** Blairstown School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statements No. 3. All funds and account groups of the District are included in this report. The Blairstown Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Six and operates a full spectrum program for children with disabilities. These services include regular, as well as special education, for handicapped youngsters. The District completed the 2016-2017 fiscal year with an average enrollment of 481 students. The following details the changes in the student enrollment of the District over the last five years.

Fiscal Year	Average Daily Student Enrollment	Percent Change
2010-2011	634	+0.3%
2011-2012	604	-4.7%
2012-2013	554	-8.2%
2013-2014	531	-4.3%
2014-2015	542	+2%
2015-2016	508	-6.3%
2016-2017	481	-5.3%

**2) ECONOMIC CONDITION AND OUTLOOK:** Enrollment has been decreasing over the last several years, as outlined above. Annual reductions in state aid are a concern for the future of this district, particularly if enrollment increases with the 2% cap in mind.

**3) MAJOR INITIATIVES:** Blairstown Township School District will focus on Language Arts and Math instruction and achievement this year. The Foundations and Words Their Way programs are in place, and training has been accomplished. Foundations program coach is scheduled to work with professional staff during the school year.

Fountas and Pinnell intervention strategies will continue.

Summer Curriculum updates have been completed for Visual and Performing Arts, a major part of our educational program.

Technology updates continue with a new server installed and four new state-of-the-art “Smart TV” SMART Boards installed in classrooms, replacing outdated Mimio systems.

**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 internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. 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, 2015.

**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) FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by 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 funds are secured in accordance with the Act.

**9) 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.

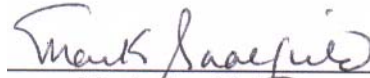
**10) OTHER INFORMATION:**


**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04

OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11) ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Blirstown 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.

Respectfully submitted,

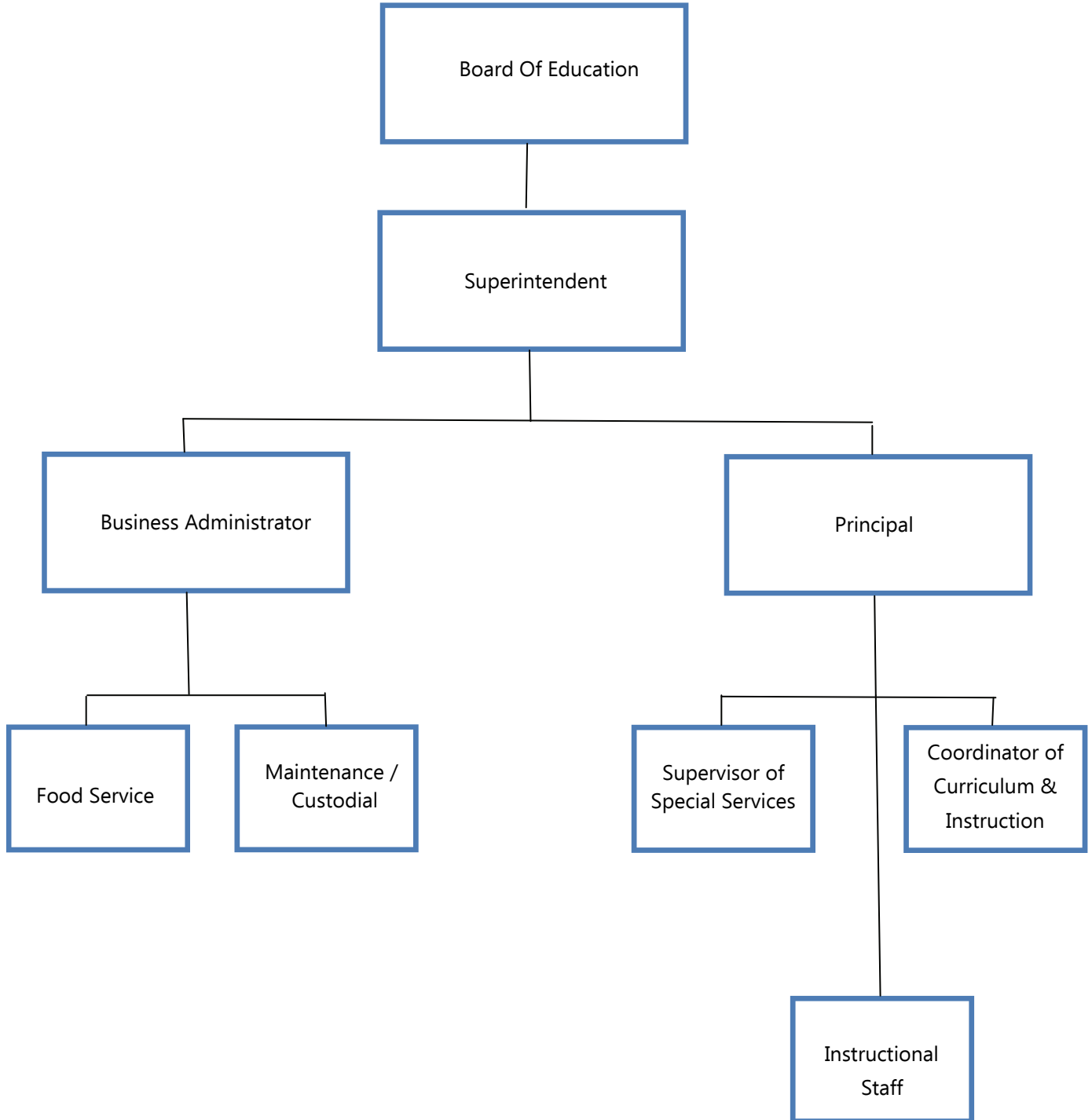
  
\_\_\_\_\_  
Mark Saalfeld  
Superintendent

  
\_\_\_\_\_  
Molly Petty  
School Business Administrator

**BLAIRSTOWN ELEMENTARY SCHOOL**

P.O. Box E  
One Sunset Hill Road  
Blairstown, N.J. 07825

**ORGANIZATIONAL CHART**





**BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

**Members of the Board of Education**

**Term Expires**

Dirk Herrmann, President	2017
Lauren Glory, Vice-President	2018
Kelly Hadden	2018
Donna Krauss	2019
John Karolchyk	2019
Michelle Gerhardt	2019
Shelly Mantegna	2018
Jeremy Cook	2017
Jessica Wood-Rosso	2017

**Other Officials**

Mark Saalfield, Superintendent

Bruce Leal, Principal

Molly P. Petty, Business Administrator/Board Secretary

Georgette Range, Treasurer

**BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Design Resources Group**  
371 Hoes Lane  
Piscataway, NJ 08854

**AUDIT FIRM**

**Ardito & Co., LLP**  
**Anthony Ardito**  
1110 Harrison Street, Suite C  
Frenchtown, NJ 08825

**ATTORNEY**

**Schwartz, Simon, Edelstein, Celso LLC**  
**Andrew Brown, Esquire**  
100 South Jefferson Road, Suite 200  
Whippany, New Jersey 07981

**OFFICIAL DEPOSITORY**

**First Hope Bank**  
P.O. Box 296  
Hope, NJ 07844



# Financial Section

# Independent Auditor's Report



## **ARDITO & Co., LLP**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, RMA, PSA

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Blairstown Township School District  
County of Warren  
Blairstown, New Jersey 07825

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Blairstown Township School District Board of Education, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Blairstown Township School District Board of Education, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Blairstown Township School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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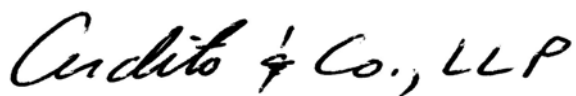
The combining and individual fund financial statement information, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, and schedule of state financial assistance, as required by New Jersey OMB's circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, on our consideration of the Blairstown Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.



ARDITO & CO., LLP  
August 31, 2017



Licensed Public School Accountant No. 2369

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

The discussion and analysis of Blairstown Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2017 are as follows:

- ◆ In total, Net Position increased \$19,636 which represents a 1.0% increase from 2016.
- ◆ General revenues accounted for \$6,856,008 in revenue or 53.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,391,694 or 46.3% of total revenues of \$12,247,702.
- ◆ Total assets of governmental activities increased by \$240,209, as cash and cash equivalents decreased by \$438,150, receivables increased by \$234,782, and capital assets increased by \$443,399.
- ◆ The School District had \$12,228,066 in expenses; only \$5,391,694 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,856,008 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$9,728,861 in revenues and \$9,593,980 in expenditures. The General Fund's surplus balance decreased \$496,801 over 2016, which compares favorably to the budgeted decrease of \$917,400.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Blairstown Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Blairstown Township School District, the General Fund is by far the most significant fund.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2017 compared to 2016.

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current and Other Assets	\$ 1,213,076	\$ 1,416,266
Capital Assets	<u>2,605,598</u>	<u>2,162,199</u>
<b>Total Assets</b>	<u>3,818,674</u>	<u>3,578,465</u>
<b>Deferred Outflows of Resources</b>	<u>624,879</u>	<u>293,474</u>
<b>Liabilities</b>		
Long-Term Liabilities	2,297,026	1,739,315
Other Liabilities	<u>65,140</u>	<u>62,127</u>
<b>Total Liabilities</b>	<u>2,362,166</u>	<u>1,801,442</u>
<b>Deferred Inflows of Resources</b>	<u>63,933</u>	<u>72,679</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	2,605,598	2,162,199
Restricted	762,671	1,176,353
Unrestricted	<u>(1,350,815)</u>	<u>(1,340,734)</u>
<b>Total Net Position</b>	<u>\$ 2,017,454</u>	<u>\$ 1,997,818</u>

Total assets of governmental activities increased by \$240,209, as cash and cash equivalents decreased by \$438,150, receivables increased by \$234,782, and capital assets increased by \$443,399.

The cash increase was mainly due to operational efficiency towards budget, net of capital addition spending, receivables increased due to a state SDA capital grant, and the decrease in capital assets was due to depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2016.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

**Table 2**  
**Changes in Net Position**

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 131,505	\$ 139,896
Operating Grants and Contributions	5,260,189	4,562,383
General Revenues:		
Property Taxes	6,520,000	6,520,000
Federal & State Aid on Capital Asset Projects	279,084	-
Investment Earnings	7,559	5,473
Other	49,365	63,939
<b>Total Revenues</b>	<u>12,247,702</u>	<u>11,291,691</u>
 <b>Program Expenses</b>		
Instruction	6,466,629	5,968,270
Support Services:		
Tuition	267,116	75,834
Pupils and Instructional Staff	2,015,117	1,735,833
General Administration, School Administration, Business	1,076,516	938,813
Operations and Maintenance of Facilities	1,172,209	1,314,420
Pupil Transportation	937,620	719,133
Business-Type Activities	125,416	118,027
Interest and Fiscal Charges	167,443	163,004
<b>Total Expenses</b>	<u>12,228,066</u>	<u>11,033,334</u>
 Increase in Net Position	 <u>\$ 19,636</u>	 <u>\$ 258,357</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 53.2% percent of revenues for governmental activities for the Blairstown Township School District for the fiscal year 2017.

Instruction comprises 52.9% of district expenses. Support services expenses make up 44.7% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2016. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 6,466,629	\$ 3,577,140	\$ 5,968,270	\$3,380,307
Support Services:				
Tuition	267,116	155,165	75,834	45,490
Pupils and Instructional Staff	2,015,117	1,090,737	1,735,833	971,107
General Admin., School Admin., Business	1,076,516	625,336	938,813	563,154
Operation and Maintenance of Facilities	1,172,209	680,922	1,314,420	788,465
Pupil Transportation	937,620	544,652	719,133	431,377
Business-Type Activities	125,416	(5,023)	118,027	(11,849)
Interest and Fiscal Charges	<u>167,443</u>	<u>167,443</u>	<u>163,004</u>	<u>163,004</u>
<b>Total Expenses</b>	<u>\$ 12,228,066</u>	<u>\$ 6,836,372</u>	<u>\$ 11,033,334</u>	<u>\$ 6,331,055</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 55.3% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 56.6%. The community, as a whole, is the primary support for the Blairstown Township School District.

### **The School District's Funds**

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$10,267,018 and expenditures of \$10,482,235. The General Fund's surplus balance decreased \$496,801 over 2016, which compares favorably to the budgeted decrease of \$917,400.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2017 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,667,940, \$85,340 over original budgeted estimates of \$8,582,600. This difference was due primarily to increases in tuition based programs and other miscellaneous revenues.

General fund revenues fell short of expenditures by \$496,685. Again this deficit compares to a budgeted deficit of \$917,400, which was due to the budgeted use of surplus and capital reserve withdrawal needed to balance the 2016-2017 budget. The budgeted deficit was reduced due revenue increases and cost savings in the areas of instruction, administration, and benefits.

Overall general fund balance (budget basis) was \$1,021,810, and amounts ear-marked and reserved for future purposes were \$782,974, creating a surplus in unreserved fund balance of \$238,836. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2017, the School District had \$2,594,039 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<u>2017</u>	<u>2016</u>
Land	\$ 500,000	\$ 500,000
Land Improvements	3,108	3,995
Buildings and Improvements	1,984,487	1,497,999
Machinery and Equipment	<u>106,444</u>	<u>144,793</u>
 Totals	 <u>\$ 2,594,039</u>	 <u>\$ 2,146,787</u>

Overall capital assets increased \$447,252 from fiscal year 2016 to fiscal year 2017. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$629,182 were purchased during fiscal year 2017, which was for the completion of the window replacement project.

**Debt Administration**

At June 30, 2017, the School District had \$200,757 as outstanding long term debt. Of this amount, \$200,757 is for compensated absences.

At June 30, 2017, the School District’s overall legal debt margin was \$22,482,614 and the unvoted debt margin was the same.

**For the Future**

In conclusion, the Blairstown Township School District has committed itself to financial excellence for many years. In addition, the School District’s system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information contact Molly P. Petty, School Business Administrator/Board Secretary at Blairstown Township School District, PO Box E, One Sunset Hill Road, Blairstown, NJ 07825.



# Basic Financial Statements

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION  
JUNE 30, 2017

	GOVERNMENTAL BUSINESS-TYPE		
	ACTIVITIES	ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 867,721	\$ 14,051	\$ 881,772
Receivables, Net	300,861	3,123	303,984
Interfund Receivables		23,620	23,620
Inventory		3,700	3,700
Capital Assets, Net (Note 5):	2,594,039	11,559	2,605,598
<b>Total Assets</b>	<b>3,762,621</b>	<b>56,053</b>	<b>3,818,674</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows			624,879
<b>LIABILITIES</b>			
Accounts Payable	35,192	4,817	40,009
Interfund Payables	23,620		23,620
Net Pension Liability (Note 7)	2,096,269		2,096,269
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	200,757		200,757
<b>Total Liabilities</b>	<b>2,355,838</b>	<b>6,328</b>	<b>2,362,166</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows			63,933
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,594,039	11,559	2,605,598
Restricted for:			
Other Purposes	762,671		762,671
Unrestricted	(1,388,981)	38,166	(1,350,815)
<b>Total Net Position</b>	<b>\$ 1,967,729</b>	<b>\$ 49,725</b>	<b>\$ 2,017,454</b>

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:							
Instruction:							
Regular	\$ 4,492,062	\$ 19,880	\$ 2,042,044		\$ (2,430,138)		\$ (2,430,138)
Special Education	1,433,918	6,348	594,625		(832,945)		(832,945)
Other Special Instruction	540,649	2,393	224,199		(314,057)		(314,057)
Support Services:							
Tuition	267,116	1,182	110,769		(155,165)		(155,165)
Student & Instruction Related Services	2,015,117	8,920	915,460		(1,090,737)		(1,090,737)
School Administrative Services	277,690	1,229	115,154		(161,307)		(161,307)
General and Business Admin. Services	798,826	3,536	331,261		(464,029)		(464,029)
Plant Operations and Maintenance	1,172,209	5,189	486,098		(680,922)		(680,922)
Pupil Transportation	937,620	4,151	388,817		(544,652)		(544,652)
Other Fiscal Charges	1,127				(1,127)		(1,127)
Unallocated Depreciation	166,316				(166,316)		(166,316)
Total Governmental Activities	12,102,650	52,828	5,208,427		(6,841,395)		(6,841,395)
Business-Type Activities:							
Food Service	125,416	78,677	51,762			\$ 5,023	5,023
Total Business-Type Activities	125,416	78,677	51,762	-		5,023	5,023
<b>Total Primary Government</b>	<b>\$ 12,228,066</b>	<b>\$ 131,505</b>	<b>\$ 5,260,189</b>	<b>\$ -</b>	<b>\$ (6,841,395)</b>	<b>\$ 5,023</b>	<b>\$ (6,836,372)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 6,520,000		\$ 6,520,000
Federal and State Aid for Capital Asset Projects					279,084		279,084
Investment Earnings					7,421	\$ 138	7,559
Miscellaneous Income					49,365		49,365
Total General Revenues, Special Items, Extraor. Items & Transfers					6,855,870	138	6,856,008
Change in Net Position					14,475	5,161	19,636
Net Position—Beginning (as restated)					1,953,254	44,564	1,997,818
Net Position—Ending					<b>\$ 1,967,729</b>	<b>\$ 49,725</b>	<b>\$ 2,017,454</b>

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

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 865,221	\$ 2,500	\$ 867,721
Receivables from Other Governments	21,777	279,084	300,861
<b>TOTAL ASSETS</b>	<b><u>\$ 886,998</u></b>	<b><u>\$ 281,584</u></b>	<b><u>\$ 1,168,582</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 35,192		\$ 35,192
Interfund Payable	23,620		23,620
Deferred Revenue			-
<b>Total Liabilities</b>	<b><u>58,812</u></b>	<b><u>-</u></b>	<b><u>58,812</u></b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve	512,671		512,671
<u>Assigned to:</u>			
Year-End Encumbrances	20,303		20,303
General Fund-Designated for Subsequent Year's Expend.	250,000		250,000
Capital Fund - Undesignated		\$ 281,584	281,584
<u>Unassigned:</u>			
General Fund - Undesignated	45,212		45,212
<b>Total Fund Balances</b>	<b><u>828,186</u></b>	<b><u>281,584</u></b>	<b><u>1,109,770</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 886,998</u></b>	<b><u>\$ 281,584</u></b>	<b><u>\$ 1,168,582</u></b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,758,129 and the accumulated depreciation is \$2,164,090 (see Note 5).	\$ 2,594,039
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)	624,879
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)	(63,933)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(2,096,269)
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 (see Note 6).	(200,757)
Net Position of governmental activities	<u>\$ 1,967,729</u>

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
**GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
<b>Local sources:</b>				
Local Tax Levy	\$ 6,520,000			\$ 6,520,000
Tuition	52,828			52,828
Miscellaneous	56,786	-		56,786
<b>Total - Local Sources</b>	<b>6,629,614</b>	<b>-</b>		<b>6,629,614</b>
<b>State Sources</b>	<b>3,061,445</b>		<b>\$ 279,084</b>	<b>3,340,529</b>
<b>Federal Sources</b>	<b>37,802</b>	<b>\$ 259,073</b>		<b>296,875</b>
<b>Total Revenues</b>	<b>9,728,861</b>	<b>259,073</b>	<b>279,084</b>	<b>10,267,018</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Regular Instruction	2,492,254	179,252		2,671,506
Special Education Instruction	853,911			853,911
Other Special Instruction	321,961			321,961
Support services and undistributed costs:				
Tuition	159,070			159,070
Student and Instruction Related Services	1,120,199	79,821		1,200,020
School Administrative Services	165,367			165,367
Other Administrative Services	446,345			446,345
Plant Operations and Maintenance	696,413			696,413
Pupil Transportation	552,691			552,691
Unallocated Benefits	2,415,855			2,415,855
Charter School	344,163			344,163
<b>Capital Outlay</b>	<b>25,751</b>		<b>629,182</b>	<b>654,933</b>
<b>Total Expenditures</b>	<b>9,593,980</b>	<b>259,073</b>	<b>629,182</b>	<b>10,482,235</b>
Excess (Deficiency) of Revenues Over Expenditures	134,881		(350,098)	(215,217)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Capital Projects Fund	(631,682)		631,682	
<b>Total Other Financing Sources and Uses</b>	<b>(631,682)</b>		<b>631,682</b>	
Net Change in Fund Balances	(496,801)	-	281,584	(215,217)
Fund Balance—July 1	1,324,987			1,324,987
<b>Fund Balance—June 30</b>	<b>\$ 828,186</b>		<b>\$ 281,584</b>	<b>\$ 1,109,770</b>

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (215,217)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (181,930)	
Capital Outlays	<u>629,182</u>	447,252

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (129,723)

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. (87,837)

**Change in Net Position of Governmental Activities** **\$ 14,475**

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

JUNE 30, 2017

		<b>Business-Type Activities- Enterprise Funds</b>	
		<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$	14,051	\$ 14,051
Accounts Receivable		3,123	3,123
Interfund Receivable		23,620	23,620
Inventories		3,700	3,700
<b>Total Current Assets</b>		<b>44,494</b>	<b>44,494</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment		93,713	93,713
Less Accumulated Depreciation		(82,154)	(82,154)
<b>Total Noncurrent Assets</b>		<b>11,559</b>	<b>11,559</b>
<b>Total Assets</b>		<b>56,053</b>	<b>56,053</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable		4,817	4,817
Deferred Revenue		1,511	1,511
<b>Total Current Liabilities</b>		<b>6,328</b>	<b>6,328</b>
<b>Total Liabilities</b>		<b>6,328</b>	<b>6,328</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt		11,559	11,559
Unrestricted		38,166	38,166
<b>Total Net Position</b>	<b>\$</b>	<b>49,725</b>	<b>\$ 49,725</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	<b>Business-type Activities-</b>	
	<b>Food</b>	<b>Total</b>
	<b>Service</b>	<b>Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 73,974	\$ 73,974
Daily Sales - Non-Reimb. Programs	4,703	4,703
Miscellaneous	-	-
<b>Total Operating Revenues</b>	<b>78,677</b>	<b>78,677</b>
<b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	59,834	59,834
Cost of Sales - Non-reimbursable Programs	4,391	4,391
Salaries	27,269	27,269
Employee Benefits	7,109	7,109
Other Purchased Professional Services	7,213	7,213
Miscellaneous	15,747	15,747
Depreciation	3,853	3,853
<b>Total Operating Expenses</b>	<b>125,416</b>	<b>125,416</b>
Operating Income (Loss)	(46,739)	(46,739)
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	1,444	1,444
Federal Sources:		
National School Lunch Program	43,459	43,459
Food Distribution Program	6,859	6,859
Interest Income	138	138
<b>Total Nonoperating Revenues (Expenses)</b>	<b>51,900</b>	<b>51,900</b>
Income (Loss)	5,161	5,161
Change in Net Position	5,161	5,161
Total Net Position—Beginning	44,564	44,564
<b>Total Net Position—Ending</b>	<b>\$ 49,725</b>	<b>\$ 49,725</b>

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



## BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2017

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 78,677	\$ 78,677
Payments to Employees	(27,269)	(27,269)
Payments for Employee Benefits	(7,109)	(7,109)
Payments to Suppliers	(105,734)	(105,734)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(61,435)</b>	<b>(61,435)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,433	1,433
Federal Sources	43,234	43,234
Interest Income	138	138
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>44,805</b>	<b>44,805</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,630)	(16,630)
Balances—Beginning of Year	30,681	30,681
<b>Balances—End of Year</b>	<b>\$ 14,051</b>	<b>\$ 14,051</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (46,739)	\$ (46,739)
Depreciation	3,853	3,853
Provided by (used for) Operating Activities:		
Federal Commodities	6,859	6,859
(Increase) Decrease in Accounts Receivable	(23,620)	(23,620)
(Increase) Decrease in Inventories	(177)	(177)
Increase (Decrease) in Accounts Payable	(1,611)	(1,611)
Total Adjustments	(14,696)	(14,696)
Net Cash Provided by (used for) Operating Activities	<b>\$ (61,435)</b>	<b>\$ (61,435)</b>

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

JUNE 30, 2017

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 10,727	\$ 141,028
<b>Total Assets</b>	<b>10,727</b>	<b>141,028</b>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		4,249
Summer Pay		128,900
Accounts Payable		3,729
Payable to Student Groups		4,150
<b>Total Liabilities</b>		<b>\$ 141,028</b>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims & Other Purposes	<b>\$ 10,727</b>	<b>-</b>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended June 30, 2017

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 8,915
Total Contributions	<u>8,915</u>
Investment Earnings:	
Interest	<u>35</u>
Net Investment Earnings	<u>35</u>
<b>Total Additions</b>	<b><u>8,950</u></b>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>834</u>
<b>Total Deductions</b>	<b><u>834</u></b>
Change in Net Position	8,116
Net Position—Beginning of the Year	<u>2,611</u>
<b>Net Position—End of the Year</b>	<b><u>\$ 10,727</u></b>

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

# Notes to Financial Statements

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Blairstown Township School District (District) have been prepared in conformity with generally accepted accounting principles (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 Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, and amendment of GASB No. 27. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2016.

**A. Reporting Entity:**

The Blairstown Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Blairstown Township School District had an approximate enrollment at June 30, 2017, of 481 students.

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

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

Based on the aforementioned criteria, the District has no component units.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-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.

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment 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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

Additionally, the District reports the following fund type:

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey 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 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 District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**D. Encumbrance Accounting:**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred 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.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

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

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

All payables, accrued liabilities and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. 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 laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**Revenues—Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

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

**Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2017, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking Accounts	\$ 881,772	\$ 151,755	\$ 1,033,527
	<u>\$ 881,772</u>	<u>\$ 151,755</u>	<u>\$ 1,033,527</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$1,033,527 and the bank balance was \$1,202,434. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$952,434 was covered by collateral pool.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2017, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 300,861	\$ 300,965
Federal Aid	-	3,019
Gross Receivable	<u>\$ 300,861</u>	<u>\$ 303,984</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u><u>\$ 300,861</u></u>	<u><u>\$ 303,984</u></u>

Other Receivables of \$5,030 consisted of tuition contracts receivable from sending school districts.

**NOTE 4: INVENTORY**

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

Food	<u>\$3,700</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 5: CAPITAL ASSETS**

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 500,000			\$ 500,000
Total Capital Assets Not Being Depreciated	<u>500,000</u>			<u>500,000</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	296,068			296,068
Buildings and Building Improvements	2,890,670	\$ 629,182		3,519,852
Machinery and Equipment	442,209			442,209
Total at Historical Cost	<u>4,128,947</u>	<u>629,182</u>		<u>4,758,129</u>
Less Accumulated Depreciation for:				
Land Improvements	(292,073)	(887)		(292,960)
Building and Improvements	(1,392,671)	(142,694)		(1,535,365)
Equipment	(297,416)	(38,349)		(335,765)
Total Accumulated Depreciation	<u>(1,982,160)</u>	<u>(181,930)</u>		<u>(2,164,090)</u>
	<u>2,146,787</u>	<u>447,252</u>		<u>2,594,039</u>
<b>Government Activity Capital Assets, Net</b>	<u><b>\$ 2,146,787</b></u>	<u><b>\$ 447,252</b></u>		<u><b>\$ 2,594,039</b></u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 5: CAPITAL ASSETS -(Continued)**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 3,557
School Administrative Services	4,739
Plant Operation and Maintenance	1,648
Pupil Transportation	5,670
Unallocated	<u>166,316</u>
Total	<u>\$ 181,930</u>

**NOTE 6: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2017, are as follows:

	Balance <u>7/1/16</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/17</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$112,920	\$87,837		\$200,757	
<b>Total</b>	<u>\$112,920</u>	<u>\$87,837</u>		<u>\$200,757</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

As of June 30, 2017, the District had no issued bonds or authorized but not issued bonds.



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS**

*Description of Plans* - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

*Teachers' Pension and Annuity Fund (TPAF)* - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies* - 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$30,290,411 as measured on June 30, 2016 and \$25,764,460 as measured on June 30, 2015.

*For the year ended June 30, 2017, the District recognized pension expense of \$2,275,903 and revenue of \$2,275,903 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2015 and June 30, 2016.*

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

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

	<u>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$7,521,378,257	\$17,440,003,201
Collective deferred inflows of resources	\$554,399,005	\$195,027,919
Collective net pension liability (Nonemployer-State of New Jersey)	\$63,204,270,305	\$78,666,367,052
State's portion of the net pension liability that was associated with the district	\$25,764,460	\$30,290,411
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.040764%	0.038505%

*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:	2.50%
Salary Increases:	
Through 2021	Varies based on experience
Therafter	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 Investment 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:

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

*Discount rate* - The discount rate used to measure the 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. 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 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 District's proportionate share of the net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. 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 at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

*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 Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Summary of Significant Accounting Policies* - 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.

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

At June 30, 2017, the District reported a liability of \$2,096,269 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016, the District's proportion was 0.00708% which was a decrease of 0.00017% from its proportion measured as of June 30, 2015.

*For the year ended June 30, 2017, the District recognized pension expense of \$186,793. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:*

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 38,984	-
Changes of assumptions	434,235	
Net difference between projected and actual earnings on pension plan investments	79,933	
Changes in proportion and differences between District contributions and proportionate share of contributions	8,535	\$ 63,933
District contributions subsequent to the measurement date	63,192	
Total	<u>\$ 624,879</u>	<u>\$ 63,933</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

\$63,192 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 pension liability measured as of 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:

	<u>Year Ended June 30:</u>
2017	\$112,065
2018	112,065
2019	129,831
2020	109,077
2021	<u>34,717</u>
Total	<u>\$497,754</u>

	<u>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$3,578,755,666	\$8,685,338,380
Collective deferred inflows of resources	993,410,455	870,133,595
Collective net pension liability (Non State - Local Group)	\$22,447,996,119	\$29,617,131,759
District's portion of net pension liability	\$1,626,395	\$2,096,269
District's proportion %	0.00724517%	0.00707789%

*Actuarial assumptions.* The collective 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:

Inflation:	3.08%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

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.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds I Absolute	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount rate.* The discount rate used to measure the 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. 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 contribution rate in the most recent fiscal year.

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 Municipality's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Municipality'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 Municipality'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:

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.98%)</u>	<u>(3.98%)</u>	<u>(4.98%)</u>
District's proportionate share of the net pension liability	\$ 2,568,733	\$2,096,269	\$ 1,706,209

*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 Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of 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.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
6/30/2017	\$63,192	100 %
6/30/2016	\$68,996	100 %
6/30/2015	\$63,696	100 %

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
6/30/2017	\$425,796	100 %
6/30/2016	\$308,285	100 %
6/30/2015	\$220,384	100 %



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 7: PENSION PLANS (Continued)**

During the fiscal year ended June 30, 2017, the State of New Jersey did contribute \$779,485 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$281,552 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**NOTE 8: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no district OPEB liability exists.

**NOTE 9: DEFERRED COMPENSATION**

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

American United Life  
The Equitable

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10: COMPENSATED ABSENCES**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$60 per unused sick day accumulated up to a maximum of 200 total unused sick days.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the proprietary fund types.

**NOTE 11: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$35	\$8,915	\$834	\$10,727
2015-2016	\$22,414	\$8,644	\$37,357	\$2,611
2014-2015	\$22	\$8,369	\$12,084	\$8,910

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 12: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

The Board is not involved in claims and lawsuits incidental to its operations.

**NOTE 13: FUND BALANCE APPROPRIATED**

General Fund -(Exhibit B-1) Of the \$828,186 General Fund fund balance at June 30, 2017, \$20,303 is reserved for encumbrances; \$250,000 has been anticipated as revenue for the year ended June 30, 2018; \$512,671 is reserved for capital reserve, and \$45,212 is unreserved and undesignated.

Capital Projects Fund -(Exhibit B-1) Of the \$281,584 Capital Projects Fund Balance at June 30, 2017, \$281,584 is unreserved and undesignated. On August 18, 2016, the Board of Education approved the use of \$631,682 in capital reserve funds to complete the window replacement project in anticipation of receiving an SDA grant from the State of New Jersey in the amount of \$279,084. The Board of Education anticipates returning the remaining fund balance of \$281,584 to the capital reserve account when the SDA grant funds are received in Fiscal Year 2018.

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 23,620
Enterprise Fund	\$ 23,620	-
Total	<u>\$ 23,620</u>	<u>\$ 23,620</u>

The general fund owes the enterprise fund state and federal free and reduced lunch subsidies received in the current fund cash account but not yet transferred to the enterprise fund.

**NOTE 15: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is zero.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 16: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District Board of Education on June 16, 2017, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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 follows:

Beginning balance June 30, 2017	\$ 926,353
Budgeted Withdrawal	(631,682)
Deposits (PL 2007 c.62 (A1)) - Board Resolution Date: 6/8/17	<u>218,000</u>
Ending balance June 30, 2017	<u><u>\$ 512,671</u></u>

**NOTE 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.

**NOTE 18: RETROACTIVE RESTATEMENT OF NET POSITION**

**Restatement of Prior Period:**

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2017. The appraisal revealed asset activity that that should be recorded as of June 30, 2016. Accordingly, a restatement of Net Position as of June 30, 2016 was necessary.

<u>Governmental Activities Net Position:</u>	
Net Position (per A-1), June 30, 2016	\$ 1,930,234
Restatement of Capital Assets	<u>23,020</u>
Net Position (per A-1), June 30, 2017, as Restated	<u><u>\$ 1,953,254</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 6,520,000		\$ 6,520,000	\$ 6,520,000	
Tuition	20,000		20,000	52,828	\$ 32,828
Miscellaneous	28,853		28,853	56,786	27,933
<b>Total - Local Sources</b>	<b>6,568,853</b>		<b>6,568,853</b>	<b>6,629,614</b>	<b>60,761</b>
<b>State Sources:</b>					
Equalization Aid	1,333,417		1,333,417	1,333,417	
Transportation Aid	70,649		70,649	70,649	
Special Education Aid	351,956		351,956	351,956	
Security Aid	52,071		52,071	52,071	
Adjustment Aid	115,626		115,626	115,626	
Add'l Adjustment Aid	39,578		39,578	39,578	
PARCC Readiness Aid	5,230		5,230	5,230	
Per Pupil Growth Aid	5,230		5,230	5,230	
Professional Learning Comm Aid	4,990		4,990	4,990	
Other State Aid				21,777	21,777
TPAF Pension (On-Behalf - Non-Budgeted)				424,480	424,480
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				353,689	353,689
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				1,316	1,316
TPAF Social Security (Reimbursed - Non-Budgeted)				281,552	281,552
<b>Total State Sources</b>	<b>1,978,747</b>		<b>1,978,747</b>	<b>3,061,561</b>	<b>1,082,814</b>
Impact Aid	35,000		35,000	37,802	2,802
<b>Total Federal Sources</b>	<b>35,000</b>		<b>35,000</b>	<b>37,802</b>	<b>2,802</b>
<b>TOTAL REVENUES</b>	<b>8,582,600</b>		<b>8,582,600</b>	<b>9,728,977</b>	<b>1,146,377</b>

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	221,000	10,300	231,300	231,295	5
Grades 1-5 - Salaries of Teachers	1,570,000	(11,600)	1,558,400	1,558,296	104
Grades 6-8 - Salaries of Teachers	368,000	(3,100)	364,900	348,570	16,330
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	3,000		3,000	440	2,560
Purchased Professional - Educational Services	3,000		3,000	536	2,464
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	54,000		54,000	52,795	1,205
Other Purchased Services (400-500 series)	104,000	4,000	108,000	87,786	20,214
General Supplies	255,473	(43,764)	211,709	211,696	13
Textbooks	1,500		1,500		1,500
<b>TOTAL REG. PROGRAMS - INSTRUCTION</b>	<b>2,579,973</b>	<b>(44,164)</b>	<b>2,535,809</b>	<b>2,491,414</b>	<b>44,395</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	135,000	3,000	138,000	137,968	32
General Supplies	10,000	(3,000)	7,000	822	6,178
Textbooks	1,500		1,500		1,500
<b>Total Learning and/or Language Disabilities:</b>	<b>146,500</b>		<b>146,500</b>	<b>138,790</b>	<b>7,710</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	57,000		57,000	55,300	1,700
General Supplies	5,000		5,000	4,485	515
<b>Total Multiple Disabilities</b>	<b>62,000</b>		<b>62,000</b>	<b>59,785</b>	<b>2,215</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	527,000	7,500	534,500	534,408	92
General Supplies	12,000		12,000	6,320	5,680
Textbooks	100		100		100
<b>Total Resource Room/Resource Center</b>	<b>539,100</b>	<b>7,500</b>	<b>546,600</b>	<b>540,728</b>	<b>5,872</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	35,000		35,000	31,980	3,020
Other Salaries for Instruction	17,500		17,500	15,479	2,021
General Supplies	1,000		1,000	129	871
<b>Total Preschool Disabilities - Part-Time</b>	<b>53,500</b>		<b>53,500</b>	<b>47,588</b>	<b>5,912</b>



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	61,000		61,000	60,002	998
Other Salaries for Instruction	35,000	(10,905)	24,095	7,018	17,077
General Supplies	3,000		3,000		3,000
<b>Total Preschool Disabilities - Full-Time</b>	<b>99,000</b>	<b>(10,905)</b>	<b>88,095</b>	<b>67,020</b>	<b>21,075</b>
<b>TOTAL SPECIAL ED. - INSTRUCTION</b>	<b>900,100</b>	<b>(3,405)</b>	<b>896,695</b>	<b>853,911</b>	<b>42,784</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	207,000	1,900	208,900	208,866	34
General Supplies	500		500		500
<b>Total Basic Skills/Remedial - Instruction</b>	<b>207,500</b>	<b>1,900</b>	<b>209,400</b>	<b>208,866</b>	<b>534</b>
<b>School Sponsored Co/Extra Curricular Activities-Instruction:</b>					
Salaries	30,000	2,005	32,005	32,005	
<b>Total School Sponsored Co/Extra Curricular Activities-Instr.</b>	<b>30,000</b>	<b>2,005</b>	<b>32,005</b>	<b>32,005</b>	
<b>Before/After School Programs-Instruction:</b>					
Salaries of Reading Specialists	81,000	100	81,100	81,090	10
<b>Total Before/After School Programs-Instruction</b>	<b>81,000</b>	<b>100</b>	<b>81,100</b>	<b>81,090</b>	<b>10</b>
<b>TOTAL INSTRUCTION</b>	<b>3,798,573</b>	<b>(43,564)</b>	<b>3,755,009</b>	<b>3,667,286</b>	<b>87,723</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Special	5,000	52,500	57,500	56,786	714
Tuition to CSSD & Regional Day Schools	42,000	(500)	41,500	41,434	66
Tuition to Private Schools for the Disabled - Within State	61,000		61,000	60,850	150
<b>Total Instruction</b>	<b>108,000</b>	<b>52,000</b>	<b>160,000</b>	<b>159,070</b>	<b>930</b>
<b>Health Services:</b>					
Salaries	98,000	(40,700)	57,300	57,271	29
Purchased Professional and Technical Services	4,000	8,500	12,500	10,945	1,555
Other Purchased Services (400-500 series)	200		200		200
Supplies and Materials	2,200	863	3,063	2,972	91
<b>Total Health Services</b>	<b>104,400</b>	<b>(31,337)</b>	<b>73,063</b>	<b>71,188</b>	<b>1,875</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Related Serv.:</b>					
Salaries	70,000		70,000	68,069	1,931
Purchased Professional - Educational Services	87,000		87,000	71,332	15,668
Supplies and Materials	2,000		2,000	582	1,418
<b>Total Other Supp. Serv. Students-Related Serv.</b>	<b>159,000</b>		<b>159,000</b>	<b>139,983</b>	<b>19,017</b>
<b>Other Supp. Services Students-Extra.Services:</b>					
Salaries	235,000	5,400	240,400	240,325	75
Purchased Professional - Educational Services	54,000	(5,400)	48,600	43,206	5,394
<b>Total Other Supp. Services Students-Extra.Services</b>	<b>289,000</b>		<b>289,000</b>	<b>283,531</b>	<b>5,469</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	46,200		46,200	46,141	59
Supplies and Materials	500	105	605	333	272
<b>Total Other Supp. Services Students-Regular</b>	<b>46,700</b>	<b>105</b>	<b>46,805</b>	<b>46,474</b>	<b>331</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	360,000		360,000	349,661	10,339
Salaries of Secretarial and Clerical Assistants	34,600		34,600	33,332	1,268
Purchased Professional - Educational Services	7,000		7,000	5,253	1,747
Supplies and Materials	11,000		11,000	5,658	5,342
Other Objects	500		500	150	350
<b>Total Other Supp. Services Students-Special</b>	<b>413,100</b>		<b>413,100</b>	<b>394,054</b>	<b>19,046</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Supervisor of Instruction	85,700		85,700	85,650	50
Salaries of Other Professional Staff	18,000		18,000	17,400	600
<b>Total Improvement of Instruction Services</b>	<b>103,700</b>		<b>103,700</b>	<b>103,050</b>	<b>650</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Educational Media Services/School Library:</b>					
Salaries	59,000	(200)	58,800	58,541	259
Purchased Professional - Technical Services	1,200		1,200	1,175	25
Supplies and Materials	13,000	600	13,600	13,551	49
<b>Total Educational Media Services/School Library</b>	<b>73,200</b>	<b>400</b>	<b>73,600</b>	<b>73,267</b>	<b>333</b>
<b>Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	2,500		2,500	990	1,510
Purchased Professional - Educational Services	2,000		2,000		2,000
Other Purchased Services (400-500 series)	12,000		12,000	6,768	5,232
Supplies and Materials	2,000		2,000	894	1,106
<b>Total Instructional Staff Training Services</b>	<b>18,500</b>		<b>18,500</b>	<b>8,652</b>	<b>9,848</b>
<b>Supp. Services - General Administration:</b>					
Salaries	196,000	700	196,700	196,652	48
Legal Services	20,000	7,600	27,600	21,201	6,399
Audit Fees	16,000		16,000	14,344	1,656
Other Purchased Professional Services	5,200		5,200	3,860	1,340
Communications/Telephone	35,000		35,000	27,420	7,580
Other Purchased Services (400-500 series)	39,000		39,000	30,385	8,615
General Supplies	7,000	526	7,526	6,174	1,352
BOE In-House Training/Meeting Supplies	300		300	275	25
Miscellaneous Expenditures	3,600		3,600	2,601	999
BOE Membership Dues and Fees	5,700		5,700	4,688	1,012
<b>Total Supp. Services - General Administration</b>	<b>327,800</b>	<b>8,826</b>	<b>336,626</b>	<b>307,600</b>	<b>29,026</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	127,100		127,100	127,100	
Salaries of Secretarial and Clerical Assistants	37,000		37,000	36,512	488
Other Purchased Services (400-500 series)	1,000		1,000	99	901
Supplies and Materials	1,000		1,000	836	164
Other Objects	2,000		2,000	820	1,180
<b>Total Support Services - School Administration</b>	<b>168,100</b>		<b>168,100</b>	<b>165,367</b>	<b>2,733</b>
<b>Central Services:</b>					
Salaries	121,000		121,000	120,282	718
Purchased Technical Services	14,000	1,700	15,700	15,697	3
Miscellaneous Purchased Services (400-500 series)	600	700	1,300	1,218	82
Supplies and Materials	1,000	(100)	900	363	537
Miscellaneous Expenditures	1,600		1,600	1,185	415
<b>Total Central Services</b>	<b>138,200</b>	<b>2,300</b>	<b>140,500</b>	<b>138,745</b>	<b>1,755</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	51,500	4,400	55,900	55,846	54
Cleaning, Repair and Maintenance Services	147,400	73,081	220,481	207,790	12,691
General Supplies	45,000	(23,900)	21,100	7,036	14,064
<b>Total Required Maintenance for School Facilities</b>	<b>243,900</b>	<b>53,581</b>	<b>297,481</b>	<b>270,672</b>	<b>26,809</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	136,000	5,000	141,000	140,849	151
Purchased Professional and Technical Services	8,000	8,700	16,700	12,304	4,396
Cleaning, Repair and Maintenance Services	34,000	995	34,995	33,149	1,846
Rental of Land & Bldg Other than Lease Purch Agrmt		2,505	2,505	2,427	78
Insurance	68,000	(3,300)	64,700	63,813	887
General Supplies	40,000	(1,000)	39,000	38,840	160
Energy (Natural Gas)	3,200		3,200	1,121	2,079
Energy (Electricity)	85,000	2,500	87,500	87,487	13
Energy (Oil)	120,000	(77,500)	42,500	40,481	2,019
<b>Total Other Operations and Maintenance of Plant</b>	<b>494,200</b>	<b>(62,100)</b>	<b>432,100</b>	<b>420,471</b>	<b>11,629</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Care and Upkeep of Grounds:</b>					
Cleaning, Repair and Maintenance Services	7,000		7,000	5,270	1,730
<b>Total Care and Upkeep of Grounds:</b>	<u>7,000</u>		<u>7,000</u>	<u>5,270</u>	<u>1,730</u>
<b>Security:</b>					
General Supplies	3,000		3,000		3,000
<b>Total Security</b>	<u>3,000</u>		<u>3,000</u>		<u>3,000</u>
<b>Student Transportation Services</b>					
Salaries for Pupil Transpor.(Between Home & School)-Regular	32,000		32,000	31,365	635
Salaries for Pupil Transpor.(Between Home & School)-Special	33,000	(1,600)	31,400	29,777	1,623
Management Fee - ESC & CTSA Trans. Program	4,000	1,200	5,200	5,085	115
Other Purchased Professional - Technical Services	600		600	200	400
Cleaning, Repair and Maintenance Services	8,000	3,100	11,100	11,075	25
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	20,000	(2,700)	17,300	15,673	1,627
Contracted Services (Between Home and Sch.)-Vendors	325,000	(20,000)	305,000	304,229	771
Contract Services (Other than Between Home & School)-Vendors	19,000		19,000	15,050	3,950
Contracted Services (Special Education Students)-Vendors	75,000	64,000	139,000	136,829	2,171
Supplies and Materials	8,000		8,000	3,408	4,592
<b>Total Student Transportation Services</b>	<u>524,600</u>	<u>44,000</u>	<u>568,600</u>	<u>552,691</u>	<u>15,909</u>
<b>ALLOCATED BENEFITS</b>					
Unused Sick Payments to Terminated/Retired Staff	26,000		26,000	840	25,160
<b>TOTAL ALLOCATED BENEFITS</b>	<u>26,000</u>		<u>26,000</u>	<u>840</u>	<u>25,160</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	90,000	6,800	96,800	96,704	96
Other Retirement Contributions-Regular	80,000		80,000	64,669	15,331
Workmen's Compensation	48,000		48,000	46,349	1,651
Health Benefits	1,150,000	(15,300)	1,134,700	1,097,170	37,530
Tuition Reimbursement	35,000		35,000	14,310	20,690
Other Employee Benefits	75,500		75,500	35,616	39,884
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>1,478,500</u>	<u>(8,500)</u>	<u>1,470,000</u>	<u>1,354,818</u>	<u>115,182</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
On-behalf TPAF pension Contrib. (non-budgeted)				424,480	(424,480)
On-behalf TPAF PRM Contrib. (non-budgeted)				353,689	(353,689)
On-behalf TPAF pension LTD Ins. (non-budgeted)				1,316	(1,316)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				281,552	(281,552)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,061,037</u>	<u>(1,061,037)</u>
<b>TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS</b>	<u>1,504,500</u>	<u>(8,500)</u>	<u>1,496,000</u>	<u>2,416,695</u>	<u>(920,695)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>4,726,900</u>	<u>59,275</u>	<u>4,786,175</u>	<u>5,556,780</u>	<u>(770,605)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>8,525,473</u>	<u>15,711</u>	<u>8,541,184</u>	<u>9,224,066</u>	<u>(682,882)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Undistributed Expenditures-Instruction	5,000	1,200	6,200	6,147	
Undistributed Expenditures-Instr. Staff	6,000		6,000		
Undistributed Expenditures-Equip for Req. Maint. For Sch. Fac.	5,000		5,000		
<b>Total Equipment</b>	<u>16,000</u>	<u>1,200</u>	<u>17,200</u>	<u>6,147</u>	
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services		19,992	19,992	18,477	1,515
Construction Services	667,400	(631,682)	35,718		35,718
Assessment for Debt Service on SDA Funding	1,127		1,127	1,127	
<b>Total Facilities Acquisition and Construction Services</b>	<u>668,527</u>	<u>(611,690)</u>	<u>56,837</u>	<u>19,604</u>	<u>37,233</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>684,527</u>	<u>(610,490)</u>	<u>74,037</u>	<u>25,751</u>	<u>37,233</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Transfer of Funds to Charter Schools	290,000	54,200	344,200	344,163	37
<b>TOTAL EXPENDITURES</b>	<b>9,500,000</b>	<b>(540,579)</b>	<b>8,959,421</b>	<b>9,593,980</b>	<b>(645,612)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(917,400)</b>	<b>540,579</b>	<b>(376,821)</b>	<b>134,997</b>	<b>511,818</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer In/(Out):</b>					
Transfer Out - Capital Projects Fund		(631,682)	(631,682)	(631,682)	
<b>Total Other Financing Sources:</b>		<b>(631,682)</b>	<b>(631,682)</b>	<b>(631,682)</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(917,400)</b>	<b>(91,103)</b>	<b>(1,008,503)</b>	<b>(496,685)</b>	<b>511,818</b>
<b>Fund Balance, July 1</b>	1,518,495		1,518,495	1,518,495	
<b>Fund Balance, June 30</b>	<b>\$ 601,095</b>	<b>\$ (91,103)</b>	<b>\$ 509,992</b>	<b>\$ 1,021,810</b>	<b>\$ 511,818</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				512,671	
<b>Assigned to:</b>					
Year-End Encumbrances				20,303	
Designated for Subsequent Year's Expenditures				250,000	
<b>Unassigned:</b>					
Unrestricted Fund Balance				238,836	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<b>1,021,810</b>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(193,624)	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<b>\$ 828,186</b>	

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2017

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Federal Sources	\$ 195,000	\$ 64,073	\$ 259,073	\$ 259,073	-
<b>Total Revenues</b>	<b>195,000</b>	<b>64,073</b>	<b>259,073</b>	<b>259,073</b>	<b>-</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	55,000	(6,986)	48,014	48,014	
Tuition	140,000	(8,762)	131,238	131,238	
<b>Total Instruction</b>	<b>195,000</b>	<b>(15,748)</b>	<b>179,252</b>	<b>179,252</b>	
<b>Support Services</b>					
Salaries of Other Professional Staff		10,771	10,771	10,771	
Personal Services-Employee Bene.		14,133	14,133	14,133	
Purchased Profess. & Tech Svcs		54,917	54,917	54,917	
<b>Total Support Services</b>	<b>-</b>	<b>79,821</b>	<b>79,821</b>	<b>79,821</b>	<b>-</b>
<b>Total Expenditures</b>	<b>195,000</b>	<b>64,073</b>	<b>259,073</b>	<b>259,073</b>	<b>-</b>
<b>Total Outflows</b>	<b>195,000</b>	<b>64,073</b>	<b>259,073</b>	<b>259,073</b>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>None</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>None</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>None</u>	



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

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
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 9,728,977	\$ 259,073
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	193,508	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(193,624)	N/A
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	\$ 9,728,861	\$ 259,073
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 9,593,980	\$ 259,073
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	\$ 9,593,980	\$ 259,073

**Blairstown School District  
Required Supplementary Information - Part III  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years \***

**Exhibit L-3**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 30,290,411</u>	<u>\$ 25,764,460</u>	<u>\$22,838,525</u>	<u>\$20,728,844</u>						
Total	<u>\$ 30,290,411</u>	<u>\$ 25,764,460</u>	<u>\$22,838,525</u>	<u>\$20,728,844</u>						
District's covered employee payroll	\$ 3,946,077	\$ 3,932,605	\$ 4,070,098	\$ 4,240,856						
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A						
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%						

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

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

**Exhibit L-1**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.00707789%	0.00724517%	0.00753810%	0.00745448%						
District's proportionate share of the net pension liability (asset)	<u>\$ 2,096,269</u>	<u>\$ 1,626,395</u>	<u>\$ 1,411,338</u>	<u>\$ 1,424,700</u>						
District's covered employee payroll	\$ 586,836	\$ 1,105,311	\$ 991,562	\$ 1,029,125						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	357.22%	147.14%	142.33%	138.44%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	40.14%	47.92%	52.08%	48.72%						

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**Blairstown School District  
Required Supplementary Information - Part III  
Schedule of District Contributions  
Last Ten Fiscal Years \***

**Exhibit L-2**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution **	N/A	N/A	N/A	N/A						
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A						
Contribution deficiency (excess)	N/A	N/A	N/A	N/A						
District's covered employee payroll	\$ 3,946,077	\$ 3,932,605	\$ 4,070,098	\$ 4,240,856						
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A						

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$63,192	\$68,996	\$ 63,696	\$ 66,238						
Contributions in relation to the contractually required contribution	<u>(63,192)</u>	<u>(68,996)</u>	<u>(63,696)</u>	<u>(66,238)</u>						
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>						
District's covered employee payroll	\$ 586,836	\$ 1,105,311	\$ 991,562	\$ 1,029,125						
Contributions as a percentage of covered-employee payroll	10.77%	6.24%	6.42%	6.44%						

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BLAIRSTOWN SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III**  
**Pension Schedules**

For the Fiscal Year Ended June 30, 2017

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

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

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

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

<p style="text-align: center;"><b>SPECIAL REVENUE FUND DETAIL STATEMENTS</b></p>
--

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2017

	<b>Title I Part A</b>	<b>Title I I Part A</b>	<b>IDEA Basic</b>	<b>IDEA Preschool</b>	<b>REAP</b>	<b>Totals</b>
<b>REVENUES</b>						
Federal Sources	\$ 46,120	\$ 18,427	\$ 141,238	\$ 12,672	\$ 40,616	\$ 259,073
<b>TOTAL REVENUES</b>	<b>46,120</b>	<b>18,427</b>	<b>141,238</b>	<b>12,672</b>	<b>40,616</b>	<b>259,073</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	34,305	13,709				48,014
Tuition			131,238			131,238
<b>Total Instruction</b>	<b>34,305</b>	<b>13,709</b>	<b>131,238</b>	<b>-</b>	<b>-</b>	<b>179,252</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff				10,771		10,771
Personal Services-Employee Bene.	9,509	3,800		824		14,133
Purchased Profess. & Tech Svcs	2,306	918	10,000	1,077	40,616	54,917
<b>Total Support Services</b>	<b>11,815</b>	<b>4,718</b>	<b>10,000</b>	<b>12,672</b>	<b>40,616</b>	<b>79,821</b>
<b>TOTAL EXPENDITURES</b>	<b>46,120</b>	<b>18,427</b>	<b>141,238</b>	<b>12,672</b>	<b>40,616</b>	<b>259,073</b>
<b>Total Outflows</b>	<b>46,120</b>	<b>18,427</b>	<b>141,238</b>	<b>12,672</b>	<b>40,616</b>	<b>259,073</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

**CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2017

	<u>Date</u>	<u>Original</u>	<u>Revised</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
		<u>Appropriations</u>	<u>Appropriations</u>	<u>Prior Years *</u>	<u>Current Year</u>	
Window Replacement Project	2/10/14					
- State Share		\$ 448,656	\$ 279,084			\$ 279,084
- Board of Education			68,528	\$ 68,528		-
- Board of Education		<u>672,983</u>	<u>631,682</u>	<u>-</u>	<u>\$ 629,182</u>	<u>2,500</u>
		1,121,639	979,294	68,528	629,182	281,584
Totals		<u>\$ 1,121,639</u>	<u>\$ 979,294</u>	<u>\$ 68,528</u>	<u>\$ 629,182</u>	<u>281,584</u>
Fund Balance, June 30, 2017						<u>\$ 281,584</u>

\* - Prior Year Amounts Expended from General Fund in Fiscal Year Ended June 30, 2016 (Fund 12)

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE-BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2017

**Revenues and Other Financing**

**Sources**

State Sources-SDA Grant	\$ 279,084
Transfer from capital reserve-In	631,682
Transfer from capital reserve-Out	
Total Revenues	<u>910,766</u>

**Expenditures and Other Financing**

**Uses**

Construction Services	<u>629,182</u>
Total Expenditures	<u>629,182</u>

Excess(deficiency) of revenues over(under)  
expenditures 281,584

Fund Balance - Beginning -

Fund Balance - Ending \$ 281,584

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**WINDOW REPLACEMENT PROJECT**

From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant		\$ 279,084	\$ 279,084	\$ 279,084
Transfer from capital reserve		631,682	631,682	418,626
Total Revenues	-	910,766	910,766	697,710
<b>Expenditures and Other Financing Sources</b>				
Construction Services		\$ 629,182	\$ 629,182	\$ 664,900
Purchased Professional Services			-	32,810
Total Expenditures	-	629,182	629,182	697,710
Excess(deficiency) of revenues over(under) expenditures	-	\$ 281,584	\$ 281,584	

Project Fund Balance, 6/30/17 \$ 281,584

**Additional project information:**

DOE Project Number	0400-030-13-3001
SDA Project Number	0400-030-13-G2TM
Grant Date	2/10/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,121,639
Additional Authorized Cost	-\$423,929
Revised Authorized Cost	\$697,710

Percentage Increase over Original

Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2017



<p style="text-align: center;"><b>PROPRIETARY FUND DETAIL STATEMENTS</b></p>
--

Proprietary 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 district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

<p style="text-align: center;"><b>FIDUCIARY FUND DETAIL STATEMENTS</b></p>
--

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017**

	<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</b>	<b>STUDENT ACTIVITY</b>	<b>AGENCY FUNDS PAYROLL AGENCY</b>	<b>TOTALS</b>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$10,727	\$ 4,150	\$ 136,878	\$ 151,755
<b>TOTAL ASSETS</b>	<b>10,727</b>	<b>4,150</b>	<b>136,878</b>	<b>151,755</b>
<b>LIABILITIES:</b>				
Liabilities:				
Payroll Deductions and Withholdings			4,249	4,249
Summer Pay			128,900	128,900
Accounts Payable			3,729	3,729
Payable to Student Groups		4,150		4,150
<b>Total Liabilities</b>		<b>4,150</b>	<b>136,878</b>	<b>141,028</b>
<b>NET POSITION</b>				
Held in Trust for Unemployment				
Claims and Other Purposes	10,727			10,727
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$10,727</b>	<b>\$ 4,150</b>	<b>\$ 136,878</b>	<b>\$ 151,755</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2017

	UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u>	<u>TOTALS</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ 8,915	\$ 8,915
Total Contributions	<u>8,915</u>	<u>8,915</u>
Investment Earnings:		
Interest	35	35
Net Investment Earnings	<u>35</u>	<u>35</u>
<b>Total Additions</b>	<b><u>8,950</u></b>	<b><u>8,950</u></b>
<b>DEDUCTIONS</b>		
Unemployment Claims	834	834
<b>Total Deductions</b>	<b><u>834</u></b>	<b><u>834</u></b>
Change in Net Position	<u>8,116</u>	<u>8,116</u>
Net Position—Beginning of the Year	<u>2,611</u>	<u>2,611</u>
<b>Net Position—End of the Year</b>	<b><u>\$ 10,727</u></b>	<b><u>\$ 10,727</u></b>



BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2016</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2017</u>
Class Activities	\$ 4,552		\$ 16,122	\$ 16,524	\$ 4,150
<b>Totals</b>	<b>\$ 4,552</b>	<b>-</b>	<b>\$ 16,122</b>	<b>\$ 16,524</b>	<b>\$ 4,150</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
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>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 162,866	\$ 5,890,712	\$ 5,916,700	\$ 136,878
<b>Total Assets</b>	<u>\$ 162,866</u>	<u>\$ 5,890,712</u>	<u>\$ 5,916,700</u>	<u>\$ 136,878</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 28,170	\$ 2,542,084	\$ 2,566,005	\$ 4,249
Accrued Net Payroll	-	3,214,082	3,214,082	-
Accounts Payable	4,067		4,778	(711)
Interfund Payable	883		883	-
Summer Pay	127,534	128,900	127,534	128,900
Flexible Spending	2,212	5,646	3,418	4,440
<b>Total Liabilities</b>	<u>\$ 162,866</u>	<u>\$ 5,890,712</u>	<u>\$ 5,916,700</u>	<u>\$ 136,878</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Blairstown Township School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	87-92
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	93-99
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	100-103
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	104-105
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	106-110

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

**Blairstown Township School District  
Net Position by Component,  
Last Ten Fiscal Years**

**Exhibit J-1**

*(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>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,496,099	\$ 1,496,454	\$ 1,694,639	\$ 1,356,802	\$ 1,568,598	\$ 1,673,328	\$ 1,824,786	\$ 2,160,655	\$ 2,123,767	\$ 2,594,039
Restricted	289,997	555,868	372,258	676,311	590,273	613,408	617,148	701,353	1,176,353	762,671
Unrestricted	165,751	31,601	149,829	144,582	(16,204)	29,740	161,749	(1,178,208)	(1,369,886)	(1,388,981)
<b>Total governmental activities net position</b>	<u>\$ 1,951,847</u>	<u>\$ 2,083,923</u>	<u>\$ 2,216,726</u>	<u>\$ 2,177,695</u>	<u>\$ 2,142,667</u>	<u>\$ 2,316,476</u>	<u>\$ 2,603,683</u>	<u>\$ 1,683,800</u>	<u>\$ 1,930,234</u>	<u>\$ 1,967,729</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ -	25,948	\$ 22,241	\$ 18,534	\$ 14,827	\$ 11,120	\$ 7,414	\$ 3,707	\$ 15,412	\$ 11,559
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,424	\$ 7,448	8,842	11,615	9,181	5,582	12,586	28,934	29,152	38,166
<b>Total business-type activities net position</b>	<u>\$ 5,424</u>	<u>\$ 33,396</u>	<u>\$ 31,083</u>	<u>\$ 30,149</u>	<u>\$ 24,008</u>	<u>\$ 16,702</u>	<u>\$ 20,000</u>	<u>\$ 32,641</u>	<u>\$ 44,564</u>	<u>\$ 49,725</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,522,402	\$ 1,716,880	\$ 1,375,336	\$ 1,583,425	\$ 1,684,448	\$ 1,832,200	\$ 1,832,200	\$ 2,164,362	\$ 2,139,179	\$ 2,605,598
Restricted	555,868	372,258	676,311	590,273	613,408	617,148	617,148	701,353	1,176,353	762,671
Unrestricted	39,049	158,671	156,197	(7,023)	35,322	174,335	174,335	(1,149,274)	(1,340,734)	(1,350,815)
<b>Total district net position</b>	<u>\$ 2,117,319</u>	<u>\$ 2,247,809</u>	<u>\$ 2,207,844</u>	<u>\$ 2,166,675</u>	<u>\$ 2,333,178</u>	<u>\$ 2,623,683</u>	<u>\$ 2,623,683</u>	<u>\$ 1,716,441</u>	<u>\$ 1,974,798</u>	<u>\$ 2,017,454</u>

Source: CAFR Schedule A-1

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

**Exhibit J-2**

	2008		2009		2010		2011		Fiscal Year Ending June 30,		2012		2013		2014		2016		2017		2017		
<b>Expenses</b>																							
Governmental activities																							
Instruction																							
Regular	\$ 4,096,290	\$ 4,199,640	\$ 4,434,790	\$ 3,850,889	\$ 3,762,055	\$ 3,841,629	\$ 3,558,683	\$ 4,129,910	\$ 4,300,885	\$ 4,492,062													
Special education	1,114,014	1,241,410	1,242,276	1,292,245	1,409,716	1,245,936	1,136,443	1,405,663	1,321,159	1,433,918													
Other special education	256,931	254,691	203,929	136,677	153,189	237,923	293,634	369,183	346,226	540,649													
Support Services:																							
Tuition	24,230	102,105	72,863	78,585	164,448	66,271	54,276	125,854	75,834	267,116													
Student & instruction related services	1,335,195	1,214,859	1,382,647	1,314,515	1,640,246	1,627,553	1,561,155	1,761,178	1,735,833	2,015,117													
School administrative services	212,372	208,749	208,883	232,409	219,886	188,601	210,238	234,315	250,879	277,690													
General administrative services	470,048	545,828	518,487	547,487	536,348	568,275	685,877	748,301	687,934	798,826													
Plant operations and maintenance	686,894	689,982	653,025	732,576	795,897	821,287	1,048,296	1,053,076	1,314,420	1,172,209													
Pupil transportation	338,850	386,703	569,972	550,033	561,477	704,797	693,633	753,359	719,133	937,620													
Other Support Services																							
Non-Budgeted Contributions																							
Charter Schools																							
Interest and other fiscal charges	-	-	-	-	-	-	1,127	1,127	1,127	1,127													
Unallocated depreciation	55,156	55,156	55,156	51,119	55,889	61,212	93,608	147,817	161,877	166,316													
Total governmental activities expenses	<u>8,589,980</u>	<u>8,899,123</u>	<u>9,342,028</u>	<u>8,786,535</u>	<u>9,299,151</u>	<u>9,363,484</u>	<u>9,336,970</u>	<u>10,729,783</u>	<u>10,915,307</u>	<u>12,102,650</u>													
Business-type activities:																							
Food service	155,183	124,629	118,739	120,893	128,915	118,307	97,444	95,210	118,027	125,416													
Child Care																							
Total business-type activities expense	<u>155,183</u>	<u>124,629</u>	<u>118,739</u>	<u>120,893</u>	<u>128,915</u>	<u>118,307</u>	<u>97,444</u>	<u>95,210</u>	<u>118,027</u>	<u>125,416</u>													
Total district expenses	<u>\$ 8,745,163</u>	<u>\$ 9,023,752</u>	<u>\$ 9,460,767</u>	<u>\$ 8,907,428</u>	<u>\$ 9,428,066</u>	<u>\$ 9,481,791</u>	<u>\$ 9,434,414</u>	<u>\$ 10,824,993</u>	<u>\$ 11,033,334</u>	<u>\$ 12,228,066</u>													
<b>Program Revenues</b>																							
Governmental activities:																							
Charges for services:																							
Instruction (Tuition)	\$ 1,671,311	\$ 1,601,125	\$ 3,808	\$ 14,155	\$ 27,598	\$ 26,075	\$ 21,028	\$ 66,780	\$ 59,727	\$ 52,828													
Business and other support services																							
Operating grants and contributions	\$ 2,661,511	\$ 2,390,947	\$ 3,190,181	\$ 2,622,602	\$ 2,918,732	\$ 3,014,416	\$ 2,973,399	\$ 4,257,078	\$ 4,512,676	5,208,427													
Capital grants and contributions																							
Total governmental activities program revenues	<u>4,332,822</u>	<u>3,992,072</u>	<u>3,193,989</u>	<u>2,636,757</u>	<u>2,946,330</u>	<u>3,040,491</u>	<u>2,994,427</u>	<u>4,323,858</u>	<u>4,572,403</u>	<u>5,261,255</u>													
Business-type activities:																							
Charges for services																							
Food service	100,863	88,564	78,651	79,902	77,852	67,884	62,466	64,228	80,169	78,677													
Child care																							
Operating grants and contributions	34,935	38,052	37,741	40,049	44,798	43,089	38,253	43,582	49,707	51,762													
Capital grants and contributions		25,948	-	-	-	-	-	-	-	-													
Total business type activities program revenues	<u>135,798</u>	<u>152,564</u>	<u>116,392</u>	<u>119,951</u>	<u>122,650</u>	<u>110,973</u>	<u>100,719</u>	<u>107,810</u>	<u>129,876</u>	<u>130,439</u>													
Total district program revenues	<u>\$ 4,468,620</u>	<u>\$ 4,144,636</u>	<u>\$ 3,310,381</u>	<u>\$ 2,756,708</u>	<u>\$ 3,068,980</u>	<u>\$ 3,151,464</u>	<u>\$ 3,095,146</u>	<u>\$ 4,431,668</u>	<u>\$ 4,702,279</u>	<u>\$ 5,391,694</u>													
<b>Net (Expense)/Revenue</b>																							
Governmental activities	\$ (4,907,051)	\$ (6,148,039)	\$ (6,149,778)	\$ (6,352,821)	\$ (6,322,993)	\$ (6,342,543)	\$ (6,342,543)	\$ (6,405,925)	\$ (6,342,904)	\$ (6,841,395)													
Business-type activities	27,935	(2,347)	(942)	(6,265)	(7,334)	3,275	3,275	12,600	11,849	5,023													
Total district-wide net expense	<u>\$ (4,879,116)</u>	<u>\$ (6,150,386)</u>	<u>\$ (6,150,720)</u>	<u>\$ (6,359,086)</u>	<u>\$ (6,330,327)</u>	<u>\$ (6,339,268)</u>	<u>\$ (6,339,268)</u>	<u>\$ (6,393,325)</u>	<u>\$ (6,331,055)</u>	<u>\$ (6,836,372)</u>													

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

**Exhibit J-2**

	2008	2009	2010	2011	Fiscal Year Ending June 30,		2014	2016	2017	2017
					2012	2013				
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,555,030	\$ 4,636,549	\$ 6,002,019	\$ 6,242,100	\$ 6,238,000	\$ 6,362,000	\$ 6,489,000	\$ 6,618,000	\$ 6,520,000	\$ 6,520,000
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Restricted grants and contributions	-	267,397	125,495	-	-	-	-	51,321	-	279,084
Other Aid	-	-	-	-	-	-	-	-	-	-
Investment earnings	21,517	11,714	3,584	10,321	10,830	4,018	3,984	4,725	5,399	7,421
Miscellaneous income	71,597	123,467	149,744	153,112	129,348	127,204	136,766	34,741	63,939	49,365
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,648,144</u>	<u>5,039,127</u>	<u>6,280,842</u>	<u>6,405,533</u>	<u>6,378,178</u>	<u>6,493,222</u>	<u>6,629,750</u>	<u>6,708,787</u>	<u>6,589,338</u>	<u>6,855,870</u>
Business-type activities:										
Investment earnings	34	37	34	8	124	28	23	41	74	138
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>34</u>	<u>37</u>	<u>34</u>	<u>8</u>	<u>124</u>	<u>28</u>	<u>23</u>	<u>41</u>	<u>74</u>	<u>138</u>
Total district-wide	<u>\$ 4,648,178</u>	<u>\$ 5,039,164</u>	<u>\$ 6,280,876</u>	<u>\$ 6,405,541</u>	<u>\$ 6,378,302</u>	<u>\$ 6,493,250</u>	<u>\$ 6,629,773</u>	<u>\$ 6,708,828</u>	<u>\$ 6,589,412</u>	<u>\$ 6,856,008</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (258,907)	\$ (1,108,912)	\$ 131,064	\$ 52,712	\$ 55,185	\$ 150,679	\$ 287,207	\$ 302,862	\$ 246,434	\$ 14,475
Business-type activities	27,969	(2,310)	(908)	(6,257)	(7,210)	3,303	3,298	12,641	11,923	5,161
Total district	<u>\$ (230,938)</u>	<u>\$ (1,111,222)</u>	<u>\$ 130,156</u>	<u>\$ 46,455</u>	<u>\$ 47,975</u>	<u>\$ 153,982</u>	<u>\$ 290,505</u>	<u>\$ 315,503</u>	<u>\$ 258,357</u>	<u>\$ 19,636</u>

Source: CAFR Schedule A-2

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

**Exhibit J-3**

	<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										
Reserved	\$ 426,066	\$ 665,958	\$ 434,835	\$ 739,850	\$ 618,974	\$ 667,296	\$ 731,395	\$ 1,087,700	\$ 1,267,456	\$ 782,974
Unreserved	190,577	99,637	64,057	133,515	75,790	84,845	75,535	52,757	57,531	45,212
Total general fund	<u>\$ 616,643</u>	<u>\$ 765,595</u>	<u>\$ 498,892</u>	<u>\$ 873,365</u>	<u>\$ 694,764</u>	<u>\$ 752,141</u>	<u>\$ 806,930</u>	<u>\$ 1,140,457</u>	<u>\$ 1,324,987</u>	<u>\$ 828,186</u>
All Other Governmental Funds										
Reserved							\$ -	-	-	-
Unreserved, reported in:										
Special revenue fund							-	-	-	-
Capital projects fund			163,100	\$ 163,100	\$ 62,737	\$ 61,782	\$ 61,782	\$ -	-	281,584
Debt service fund							-	-	-	-
Trust and agency fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>163,100</u>	<u>\$ 163,100</u>	<u>\$ 62,737</u>	<u>\$ 61,782</u>	<u>\$ 61,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,584</u>

Source: CAFR Schedule B-1



**Blairstown Township School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	<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>
<b>Revenues</b>										
Tax levy	\$ 4,555,030	\$ 4,636,549	\$ 6,002,019	\$ 6,242,100	\$ 6,238,000	\$ 6,362,000	\$ 6,489,000	\$ 6,618,000	\$ 6,520,000	\$ 6,520,000
Tuition charges	1,671,311	1,601,125	3,808	14,155	27,598	26,075	21,028	66,780	59,727	52,828
Miscellaneous	93,114	135,181	153,328	163,433	140,178	131,222	140,750	39,466	69,338	56,786
State sources	2,333,352	2,125,925	2,635,155	2,383,967	2,607,284	2,799,623	2,753,827	2,899,946	2,940,062	3,340,529
Federal sources	328,159	265,022	680,521	238,635	311,448	214,793	219,572	399,910	307,747	296,875
<b>Total revenue</b>	<b>8,980,966</b>	<b>8,763,802</b>	<b>9,474,831</b>	<b>9,042,290</b>	<b>9,324,508</b>	<b>9,533,713</b>	<b>9,624,177</b>	<b>10,024,102</b>	<b>9,896,874</b>	<b>10,267,018</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,593,472	3,726,231	3,900,705	3,335,151	3,229,134	2,821,904	2,671,994	2,718,085	2,785,241	2,671,506
Special education instruction	977,759	1,102,134	1,099,253	1,120,847	1,211,990	916,367	854,420	926,342	860,090	853,911
Other special instruction	225,506	226,117	180,451	118,549	131,703	174,989	220,765	243,294	225,397	321,961
Other instruction						-	-	-	-	-
<b>Support Services:</b>										
Tuition	21,266	90,650	64,474	68,162	141,383	48,741	40,807	82,939	49,369	159,070
Student & instruction related services	1,171,887	1,078,562	1,223,463	1,140,163	1,410,186	1,197,041	1,173,735	1,160,629	1,130,048	1,200,020
General administrative services	392,637	464,671	438,874	470,131	456,381	413,219	448,555	447,082	443,114	446,345
School administrative services	186,397	185,329	184,834	201,883	189,045	138,713	158,065	154,415	163,325	165,367
Plant operations and maintenance	597,422	607,114	572,384	633,762	682,617	602,396	786,500	692,337	854,055	696,413
Pupil transportation	296,578	342,491	503,524	471,409	477,055	512,698	515,829	490,799	462,494	552,691
Other Support Services										
Unallocated employee benefits	1,145,215	862,205	875,013	847,938	1,009,173	2,140,665	1,985,614	2,061,356	2,261,881	2,415,855
Charter Schools	62,624	112,782	232,406	235,027	290,993	361,010	388,923	373,117	335,600	344,163
Capital Outlay	115,407	83,961	303,053	25,095	345,384	177,976	324,181	401,962	141,730	654,933
<b>Debt service:</b>										
Principal										
Interest and other charges										
<b>Total expenditures</b>	<b>8,786,170</b>	<b>8,882,247</b>	<b>9,578,434</b>	<b>8,668,117</b>	<b>9,575,044</b>	<b>9,505,719</b>	<b>9,569,388</b>	<b>9,752,357</b>	<b>9,712,344</b>	<b>10,482,235</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(118,445)</b>	<b>(103,603)</b>	<b>374,173</b>	<b>(250,536)</b>	<b>27,994</b>	<b>54,789</b>	<b>54,789</b>	<b>271,745</b>	<b>184,530</b>	<b>(215,217)</b>
<b>Other Financing Sources (uses)</b>										
Note Proceeds										
Other										
Transfers in		267,397	296,959		201,878	62,538	-	15,301		
Transfers out	(18,769)		(296,959)		(201,878)	(62,538)	-	(15,301)		
<b>Total other financing sources (uses)</b>	<b>(18,769)</b>	<b>267,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (137,214)</b>	<b>\$ 163,794</b>	<b>\$ 374,173</b>	<b>\$ (250,536)</b>	<b>\$ 27,994</b>	<b>\$ 54,789</b>	<b>\$ 54,789</b>	<b>\$ 271,745</b>	<b>\$ 184,530</b>	<b>\$ (215,217)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Source: CAFR Schedule B-2

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Refund Prior Year Expenditures</u>	<u>Cost Share</u>	<u>Tuition</u>	<u>Sale of Assets</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 21,517	\$ 222		\$ 1,671,311		\$ 66,826	1,759,876
2009	11,714	15,086	\$ 68,580	1,601,125		34,854	1,731,359
2010	3,584	45,236	\$ 72,058	3,808		28,392	153,078
2011	10,321	12,852	90,600	14,155		39,386	167,314
2012	10,830	264	78,340	27,598		42,422	159,454
2013	4,018			26,075		117,128	147,221
2014	3,984	5,000	44,655	21,028		79,958	154,625
2015	4,725	500		66,780		34,241	106,246
2016	5,399	7,948		59,727	30,000	20,412	123,486
2017	7,421	29,596		52,828		19,769	109,614

SOURCE: District Records

Blairstown Township School District  
 Assessed Value and Actual Value of Taxable Property-**Blairstown Township**,  
 Last Nine Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2008	\$26,456,500	\$687,372,600	\$94,238,400	\$2,120,200	\$80,708,800	\$16,024,600	1,025,509,073	\$116,145,542	\$2,442,431	909,363,531	0.501	\$893,383,234
2009	25,805,300	694,003,300	93,679,000	2,071,225	79,884,700	15,768,000	1,031,656,704	118,011,242	2,433,937	913,645,462	0.507	961,480,469
2010	31,650,900	695,382,800	95,476,000	2,055,325	74,764,000	8,300,300	1,030,112,649	120,340,142	2,143,182	909,772,507	0.520	944,965,252
2011	30,691,900	694,723,800	97,834,200	2,064,325	73,815,850	8,300,300	1,032,598,182	122,932,042	2,235,765	909,666,140	0.537	920,100,839
2012	19,587,700	558,981,200	75,042,600	2,097,700	63,314,000	7,525,200	825,492,860	96,699,303	2,245,157	728,793,557	0.657	870,135,402
2013	17,560,200	552,802,300	76,294,600	2,133,400	61,280,500	7,526,200	815,607,689	95,982,717	2,027,772	719,624,972	0.714	786,160,323
2014	17,324,800	554,018,900	74,566,200	2,146,300	60,606,200	7,426,000	814,057,450	95,984,317	1,984,733	718,073,133	0.720	747,038,890
2015	17,534,500	553,802,200	73,824,500	2,129,800	59,922,200	7,506,300	812,711,502	95,881,017	2,110,985	716,830,485	0.742	712,612,284
2016	16,459,000	553,436,700	74,089,900	2,161,200	58,825,700	7,506,300	810,249,679	95,338,017	2,432,862	714,911,662	0.755	719,403,395
2017	16,383,200	554,080,200	73,348,600	2,154,600	58,811,400	7,406,800	811,128,643	96,664,417	2,279,426	714,464,226	0.778	721,829,604

Source: District records Tax list summary & 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, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Blairstown Township School District  
 Assessed Value and Actual Value of Taxable Property- **Hardwick Township**,  
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2008	\$7,008,700	\$108,637,000	\$32,495,200	\$1,074,150	\$1,506,200	\$627,000	\$197,703,048	\$45,976,800	\$377,998	\$151,726,248	0.909	\$214,452,259
2009	6,877,000	110,028,500	33,737,400	1,056,100	1,506,200	627,000	200,788,726	46,633,300	323,226	154,155,426	0.849	235,659,901
2010	6,259,400	110,940,300	35,353,200	1,055,300	1,506,200	627,000	203,139,974	47,093,500	305,074	156,046,474	0.808	254,599,556
2011	5,583,000	111,826,700	36,823,000	1,027,200	1,533,800	627,000	226,476,500	68,766,400	289,400	157,710,100	0.862	245,506,935
2012	5,406,700	110,585,150	38,832,800	1,067,100	839,400	627,000	226,584,341	68,822,600	403,591	157,761,741	0.916	226,265,738
2013	5,660,800	110,017,450	39,201,100	1,050,100	705,700	627,000	227,338,257	69,620,400	455,707	157,717,857	0.778	210,701,695
2014	5,640,900	111,075,050	38,132,600	1,040,900	705,700	627,000	227,339,808	69,638,300	479,358	157,701,508	0.836	194,779,597
2015	5,555,700	112,159,350	37,735,800	1,005,600	705,700	627,000	228,217,999	69,938,800	490,049	158,279,199	0.822	186,361,299
2016	5,894,900	113,171,150	37,252,000	916,650	705,700	627,000	229,741,582	70,571,100	603,082	159,170,482	0.705	187,209,847
2017	5,384,300	112,005,350	37,710,800	1,002,050	705,700	627,000	228,536,194	70,571,100	529,894	157,965,094	0.608	185,060,822

Source: District records Tax list summary & 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, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

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

**Exhibit J-7**

Fiscal Year Ended June 30,	Blairstown Township Board of Education			North Warren Regional School District	Blairstown Township	Warren County	Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct				
2008	\$0.501	-0-	\$0.501	\$0.512	\$0.035	\$0.602	\$1.650
2009	\$0.507	-0-	\$0.507	\$0.507	\$0.035	\$0.639	\$1.688
2010	\$0.520	-0-	\$0.520	\$0.541	\$0.035	\$0.626	\$1.722
2011	\$0.537	-0-	\$0.537	\$0.576	\$0.035	\$0.619	\$1.767
2012	\$0.657	-0-	\$0.657	\$0.713	\$0.035	\$0.758	\$2.163
2013	\$0.714	-0-	\$0.714	\$0.672	\$0.035	\$0.739	\$2.160
2014	\$0.720	-0-	\$0.720	\$0.693	\$0.015	\$0.739	\$2.167
2015	\$0.742	-0-	\$0.742	\$0.703	\$0.020	\$0.766	\$2.231
2016	\$0.755	-0-	\$0.755	\$0.720	\$0.020	\$0.781	\$2.276
2017	\$0.778	-0-	\$0.778	\$0.747	\$0.020	\$0.770	\$2.315

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

**Exhibit J-7**

Fiscal Year Ended June 30,	Blairstown Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Hardwick Township	North Warren Regional School District	Warren County	
2008	\$0.909	-0-	\$0.909	\$0.184	\$0.902	\$0.935	\$2.930
2009	\$0.849	-0-	\$0.849	\$0.203	\$0.894	\$0.992	\$2.938
2010	\$0.808	*	\$0.808	\$0.209	\$0.805	\$0.946	\$2.768
2011	\$0.862	*	\$0.862	\$0.245	\$0.786	\$0.904	\$2.797
2012	\$0.916	*	\$0.916	\$0.232	\$0.684	\$0.913	\$2.745
2013	\$0.778	*	\$0.778	\$0.277	\$0.847	\$0.893	\$2.795
2014	\$0.836	*	\$0.836	\$0.324	\$0.866	\$0.880	\$2.906
2015	\$0.822	*	\$0.822	\$0.330	\$0.911	\$0.906	\$2.969
2016	\$0.705	*	\$0.705	\$0.417	\$1.019	\$0.913	\$3.054
2017	\$0.608	*	\$0.608	\$0.458	\$1.133	\$0.895	\$3.094

\* - The Hardwick Township Board of Education (Non-operating district) Was merged with Blairstown School District effective June 30, 2009.

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to

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

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

Blairstown Township School District  
Principal Property Tax Payers-**Blairstown Township**,  
Current Year and Nine Years Ago

**Exhibit J-8**

Taxpayer	2014			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Public Service Gas & Electric	\$ 9,195,500	1	1.29%	2,078,500	2	0.71%
Blairstown Realty Associates, LLC	8,826,700	2	1.24%			
JD Air, Inc.	2,865,700	3	0.40%			
First National Bank of Hope	2,707,100	4	0.38%	1,360,600	6	0.46%
Rite Aid	2,486,200	5	0.35%			
Blair Academy	2,044,600	6	0.29%			
Embarq	1,984,733	7	0.28%			
Grater, LLC	1,963,500	8	0.27%	1,392,400	5	0.47%
Individual Taxpayer #1	1,705,000	9	0.24%	1,265,446	7	0.43%
Individual Taxpayer #2	1,693,700	10	0.24%	789,900	10	0.27%
Great Atlantic & Pacific Co.				6,592,000	1	2.24%
Jersey Central Power & Light				2,078,500	3	0.71%
Blair Air				1,613,000	4	0.55%
Woodborne Lane				1,070,000	8	0.36%
JMS Associates				800,000	9	0.27%
<b>Total</b>	<b>\$ 35,472,733</b>		<b>4.96%</b>	<b>\$ 19,040,346</b>		<b>6.47%</b>

Source: District CAFR & Municipal Tax Assessor

Blairstown Township School District  
 Principal Property Tax Payers- **Hardwick Township**,  
 Current Year and Nine Years Ago

**Exhibit J-8**

Taxpayer	2014			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
JCP&L	\$ 996,100	1	0.63%			
PSE&G	996,100	2	0.63%			
Individual Taxpayer #1	782,500	3	0.50%	859,400	2	0.65%
Individual Taxpayer #2	706,300	4	0.45%	612,500	6	0.46%
Individual Taxpayer #3	690,700	5	0.44%	519,000	7	0.39%
Individual Taxpayer #4	633,000	6	0.40%			
Individual Taxpayer #5	627,000	7	0.40%			
Individual Taxpayer #6	608,300	8	0.39%	802,700	3	0.60%
Individual Taxpayer #7	603,700	9	0.38%	462,900	9	0.35%
Individual Taxpayer #8	603,700	10	0.38%	424,600	10	0.32%
Westbrook Realty				969,000	1	0.73%
Terra Co., LLC				735,300	4	0.55%
Homestead Farm Assoc., LLC				671,900	5	0.51%
United Telephone Co. of NJ., Inc.				502,692	8	0.38%
<b>Total</b>	<b>\$ 7,247,400</b>		<b>4.59%</b>	<b>\$ 6,559,992</b>		<b>4.94%</b>

Source: District CAFR & Municipal Tax Assessor



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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$4,555,030	\$4,555,030	100.00%	-
2009	\$4,636,549	\$4,636,549	100.00%	-
2010	\$6,002,019	\$6,002,019	100.00%	-
2011	\$6,242,100	\$6,242,100	100.00%	-
2012	\$6,238,000	\$6,238,000	100.00%	-
2013	\$6,362,000	\$6,362,000	100.00%	-
2014	\$6,489,000	\$6,489,000	100.00%	-
2015	\$6,618,000	\$6,618,000	100.00%	-
2016	\$6,520,000	\$6,520,000	100.00%	-
2017	\$6,520,000	\$6,520,000	100.00%	-

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

**Note:**

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2010	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2011	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2012	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Source: District CAFR Schedules I-1, I-2

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	Bond Anticipation Notes (BANs)	Deductions	Net General Bonded Debt Outstanding		
2008	-0-	-0-	-0-	-0-	-0-
2009	-0-	-0-	-0-	-0-	-0-
2010	-0-	-0-	-0-	-0-	-0-
2011	-0-	-0-	-0-	-0-	-0-
2012	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

R Revised

\* Current data unavailable

**Blairstown Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2017**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Blairstown Township	\$ 2,476,433	100.000%	\$ 2,476,433
Hardwick Township	617,290	100.000%	617,290
North Warren Regional School District	-	0.000%	-
<b>Other debt</b>			
Warren County (Includes apportionment for Blairstown and Hardwick Townships)	3,435,000	8.341%	<u>286,527</u>
Subtotal, overlapping debt			3,380,250
<b>Blairstown School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 3,380,250</u></u>

**Sources:** Township Finance Officer, Warren County Finance Office and Utility Authorities

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

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

**Blairstown Township School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized valuation basis
	2014 903,135,112
	2015 903,944,208
	2016 890,834,395
	<b>[A]</b> <u>\$ 2,697,913,715</u>
	Average equalized valuation of taxable property <b>[A/3]</b> \$ 899,304,572
	Debt limit (2 1/2 % of average equalization value) <b>[B]</b> 22,482,614
	Net bonded school debt <b>[C]</b> -
	Legal debt margin <b>[B-C]</b> <u>\$ 22,482,614</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	\$21,721,072	\$23,098,152	\$29,489,866	\$28,534,756	\$26,996,258	\$25,247,472	\$23,634,225	\$22,810,083	\$22,518,575	\$22,482,614
Total net debt applicable to limit										-
Legal debt margin	<u>\$21,721,072</u>	<u>\$23,098,152</u>	<u>\$29,489,866</u>	<u>\$28,534,756</u>	<u>\$26,996,258</u>	<u>\$25,247,472</u>	<u>\$23,634,225</u>	<u>\$22,810,083</u>	<u>\$22,518,575</u>	<u>\$22,482,614</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

\* Effective for fiscal year 2010 and forward, the legal debt margin includes Hardwick Township to reflect the Non-operating Hardwick Township Board of Education merger into Blairstown Township School District.

**Blairstown Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2008	7,546	\$ 330,944,922	\$43,857 R	5.6%
2009	7,560	\$ 322,759,080	\$42,693 R	9.3%
2010	7,545	\$ 325,845,915	\$43,187 R	9.5%
2011	7,653	\$ 343,749,801	\$44,917 R	8.8%
2012	7,608	\$ 351,276,576	\$46,172 R	8.6%
2013	7,551	\$ 351,083,745	\$46,495 R	8.0%
2014	7,482	\$ 363,961,890	\$48,645 R	5.9%
2015	7,485	\$ 381,001,470	\$50,902 R	5.0%
2016	7,486	\$ 381,052,372	\$50,902 *	4.2%
2017	7,455	\$ 379,474,410	\$50,902 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development;  
Includes Blairstown and Hardwick Townships

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised

\* Current data unavailable

**Blairstown Township School District  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15  
N/A**

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

**Source:**  
No reliable information is available at the local or county level.

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

**Exhibit 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	42.0	36.2	36.0	37.1	36.8	33.0	33.0	34.0	33.0
Special education	12.0	11.0	10.5	10.5	11.5	11.7	12.4	12.3	11.5	12.9
Other instruction	8.0	6.5	3.8	5.0	8.0	2.0	6.0	6.0	6.5	6.6
Support Services:										
Tuition										
Student & instruction related services	37.6	28.0	37.0	28.7	27.0	35.7	28.8	27.5	23.2	24.1
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	3.0	3.0	3.0	2.5	2.2	3.2	3.2	3.2	3.2	3.2
Business administrative services	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Plant operations and maintenance	5.5	5.2	5.2	4.4	4.3	4.3	4.3	4.3	4.3	4.3
Pupil transportation	1.0	1.2	1.2	1.5	1.8	1.8	1.8	1.8	1.8	1.8
Total	108.5	100.4	100.4	92.1	95.3	99.0	93.0	91.6	88.0	89.4

**Source:** District Personnel Records



**Blairstown Township School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary				
2008	763	\$ 8,608,139	\$ 11,282	1.12%	61	12.5:1	755.7	718.3	2.12%	95.1%
2009	734	\$ 8,685,504	\$ 11,833	4.89%	61	12.0:1	701.7	673.7	-7.15%	96.0%
2010	632	\$ 9,042,975	\$ 14,309	20.92%	61	10.4:1	631.8	605.2	-9.96%	95.8%
2011	634	\$ 8,407,695	\$ 13,261	-7.32%	57	11.1:1	637.1	604.6	0.84%	94.9%
2012	604	\$ 8,938,668	\$ 14,799	11.60%	56	10.8:1	598.8	570.3	-6.01%	95.2%
2013	554	\$ 8,966,733	\$ 16,185	9.37%	50	10.8:1	554.8	524.7	-7.35%	94.6%
2014	532	\$ 8,856,284	\$ 16,647	2.85%	51	10.4:1	532.6	505.8	-4.00%	95.0%
2015	542	\$ 8,977,278	\$ 16,563	-0.50%	51	10.6:1	541.7	516.3	1.71%	95.3%
2016	508	\$ 9,235,014	\$ 18,179	9.76%	49	10.4:1	508.4	486.6	-6.15%	95.7%
2017	481	\$ 9,483,139	\$ 19,715	8.45%	53	9.1:1	481.3	463.3	-5.33%	96.3%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff. Prior to 2016, amount include aides.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**Blairstown Township School District  
School Building Information  
Last Ten Fiscal Years**

**Exhibit J-18**

<u>District Building</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>
<u>Elementary</u>										
Blairstown Elementary (1929)										
Square Feet	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762
Capacity (students)	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0
Enrollment	763.0	734.0	632.0	634.0	604.0	554.0	532.0	541.7	508.4	481.0

Number of Schools at June 30, 2017

**Source:** District records, ASSA

Elementary = 1

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**Last Ten Fiscal Years Ending June 30, 2017**

Exhibit J-19

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

<b><u>School Facilities</u></b>	<b><u>Project #</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>Total</u></b>
Blairstown Elementary	040	\$63,005	\$92,066	\$130,221	\$186,450	\$285,555	\$198,270	\$282,710	\$268,546	\$470,948	\$270,672	\$2,185,438
<b>Total School Facilities</b>		<b>63,005</b>	<b>92,066</b>	<b>130,221</b>	<b>186,450</b>	<b>285,555</b>	<b>198,270</b>	<b>282,710</b>	<b>268,546</b>	<b>470,948</b>	<b>270,672</b>	<b>408,737</b>
Other Facilities												
<b>Grand Total</b>		<b>\$63,005</b>	<b>\$92,066</b>	<b>\$130,221</b>	<b>\$186,450</b>	<b>\$285,555</b>	<b>\$198,270</b>	<b>\$282,710</b>	<b>\$268,546</b>	<b>\$470,948</b>	<b>\$270,672</b>	<b>\$2,185,438</b>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

**INSURANCE SCHEDULE**  
**JUNE 30, 2017**  
**UNAUDITED**

Exhibit J-20

<b><u>POLICY TYPE</u></b>	<b><u>COVERAGE</u></b>	<b><u>DEDUCTIBLE</u></b>
<b>SCHOOL PACKAGE POLICY - NJSBAIG</b>		
*Property-Blanket Building and Contents	\$ 400,000,000	\$ 1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	1,000
Comprehensive Crime Coverage	50,000	500
<b>SCHOOL BOARD LEGAL LIABILITY - NJSBAIG</b>		
Directors and Officers Policy	11,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND - Selective Insurance</b>		
Board Administrator	25,000	
Treasurer	200,000	

\* New Jersey School Boards Association Insurance Group (NJSBAIG)

SOURCE: District Records

# Single Audit Section





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 Douglas R. Williams, CPA, RMA, PSA

### **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

Honorable President and  
 Members of the Board of Education  
 Blairstown Township School District  
 County of Warren  
 Blairstown, New Jersey 07825

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Blairstown Township School District Board of Education in the County of Warren, 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 Blairstown Township School District Board of Education's basic financial statements, and have issued our report thereon dated August 31, 2017.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Ardito & Co., LLP*

ARDITO & CO., LLP  
August 31, 2017

*Cynthia Corder*

Licensed Public School Accountant No.2369





## **ARDITO & Co., LLP**

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 Douglas R. Williams, CPA, RMA, PSA

### **Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB circulars 15-08**

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Blairstown Township School District  
 County of Warren  
 Blairstown, New Jersey 07825

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

We have audited the Blairstown Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB circulars 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2017. The Blairstown Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circulars 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

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

-Continued-

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

**Opinion on Each Major State Program**

In our opinion, the Blairstown Township School District Board of Education 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 year ended June 30, 2017.

**Report on Internal Control Over Compliance**

Management of the Blairstown Township School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 New Jersey OMB Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Blairstown Township School District Board of Education'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.

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

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

*ARDITO & Co., LLP*

ARDITO & CO., LLP

August 31, 2017

*Anthony Ardito*

Licensed Public School Accountant No.2369

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2017

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2016	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2017			MEMO			
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.		
<b>State Department of Education</b>																
<b>General Fund</b>																
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 1,333,417			\$ 1,333,417	\$ (1,333,417)							\$	130,477	\$ 1,333,417
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	70,649			70,649	(70,649)							*	6,913	70,649
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	351,956			351,956	(351,956)							*	34,440	351,956
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	52,071			52,071	(52,071)							*	5,095	52,071
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	115,626			115,626	(115,626)							*	11,314	115,626
Add'l Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	39,578			39,578	(39,578)							*	3,873	39,578
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	5,230			5,230	(5,230)							*	512	5,230
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	5,230			5,230	(5,230)							*	512	5,230
Professional Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	4,990			4,990	(4,990)							*	488	4,990
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	21,103				(21,103)			\$ (21,103)				*		21,103
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	17,274	\$ (17,274)		17,274								*		-
Non-Public Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	674				(674)				(674)			*		674
Non-Public Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	2,246	(2,246)		2,246								*		-
On Behalf TPAF Pension	17-495-034-5094-002	7/1/16-6/30/17	424,480			424,480	(424,480)							*		424,480
On Behalf TPAF Pension PMR	17-495-034-5094-001	7/1/16-6/30/17	353,689			353,689	(353,689)							*		353,689
On Behalf TPAF Pension LTD Ins	17-495-034-5094-004	7/1/16-6/30/17	1,316			1,316	(1,316)							*		1,316
Reimb. TPAF Soc.Secur.Contrib.	17-495-034-5094-003	7/1/16-6/30/17	281,552	(13,140)		294,692	(281,552)							*		281,552
<b>Total General Fund</b>				<b>(32,660)</b>		<b>3,072,444</b>	<b>(3,061,561)</b>				<b>(21,777)</b>			*	<b>193,624</b>	<b>3,061,561</b>
<b>Capital Projects Fund:</b>																
SDA Grant - Door Replacement Project	SP#0400-030-13-G2TO	6/3/14-6/30/15	51,400	(51,361)		51,400		(39)			-			*		51,400
SDA Grant - Window Replacement Project	SP#0400-030-13-G2TM	2/10/14-6/30/17	279,084				(279,084)				(279,084)			*		279,084
<b>Total Capital Projects Fund</b>				<b>(51,361)</b>		<b>51,400</b>	<b>(279,084)</b>	<b>(39)</b>			<b>(279,084)</b>			*		<b>330,484</b>
<b>State Department of Agriculture</b>																
<b>Enterprise Fund:</b>																
Nat.School Lunch Prog.(State Share)	16-100-034-5120-122	7/1/15-6/30/16		(94)		94								*		
Nat.School Lunch Prog.(State Share)	17-100-034-5120-122	7/1/16-6/30/17	1,443			1,339	(1,443)				(104)			*		1,443
<b>Total Enterprise Fund</b>				<b>(94)</b>		<b>1,433</b>	<b>(1,443)</b>				<b>(104)</b>			*		<b>1,443</b>
<b>Total State Financial Assistance</b>																
				<b>\$ (84,115)</b>		<b>\$ 3,125,277</b>	<b>\$ (3,342,088)</b>	<b>(39)</b>			<b>\$ (300,965)</b>			*	<b>\$ 193,624</b>	<b>\$ 3,393,488</b>

Less: On-behalf TPAF Pension Amounts 779,485

Total State Expenditures Subject to Major Program Determination \$ (2,562,603)

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

NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying federal and state schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$116) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 37,802	\$ 3,061,445	\$ 3,099,247
Special Revenue Fund	259,073	-	259,073
Capital Projects Fund		279,084	279,084
Food Service Fund	<u>50,318</u>	<u>1,444</u>	<u>51,762</u>
Total Financial Assistance	<u>\$ 347,193</u>	<u>\$ 3,341,973</u>	<u>\$ 3,689,166</u>

**NOTE 4. 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 employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes \_\_x No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_x None

Reported

Noncompliance material to financial statements noted? \_\_\_ Yes \_\_x No

**Federal Awards**

N/A

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_\_ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? \_\_\_ Yes \_\_\_ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no



SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**Section II-Financial Statement Findings**

N/A

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with *Government Auditing Standards*.

**Section III - State Financial Assistance Findings and Questioned Costs**

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.



SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**STATUS OF PRIOR YEAR FINDINGS**

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year recommendations.