

BORDENTOWN REGIONAL SCHOOL DISTRICT

Bordentown Township, New Jersey
County of Burlington

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

BORDENTOWN TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by

Bordentown Regional School District
Business Administrator's Office

OUTLINE OF CAFR

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	9
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	13
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	19
BASIC FINANCIAL STATEMENTS	
<u>A. Government-Wide Financial Statements:</u>	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34
<u>B. Fund Financial Statements:</u>	
Governmental Funds:	
B-1 Balance Sheet	39
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	40
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	41
Proprietary Funds:	
B-4 Statement of Net Position	45
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	46
B-6 Statement of Cash Flows	47
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	51
B-8 Statement of Changes in Fiduciary Net Position	52
Notes to Financial Statements	55
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
<u>C. Budgetary Comparison Schedules:</u>	
C-1 Budgetary Comparison Schedule - General Fund	93
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Community Development Block Grant - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	100
<u>Notes to the Required Supplementary Information:</u>	
C-3 Budget-to-GAAP Reconciliation	103
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
<u>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):</u>	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	109
L-2 Schedule of the District Contributions - PERS	110
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	111
Notes to the Required Supplementary Information - PART III	113

	<u>PAGE</u>
Other Supplementary Information	
<u>D. School Based Budget Schedules:</u>	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
<u>E. Special Revenue Fund:</u>	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	119
E-1a Combining Schedule of Program Revenues and Expenditures-Budgetary Basis	120
E-1b Combining Schedule of Program Revenues and Expenditures-Budgetary Basis	121
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
<u>F. Capital Projects Fund:</u>	
F-1 Summary Statement of Project Expenditures	125
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	126
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Renovations to Clara Barton Elementary School	127
F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Renovations to MacFarland Elementary School	128
F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Renovations to Peter Muschal Elementary School	129
F-2d Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Renovations to Bordentown Middle School	130
F-2e Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Bordentown Middle School Partial Roof Replacement	131
<u>G. Proprietary Funds:</u>	
Enterprise Funds:	
G-1 Combining Statement of Net Position	137
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	138
G-3 Combining Statement of Cash Flows	139
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	143
H-2 Combining Statement of Changes in Fiduciary Net Position	144
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	145
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	145
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	149
I-2 Schedule of Obligations Under Capital Leases	150
I-3 Debt Service Fund Budgetary Comparison Schedule	151

STATISTICAL SECTION (Unaudited)

Financial Trends:	
J-1 Net Position by Component	155
J-2 Changes in Net Position	156
J-3 Fund Balances - Governmental Funds	158
J-4 Changes in Fund Balance - Governmental Funds	159
J-5 Other Local Revenue by Source - General Fund	161
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	162
J-7 Direct & Overlapping Property Tax Rates	163
J-8 Principal Property Taxpayers	164
J-9 Property Tax Levies & Collections	165

	<u>PAGE</u>
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	166
J-11 Ratios of General Bonded Debt Outstanding	167
J-12 Direct & Overlapping Governmental Activities Debt	168
J-13 Legal Debt Margin Information	169
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	170
J-15 Principal Employers	171
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	172
J-17 Operating Statistics	173
J-18 School Building Information	174
J-19 Schedule of Required Maintenance	175
J-20 Insurance Schedule	176

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	181
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08	183
K-3 Schedule of Expenditures of Federal Awards, Schedule A	185
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	186
K-5 Notes to Schedules of Awards and Financial Assistance	187
K-6 Schedule of Findings & Questioned Costs- Summary of Auditor's Results	189
K-7 Schedule of Findings & Questioned Costs- Financial , Fedral and State Findings	191
K-8 Summary Schedule of Prior Audit Findings	193

INTRODUCTORY SECTION

William Mercantini
President

Joshua Fausti
Vice President

Bordentown Regional School District

318 WARD AVENUE
BORDENTOWN, NJ 08505

Edward Forsthoffer, III, Ed.D.
Superintendent

Eloi A. Richardson, CPA
Business Administrator

Business Office (609) 298-0025 Extension 1204	FAX (609) 298-2515	Superintendent's Office (609) 298-0025 Extension 1211
--	------------------------------	--

Internet Web Site: www.bordentown.k12.nj.us

October 22, 2017

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

Dear Board Members and Citizens of the Regional District:

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

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

In addition, the District is required to undergo an annual Single Audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement's, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid"*. Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

The financial statements include:

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

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

1. REPORTING ENTITY AND ITS SERVICES: The Bordentown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. The District provides a full range of educational services appropriate to regular and special education students in grade levels K through 12. The District's on-roll enrollment as of October 15, 2016 was 2,489 which notably included high school students received from the New Hanover Public Schools on a tuition basis.

This Comprehensive Annual Financial Report for the year ended June 30, 2017 is presented in GASB 34 format. The Bordentown Regional Board of Education and all its schools constitute the District's reporting entity. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community District Alliance functions are classified as business-type activities. All funds of the district are included in this report.

2. MAJOR ACTIVITIES AND INITIATIVES:

During 2016-17, the District continued its focus on preparing students to face the evolving learning environments and expectations before them. This encompassed providing staffing and other resources to meet the needs of diverse student learners in basic skills, special education, English language acquisition, and gifted education.

Included therein was continuation of full day kindergarten and preschool programs; before and after school as well as extended school year programs for students "at risk"; support for staff professional development. In addition, all academic and extra-curricular programs and activities were maintained without requiring participation contributions. Moreover, the District upgraded its educational offerings through investing in the most recent update to the *Everyday Mathematics* program at the elementary level while adding an Advanced Placement Computer Science course at the high school.

Also, during this past year the District commenced implementation of its strategic plan developed during the prior year to guide its educational, operational, and financial direction for the foreseeable future. And, in a notable boost to its future financial stability, during fiscal year 2017 the District completed a refinancing of its outstanding 2006 School Refunding Bonds (which in themselves were a refinance of the initial 2002 bond issued to primarily construct the present high

school) that is expected to generate savings in future years' debt service and related debt service tax payments from the levels that would have been required under the now refinanced 2006 School Refunding Bonds.

In the operational and support services areas, the District maintained its full complement of support resources, including a comprehensive level of transportation services as well as continued capital outlay investments. The latter most notably included completion of a partial replacement of the roof at the middle school, which was partially funded with a State grant, and the final phase of the multi-year upgrade of the District's network infrastructure to enhance network bandwidth capabilities to address increasing instructional and operational needs.

- 3. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but no absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure including that portion related to federal and state financial assistance programs as well as to determine that the District has complied with applicable laws and regulations.

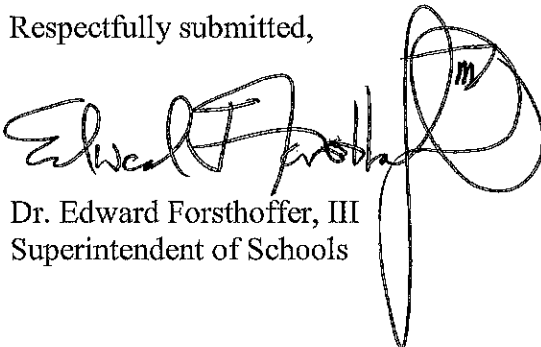
- 4. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget certified/adopted by the Board. Annual appropriated budgets are certified/adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. These final annual budgets, as amended, are reflected in the financial section. Project-length budgets are approved for capital improvements and accounted for in the Capital Projects Fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

- 5. ACCOUNTING SYSTEMS AND REPORTS:** The District's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

6. CASH MANAGEMENT: The investment policy of the District is guided in substantial part by New Jersey State statute(s) as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey by requiring such units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
8. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accountants, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the Board members of the Bordentown Regional School District for their fiscal stewardship on behalf of the citizens and taxpayers of the school district and as well as to our District's financial and other staff for their support and dedicated services without whom we would not be able to serve the students entrusted to us by our constituent communities.

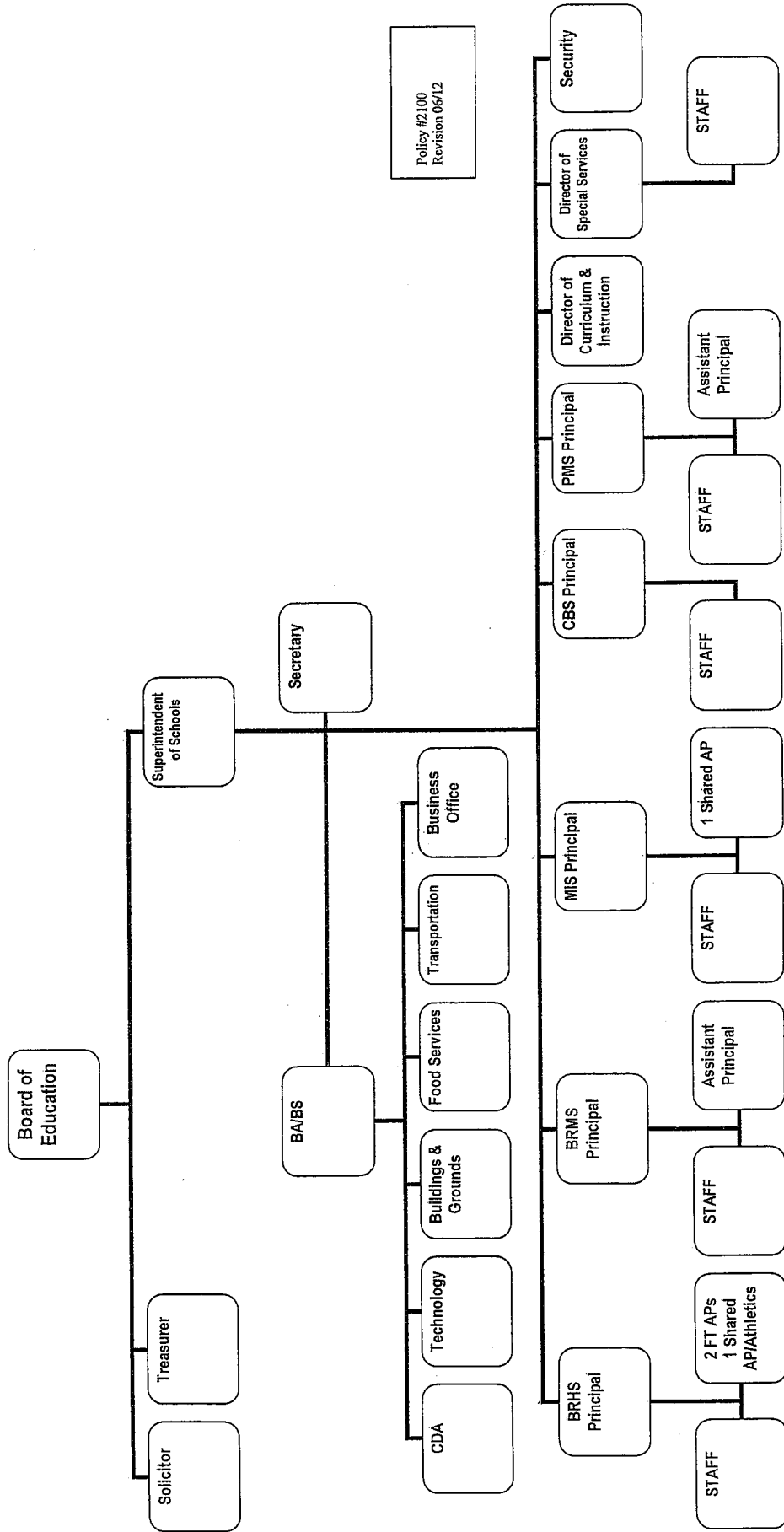
Respectfully submitted,



Dr. Edward Forsthoffer, III
Superintendent of Schools



Eloi Richardson, CPA
School Business Administrator/Board Secretary



Policy #2100
Revision 06/12

BORDENTOWN REGIONAL SCHOOL DISTRICT

318 WARD AVENUE
BORDENTOWN, NEW JERSEY 08505

ROSTER OF OFFICIALS JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

William Mercantini, President	2017
Joshua Fausti, Vice President	2018
Kevin Creegan	2018
Howard Barman	2017
Salvatore Schiano	2019
Steven Heberling	2019
Sylvia Scozzari	2019
Mark Roselli	2017
Edward G. Tyler, Jr.	2017

OTHER OFFICIALS

Dr. Edward Fortshoffer, III, Superintendent

Eloi Richardson, Business Administrator/Board Secretary

BORDENTOWN REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Capehart Scatchard
8000 Midlantic Drive, Suite 3004
P.O. Box 5016
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

PNC Bank
Bordentown, New Jersey 08505

TD Bank
1006 Astoria Boulevard
Cherry Hill, New Jersey 08034

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

FINANCIAL SECTION



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bordentown Regional School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records

used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
October 22, 2017

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Bordentown Regional School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the Transmittal Letter at the beginning of this report and with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS:

Per Exhibit B-2, District revenues for the major governmental funds were \$47,333,508 with corresponding expenditures of \$47,143,199. Reported revenues reflect a \$1,618,402 (3.5%) increase over the prior year. The most significant contributors to revenue growth were the \$1,080,396 increase in State sources, coupled with a \$773,219 increase in combined general purpose and debt service tax levies, which were partially offset by \$214,821 lower tuition reflecting reduced tuition student enrollments. Overall spending grew approximately \$2,598,325 (5.8%), with \$1,121,012 related to capital outlay, primarily for completion of the middle school roof replacement.

The State and Federal aid funding shown principally represented annual State aid based on enrollment and other factors, as well as other grant funds received. The Individuals with Disabilities Education Act ("IDEA") grant and the Every Student Succeeds Act ("ESSA") grant, which replaced the prior No Child Left Behind ("NCLB") represented the two significant ongoing Federal funding resources for the District. IDEA helped to offset tuition costs for special education students requiring placement at outside settings best able to meet their needs, while ESSA helped to support Basic Skills Education, staff development, class size reduction, and English as a Second Language programs. Federal aid also reflected \$86,760 of reimbursements for services to Medicaid eligible special education students from State mandated participation in the Special Education Medicaid Initiative (SEMI).

In July of 2002, the District sold \$37,447,000 in bonds ("2002 School Bonds", later refunded in 2006 "2006 School Refunding Bonds") to finance the building of a new high school and renovations to the other existing schools, followed in March 2010 with another bonding of \$8,499,000 ("2010 School Bonds") to fund completion of various renovations and improvements at the high school complex, including installation of athletic fields and a photovoltaic (solar energy) system on the high school roof. Both of these bond projects are completed, with unexpected bond proceeds used to offset annual service payments. Similarly, revenues from the sale of excess energy produced by the solar system, in the form of Solar Renewal Energy Certificates ("SREC's"), partially offset ongoing operating costs, with \$105,373 applied for this purpose in 2016-17.

During Fiscal Year 2017, the District completed a refinancing of its then outstanding 2006 School Refunding Bonds over their remaining 17-year term to maturity with new bonds ("2016 Refunding School Bonds"). The 2016 refinancing is anticipated to generate cumulative savings of approximately \$4,417,482 (equating to \$260,000 per year) in future debt service repayments over this remaining 17-year term to maturity.

New Accounting Standard(s)

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

ORGANIZATION OF THE DISTRICT'S ANNUAL FINANCIAL REPORT

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

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

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

DISTRICT–WIDE STATEMENTS

MAJOR FEATURES OF DISTRICT–WIDE AND FUND FINANCIAL STATEMENTS

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

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

The district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. However to more fully assess the overall financial health of the District; a reader should also consider other non-financial factors, such as changes in the District's property tax base; debt levels; and the condition of school buildings and other facilities.

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

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

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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

	Governmental Type Activities		Business Type Activities		School District Totals		% Change
	2016	2017	2016	2017	2016	2017	2016-2017
Current and other assets	4,097	4,566	945	970	5,042	5,536	9.8%
Capital Assets – Net	47,469	46,592	92	94	47,561	46,686	-1.8%
Deferred Outflows	3,296	7,025	-	-	3,296	7,025	113.1%
Total Assets and Deferred Outflows	54,862	58,183	1,037	1,064	55,899	59,247	6.0%
Long-term debt outstanding	54,924	57,977	-	-	54,924	57,977	5.6%
Other liabilities	906	887	420	392	1,326	1,279	-3.5%
Deferred Inflows	276	32			276	32	-88.4%
Total liabilities	56,106	58,896	420	392	56,250	59,288	5.4%
NET POSITION							
Net Investment in Capital Assets	10,577	12,198	92	94	10,669	12,292	15.2%
Restricted	1,389	2,202			1,389	2,202	58.5%
Unrestricted	(13,210)	(15,112)	525	578	(12,685)	(14,534)	14.6%
Total net position	(1,244)	(712)	617	672	(627)	(40)	-93.6%

Source: Exhibit A-1

As summarized above, the District’s net position improved by \$585,756, to (\$40,709) at June 30, 2017 versus (\$626,4657) at June 30, 2016, primarily reflecting offsetting changes in total assets and deferred outflows largely related to the District’s allocable share of the State’ pension obligations (See Note 8, “Pension Obligations” for further details).

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

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

	Governmental Activities		Business-Type Activities		School District Totals		% Change
	2016	2017	2016	2017	2016	2017	2016-17
REVENUES:							
Program revenues:							
Charges for services	-	-	1,395	1,494	1,395	1,494	7.10%
Federal and State Cat. Grants	7,905	5,440	435	424	8,340	5,864	-29.69%
General revenues:					-	-	
Property taxes	30,463	31,237	-	-	30,463	31,237	2.54%
Federal or State Aid	12,384	8,989	-	-	12,384	8,989	-27.41%
Tuition	1,048	833	-	-	1,048	833	-20.52%
Other	787	834	-	-	787	834	5.97%
Total Revenues	52,587	47,333	1,830	1,918	54,417	49,251	-9.49%
EXPENSES							
Instruction Related	14,773	15,504	-	-	14,773	15,504	4.95%
Tuition	1,809	1,615	-	-	1,809	1,615	-10.72%
Student & Inst. Related Svcs	5,607	5,808	-	-	5,607	5,808	3.58%
Administrative Services	2,647	2,793	-	-	2,647	2,793	5.52%
Maintenance	3,576	3,808	-	-	3,576	3,808	6.49%
Transportation	1,928	2,586	-	-	1,928	2,586	34.13%
Benefits	17,767	11,774	-	-	17,767	11,774	-33.73%
Other	3,637	2,913	1,822	1,864	5,459	4,777	-12.49%
Total expenses	51,744	46,801	1,822	1,864	53,566	48,665	-9.15%
Incr (decr) in net position	843	532	8	54	851	586	

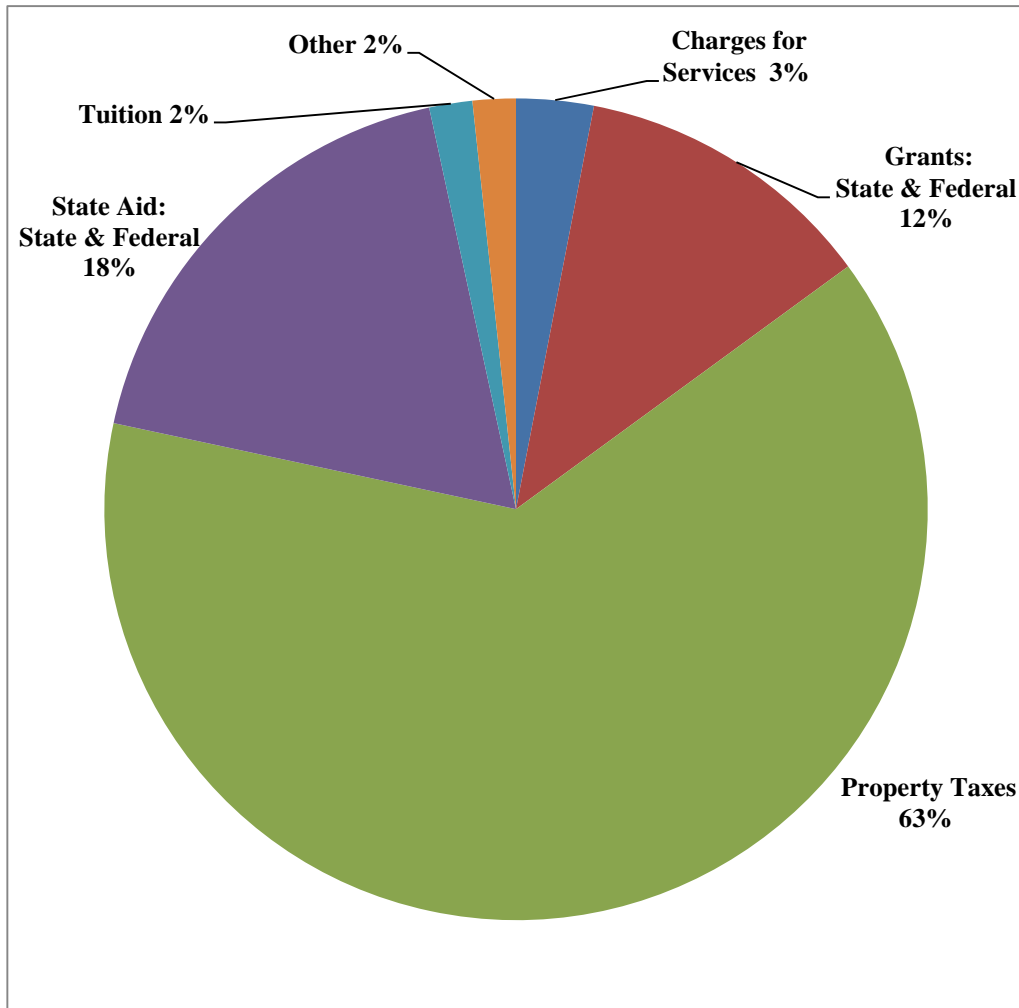
Sources: Exhibits A-2 and B-5 Note: Totals may not add due to rounding

Changes in net position – Governmental Activities: Property taxes, at approximately 66% and Federal/State aid at approximately 19% account for the two largest sources of General Fund revenues. Tuition revenue, at nearly \$1 million, also provided an important alternative revenue resource to help minimize tax levy reliance. [The District accepts tuition students from the New Hanover School District, as well as for a general education preschool program offered to parents on a tuition basis.] The change in benefits is primarily related to the District’s proportionate share of the State’s unfunded liability.

Changes in net position - Business–type Activities: The District's business activities are its food service operations which provide breakfast and lunch to students and the Community District Alliance (C.D.A.) which operates before–and–after–school and summer programs, as well as manages an adult education program and operations of the performance arts center. The increase in net position primarily reflects revenue growth for the food service operations, mainly attributable to increased “full-paid” breakfast and lunch sales, and for CDA, reflecting one-time revenues for the Performing Arts Center (rents) and the adult education program (grant increase), combined with increased participation in the before-and-after school program (tuition).

Charts A-1 and A-2, illustrates total revenues and expenses, respectively, for Fiscal Year 2017 based on information from Table A-2.

2016-17 SCHOOL DISTRICT TOTAL REVENUES



2016-17 SCHOOL DISTRICT TOTAL EXPENSES

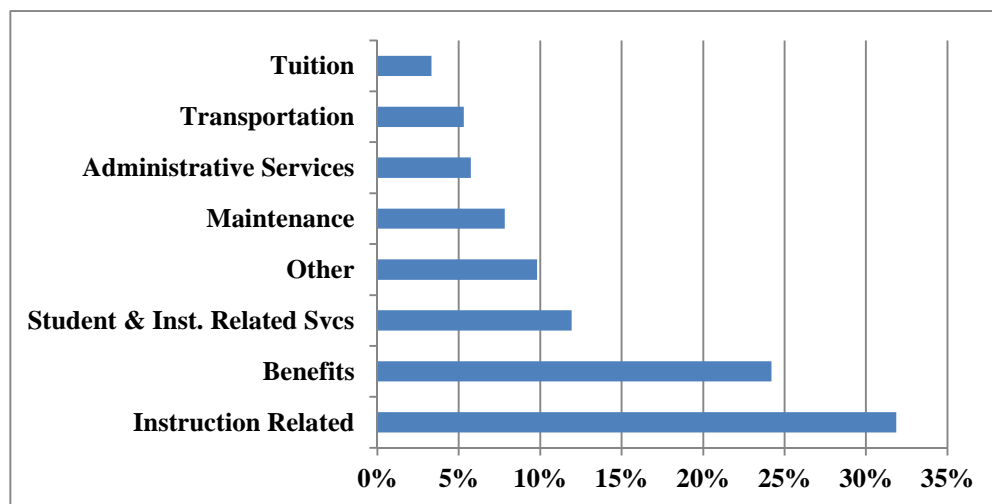


Table A-3 provides a summary of the cost of all governmental activities (net of program revenues) for the 2016-17 school year.

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2016	2017	2015-2016	2016	2017	2016-17
Instruction Related	14,773	15,504	4.95%	13,875	14,651	5.59%
Tuition	1,809	1,615	-10.72%	1,757	1,559	-11.27%
Stud. & Instr. Rel. Svs	5,607	5,079	-9.42%	5,550	5,013	-9.68%
Administrative Services	2,647	3,521	33.02%	2,647	3,521	33.02%
Maintenance	3,576	3,808	6.49%	3,576	3,808	6.49%
Transportation	1,928	2,586	34.13%	1,928	2,586	34.13%
Benefits	17,767	11,775	-33.73%	7,064.00	7,310.00	3.48%
Other	3,637	2,913	-19.91%	3,637	2,913	-19.91%
Total	51,744	46,801		40,034	41,361	

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As shown in Exhibit C-1, the combined fund balance of the General Fund was \$4,423,835 at June 30, 2017. Of that amount, (a) \$104,650 was reserved as encumbrances to be applied in 2017-18 for purchase orders outstanding at year end; (b) \$1,465,000 was designated to support the 2017-18 budget; (c) \$166,445 was designated to support the 2018-19 budget; (d) \$1,138,234 was retained in Capital Reserves for use on future capital improvement projects, as applicable, (e) \$660,553 was set aside in Maintenance Reserves help meet more immediate facility maintenance needs, as and if needed; (f) \$65,000 was set aside for any future tuition adjustments; (g) leaving a balance of \$823,953 as undesignated for any other contingencies.

GENERAL FUND BUDGETARY HIGHLIGHTS

After adjusting for “on-behalf payments”, the net actual result shown in Exhibit C-1 for 2016-17 was \$2,951,393 favorable to budget¹. Both revenues (exceeding budget) and expenditures (less than budgeted) showed favorable variances. The major favorable revenue variances include: (a) \$110,792 in unexpectedly higher State aid, including in extraordinary education costs (\$60,865) and educating homeless students (\$25,725); \$50,345 in Tuition from unanticipated displaced students placed with the District; and \$48,099 in additional Medicaid Reimbursement (SEMI) reflecting very aggressive programmatic efforts in serving this student body.

The overall favorable expense variance primarily reflect the following savings: (a) \$264,774 in various regular instructional program costs; (b) \$486,169 in overall out-of-district tuition, mostly reflecting unanticipated favorable changes in student census and/or placements; (c) \$150,757 in overall transportation costs, namely reflective of favorable fuel pricing; (d) and \$799,839 in employee benefit costs, attributable to unanticipated favorable health benefits premium renewal rates, coupled with census changes during the year.

¹ “On-behalf payments” represent reimbursements by the State for certificated staff’s pension, long term disability, and social security benefits as well as for retiree’s medical coverage. For 2016-17 this is reflected as offsetting unbudgeted revenues and expenses totaling \$4,464,162.

CAPITAL ASSET AND DEBT ADMINISTRATION

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

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

	Governmental Activities		Business Type Activities		Total School District		% Change
	2016	2017	2016	2017	2016	2017	2016-17
	Land	1,779	1,779	-	-	1,779	1,779
Construction in Progress	62	-	-	-	62	-	-
Site Improvements	2,931	3,490	-	-	2,931	3,490	19.07%
Buildings	39,537	38,022	-	-	39,537	38,022	-3.83%
Equipment and furniture	3,160	3,301	92	94	3,252	3,395	4.40%
Total	47,469	46,592	92	94	47,561	46,686	-1.84%

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

In August of 2003, bids were awarded for renovation projects in the amount of \$4,481,120 and those projects were completed in 2005-06 year. Bids for the construction of the new high school were awarded in March of 2004 for a total of \$31,170,300; the new high school opened September 11, 2006, with only a slight increase over original budgeted costs. Remaining bond funds were utilized for field development and landscaping which were part of the original plan but not included in the project as bid. A successful referendum in December of 2009 secured \$8,499,000 in bond funds to construct turf athletic and physical education fields and to place solar panels on the roof of the new high school. This project is also now completed. Unexpended bond proceeds from both these projects are being used to reduce future debt service obligations. Moreover, revenues from the sale of excess energy produced by the solar panels in the form of Solar Renewal Energy Certificate [SREC's] are used to partially offset ongoing operating costs; \$105,373 was applied for this purpose in 2016-17. The increase in site improvements primarily reflects completion of the partial re-roofing of the middle school during 2016-17.

LONG TERM DEBT

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

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

	Total School District		Total % Change
	2016	2017	2016-17
General Obligation Bonds	37,664	32,599	-13.45%
Capital Leases	470	414	-11.91%
Unamortized Bond Premium	57	3,490	6022.81%
Deferred PERS Pension Payment	100	89	-11.00%
Compensated Absences	2,039	1,968	-3.48%
Net Pension Liability	14,594	19,418	33.05%
Total	54,924	57,978	5.56%

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

Excluding the net pension liability representing its proportionate share of the State's overall pension obligations, the District began the year with \$40,330,054 in direct general obligation bonds and other long-term debts outstanding. During the year, a net \$988,206 was retired as part of the planned normal activities in the Debt Service Fund and/or the General Fund.

In addition, during 2016-17, the District completed a refinance of its then outstanding 2006 School Refunding Bonds over their remaining 17-year term to maturity with new bonds ("2016 School Refunding Bonds"). The 2016 refinancing is anticipated to generate cumulative savings of approximately \$4,417,482 (equating to \$260,000 per year) in future debt service repayments over this remaining 17-year term to maturity. The net decrease in General Obligations Bonds and increase in Unamortized Bond Premiums is reflective of this refunding activity.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing outstanding litigations or other circumstances that could significantly affect the District's financial health in the future. However, existing legislation(s) limiting school districts to undesignated surplus of no more than 2% of their General Fund budget and further limiting annual increases in General Fund tax levies to essentially 2% over the prior year's levy, continue to have a significant impact on New Jersey school district's budgets in the face of continued increasing cost challenges.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

A. Government-Wide Financial Statements

This page intentionally left blank.

BORDENTOWN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 1,613,876	\$ 919,963	\$ 2,533,839
Receivables, Net	1,088,520	26,049	1,114,569
Inventory	-	23,806	23,806
Restricted Cash & Cash Equivalents	1,863,787	-	1,863,787
Capital Assets, Net (Note 5)	46,591,825	94,049	46,685,874
Total Assets	51,158,008	1,063,867	52,221,875
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	5,949,696	-	5,949,696
Unamortized Charge on Refunding of Debt	1,695,666	-	1,695,666
Total Deferred Outflow of Resources	7,645,362	-	7,645,362
Total Assets and Deferred Outflow of Resources	58,803,370	1,063,867	59,867,237
LIABILITIES			
Accounts Payable	218,614	40,804	259,418
Due to Other Governments (Note 8)	620,121	-	620,121
Unearned Revenue	80,530	351,474	432,004
Accrued Interest Payable	586,962	-	586,962
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,270,347	-	2,270,347
Due Beyond One Year	55,707,157	-	55,707,157
Total Liabilities	59,483,731	392,278	59,876,009
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	31,937	-	31,937
Total Deferred Inflows of Resources	31,937	-	31,937
Total Liabilities and Deferred Inflow of Resources	59,515,668	392,278	59,907,946
NET POSITION			
Net Investment in Capital Assets	11,784,533	94,049	11,878,582
Restricted For:			
Capital Projects	1,541,133	-	1,541,133
Debt Service	131,574	-	131,574
Excess Surplus	166,445	-	166,445
Maintenance Reserve	660,553	-	660,553
Tuition Reserve	65,000	-	65,000
Unrestricted	(15,061,536)	577,540	(14,483,996)
Total Net Position	\$ (712,298)	\$ 671,589	\$ (40,709)

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 10,480,471	\$ -	\$ -	(10,480,471)	\$ -	(10,480,471)
Special Education	3,777,838	-	853,531	(2,524,307)	-	(2,524,307)
Other Instructional	828,427	-	-	(828,427)	-	(828,427)
School Sponsored	817,591	-	-	(817,591)	-	(817,591)
Support Services & Undistributed Costs:						
Tuition	1,614,797	-	55,600	(1,559,197)	-	(1,559,197)
Student & Instruction Related Services	5,079,466	-	66,750	(5,012,716)	-	(5,012,716)
Health Services	432,570	-	-	(432,570)	-	(432,570)
Educational Media Services/School Library	295,852	-	-	(295,852)	-	(295,852)
School Administrative Services	1,552,632	-	-	(1,552,632)	-	(1,552,632)
General Administration	522,019	-	-	(522,019)	-	(522,019)
Central Services	395,879	-	-	(395,879)	-	(395,879)
Administrative Information Technology	321,778	-	-	(321,778)	-	(321,778)
Plant Operations & Maintenance	3,807,687	-	-	(3,807,687)	-	(3,807,687)
Pupil Transportation	2,586,046	-	-	(2,586,046)	-	(2,586,046)
Unallocated Benefits	7,310,413	-	-	(7,310,413)	-	(7,310,413)
On Behalf TPAF Pension and Social Security Contributions	4,464,162	-	4,464,162	-	-	-
Interest on Long-Term Debt and Other Charges	1,256,569	-	-	(1,256,569)	-	(1,256,569)
Adjustments to Capital Assets	20,590	-	-	(20,590)	-	(20,590)
Unallocated Depreciation	1,635,975	-	-	(1,635,975)	-	(1,635,975)
Total Governmental Activities	46,800,762	-	5,440,043	(41,360,719)	-	(41,360,719)
Business-Type Activities:						
Food Service	795,927	448,143	349,143	-	1,359	1,359
Community District Alliance	1,058,297	1,045,617	75,351	-	62,671	62,671
Total Business-Type Activities	1,854,224	1,493,760	424,494	-	64,030	64,030
Total Primary Government	\$ 48,654,986	\$ 1,493,760	\$ 5,864,537	(41,360,719)	\$ 64,030	(41,296,689)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				27,980,272	-	27,980,272
Taxes Levied for Debt Service				3,256,422	-	3,256,422
Federal & State Aid Not Restricted				8,988,893	-	8,988,893
Tuition Received				833,054	-	833,054
Transportation				138,367	-	138,367
Rents and Royalties				2,025	-	2,025
Miscellaneous Income				694,432	-	694,432
Transfers				(1,142)	(9,851)	(10,993)
Cancellation of Accounts Receivable				(27)	-	(27)
Total General Revenues, Special Items, Extraordinary Items & Transfers				41,892,296	(9,851)	41,882,445
Change In Net Position				531,577	54,179	585,756
Net Position - Beginning				(1,245,875)	617,410	(626,465)
Net Position - Ending				(712,298)	671,589	(40,709)

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

B. Fund Financial Statements

This page intentionally left blank.

Governmental Funds

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash & Cash Equivalents	\$ 1,171,141	\$ 69,588	\$ 241,573	\$ 131,574	\$ 1,613,876
Receivables from Other Governments	445,792	65,576	351,980	-	863,348
Due from Other Funds	190,872	-	-	-	190,872
Receivables, Net	224,954	-	-	-	224,954
Restricted Cash & Cash Equivalents	1,863,787	-	-	-	1,863,787
Total Assets	\$ 3,896,546	\$ 135,164	\$ 593,553	\$ 131,574	\$ 4,756,837
LIABILITIES & FUND BALANCES					
Liabilities:					
Unearned Revenue	\$ 9,305	\$ 71,225	\$ -	\$ -	\$ 80,530
Accounts Payable	154,675	55,600	-	-	210,275
Due to Other Funds	-	-	190,654	-	190,654
Due to Other Governments	-	8,339	-	-	8,339
Total Liabilities	163,980	135,164	190,654	-	489,798
Fund Balances:					
Restricted for:					
Capital Reserve Account	1,138,234	-	-	-	1,138,234
Maintenance Reserve Account	660,553	-	-	-	660,553
Tuition Reserve	65,000	-	-	-	65,000
Excess Surplus	166,445	-	-	-	166,445
Capital Projects Fund	-	-	402,899	-	402,899
Debt Service Fund	-	-	-	131,574	131,574
Assigned to:					
Other Purposes	104,650	-	-	-	104,650
Designated for Subsequent Year's Expenditures	1,465,000	-	-	-	1,465,000
Unassigned	132,684	-	-	-	132,684
Total Fund Balances	3,732,566	-	402,899	131,574	4,267,039
Total Liabilities & Fund Balances	\$ 3,896,546	\$ 135,164	\$ 593,553	\$ 131,574	
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 \$75,501,030 and the accumulated depreciation is \$28,909,205 (See Note 5).					46,591,825
Long-term liabilities, including bonds payable, compensated absences payable and capital leases payable are not due and payable in the current period and, therefore, are not reported as liabilities in the funds (See Note 7).					(35,070,084)
Deferred charge on School Refunding Bonds (amortized as interest expense).					
				Deferred Charge	3,764,322
				Less: Accumulated Amortization	(2,068,656)
Premium on Bonds (amortized as a credit to interest expense).					
				Deferred Charge	(3,642,105)
				Less: Accumulated Amortization	151,754
Accrued interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the funds.					(586,962)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					(620,121)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.					
				Net pension liability	(19,417,069)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.					
				Deferred outflows	5,949,696
				Deferred inflows	(31,937)
Net Position of Governmental Activities					\$ (712,298)

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 27,980,272	\$ -	\$ -	\$ 3,256,422	\$ 31,236,694
Tuition	833,054	-	-	-	833,054
Transportation	138,367	-	-	-	138,367
Rents and Royalties	2,025	-	-	-	2,025
Miscellaneous	632,842	61,389	201	-	694,432
Total Local Sources	29,586,560	61,389	201	3,256,422	32,904,572
State Sources	12,904,249	-	326,442	196,993	13,427,684
Federal Sources	86,760	914,492	-	-	1,001,252
Total Revenues	42,577,569	975,881	326,643	3,453,415	47,333,508
Expenditures:					
Current Expense:					
Regular Instruction	10,480,471	-	-	-	10,480,471
Special Education Instruction	2,524,307	853,531	-	-	3,377,838
Other Instruction	828,427	-	-	-	828,427
School Sponsored	817,591	-	-	-	817,591
Support Services:					
Tuition	1,614,797	-	-	-	1,614,797
Health Services	432,570	-	-	-	432,570
Student & Instruction Related Services	5,012,716	66,750	-	-	5,079,466
Educational Media Services/School Library	295,852	-	-	-	295,852
General Administration	522,019	-	-	-	522,019
School Administration	1,552,632	-	-	-	1,552,632
Central Services	395,879	-	-	-	395,879
Administrative Information Technology	321,778	-	-	-	321,778
Plant Operations & Maintenance	3,891,616	-	-	-	3,891,616
Pupil Transportation	2,372,456	-	-	-	2,372,456
Unallocated Employee Benefits	6,023,190	55,600	-	-	6,078,790
On Behalf TPAF Pension and Social Security Contributions	4,464,162	-	-	-	4,464,162
Debt Service:					
Principal	-	-	-	2,216,381	2,216,381
Interest & Other Charges	-	-	-	1,279,150	1,279,150
Capital Outlay	313,385	-	807,939	-	1,121,324
Total Expenditures	41,863,848	975,881	807,939	3,495,531	47,143,199
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	713,721	-	(481,296)	(42,116)	190,309
Other Financing Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	30,997,105	30,997,105
Deposit to Refunding Escrow	-	-	-	(30,823,415)	(30,823,415)
Cancellation of Account Receivable	(27)	-	-	-	(27)
Proceeds from Capital Lease	38,929	-	-	-	38,929
Transfer from/(to) Capital Reserve	182,268	-	(182,268)	-	-
Transfers to Charter Schools	(1,142)	-	-	-	(1,142)
Transfers In/(Out)	8,369	-	(8,369)	-	-
Total Other Financing Sources/(Uses)	228,397	-	(190,637)	173,690	211,450
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	942,118	-	(671,933)	131,574	401,759
Fund Balance July 1,	2,790,448	-	1,074,832	-	3,865,280
Fund Balances June 30,	\$ 3,732,566	\$ -	\$ 402,899	\$ 131,574	\$ 4,267,039

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 401,759

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	\$ (1,848,184)	
Capital Retirements	(43,609)	
Capital Outlay	1,014,890	
		(876,903)

Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Payment of Bond Principal	2,215,000	
Payment of Capital Leases	95,697	
Payment of Deferred Pension Obligation	9,961	
		2,320,658

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Capital Lease Proceeds	(38,929)	
Bond Proceeds	(27,355,000)	
Bonds Refunded and Deposits to Escrow	30,823,415	
Premiums on Refunding	(3,642,105)	
		(212,619)

In the statement of net position, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is reported as revenue. 153,099

In the statement of net position, deferred charges associated with refunding bonds are capitalized and amortized over the life of the bonds. In the governmental funds, these deferred charges are not recorded. (99,682)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Prior Year	673,811	
Current Year	(586,962)	
		86,849

Decrease in compensated absences is not an expenditure in the governmental funds, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

Prior Year	2,039,353	
Current Year	(1,967,939)	
		71,414

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2017	582,395	
Pension Expense	(1,895,393)	
		(1,312,998)

Change in Net Position of Governmental Activities \$ 531,577

This page intentionally left blank.

Proprietary Funds

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES			TOTAL
	ENTERPRISE FUNDS			
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE		
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 203,005	\$ 716,958		\$ 919,963
Accounts Receivable	17,693	8,356		26,049
Inventories	23,806	-		23,806
	<hr/>			
Total Current Assets	244,504	725,314		969,818
	<hr/>			
Noncurrent Assets:				
Equipment	505,465	-		505,465
Accumulated Depreciation	(411,416)	-		(411,416)
	<hr/>			
Total Capital Assets	94,049	-		94,049
	<hr/>			
Total Assets	338,553	725,314		1,063,867
	<hr/> <hr/>			
LIABILITIES				
Current Liabilities:				
Accounts Payable	40,268	536		40,804
Unearned Revenue	30,239	321,235		351,474
	<hr/>			
Total Current Liabilities	70,507	321,771		392,278
	<hr/>			
Total Liabilities	70,507	321,771		392,278
	<hr/>			
NET POSITION				
Net Investment in Capital Assets	94,049	-		94,049
Unrestricted Net Position	173,997	403,543		577,540
	<hr/>			
Total Net Position	\$ 268,046	\$ 403,543		\$ 671,589
	<hr/> <hr/>			

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 279,807	\$ -	\$ 279,807
Daily Sales - Nonreimbursable Programs	146,965	-	146,965
Special Function	21,371	-	21,371
Program Fees	-	1,045,617	1,045,617
Total Operating Revenue	448,143	1,045,617	1,493,760
Operating Expenses:			
Salaries & Employee Benefits	306,994	822,702	1,129,696
Supplies and Materials	73,670	43,587	117,257
Other Purchased Services	96,328	174,322	270,650
Depreciation	20,391	-	20,391
Miscellaneous Expense	8,937	17,686	26,623
Cost of Sales - Reimbursable Programs	239,851	-	239,851
Cost of Sales - Nonreimbursable Programs	49,756	-	49,756
Total Operating Expenses	795,927	1,058,297	1,854,224
Operating (Loss)/Gain	(347,784)	(12,680)	(360,464)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,126	-	7,126
Adult Basic Skill Program	-	75,351	75,351
Federal Sources:			
National School Lunch Program	220,905	-	220,905
National School Breakfast Program	57,390	-	57,390
Healthy Hunger-Free Kids Act	9,280	-	9,280
Food Distribution Program	54,442	-	54,442
Total Nonoperating Revenues	349,143	75,351	424,494
Net Income/(Loss)	1,359	62,671	64,030
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Capital Asset Contributions	15,949	(25,800)	(9,851)
Total Other Financing Sources/(Uses)	15,949	(25,800)	(9,851)
Change in Net Position	17,308	36,871	54,179
Total Net Position - Beginning	250,738	366,672	617,410
Total Net Position - Ending	\$ 268,046	\$ 403,543	\$ 671,589

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 454,638	\$ 1,018,762	\$ 1,473,400
Payments to Employees	(306,994)	(724,614)	(1,031,608)
Payments for Employee Benefits	-	(98,088)	(98,088)
Payments to Suppliers	(479,250)	(236,872)	(716,122)
Net Cash Provided/(Used) by Operating Activities	(331,606)	(40,812)	(372,418)
Cash Flows From Investing Activities:			
Purchase of Equipment	(6,111)	(25,800)	(31,911)
Net Cash Provided by Investing Activities	(6,111)	(25,800)	(31,911)
Cash Flows From Noncapital Financing Activities:			
State Sources	7,124	68,241	75,365
Federal Sources	342,880	-	342,880
Net Cash Provided by Noncapital Financing Activities	350,004	68,241	418,245
Net Increase/(Decrease) in Cash & Cash Equivalents	12,287	1,629	13,916
Cash and Cash Equivalents, July 1	190,718	715,329	906,047
Cash & Cash Equivalents, June 30	\$ 203,005	\$ 716,958	\$ 919,963
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (347,784)	\$ (12,680)	\$ (360,464)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	20,391	-	20,391
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(4,561)	-	(4,561)
(Increase)/Decrease in Accounts Receivable, Net	-	111	111
(Increase)/Decrease in Accounts Payable	(6,147)	(1,277)	(7,424)
Increase/(Decrease) in Deferred Revenue	6,495	(26,966)	(20,471)
Total Adjustments	16,178	(28,132)	(11,954)
Net Cash Provided/(Used) by Operating Activities	\$ (331,606)	\$ (40,812)	\$ (372,418)

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

This page intentionally left blank.

Fiduciary Fund

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	TRUST FUNDS		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL FUND	
ASSETS					
Cash & Cash Equivalents	\$ 35,906	\$ 140,956	\$ 155,461	\$ 73,325	\$ 405,648
Total Assets	<u>\$ 35,906</u>	<u>\$ 140,956</u>	<u>\$ 155,461</u>	<u>\$ 73,325</u>	<u>\$ 405,648</u>
LIABILITIES					
Payroll Deductions & Withholdings	\$ -	\$ -	\$ -	\$ 73,107	\$ 73,107
Due to Student Groups	-	-	155,461	-	155,461
Interfund Payable	-	-	-	218	218
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 155,461</u>	<u>\$ 73,325</u>	<u>228,786</u>
NET POSITION					
Held in Trust for Unemployment					
Claims & Other Purposes	35,906	-			35,906
Reserved for Scholarships	-	140,956			140,956
Total Net Position	<u>\$ 35,906</u>	<u>\$ 140,956</u>			<u>\$ 176,862</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	UNEMPLOYMENT COMPENSATION INSURANCE		
	TRUST FUND	SCHOLARSHIPS	TOTAL
ADDITIONS:			
Local Sources:			
Contributions	\$ 28,380	\$ 12,000	\$ 40,380
Total Contributions	28,380	12,000	40,380
Investment Earnings:			
Interest on Investments	9	1,523	1,532
Total Investment Earnings	9	1,523	1,532
Total Additions	28,389	13,523	41,912
DEDUCTIONS:			
Unemployment Claims	25,001	-	25,001
Scholarship Payments	-	12,800	12,800
Total Deductions	25,001	12,800	37,801
Change in Net Position	3,388	723	4,111
Net Position - Beginning of Year	32,518	140,233	172,751
Net Position - End of Year	\$ 35,906	\$ 140,956	\$ 176,862

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Bordentown Regional School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its five schools. The District has an approximate enrollment at June 30, 2017 of 2,489 students.

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

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

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2017.

Government-Wide Financial Statements

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

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

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

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

Budgets/Budgetary Control

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2017 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2017.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

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

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

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

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

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions Section

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the District's bank balance of \$5,113,553 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 4,957,906
Uninsured and Uncollateralized	<u>155,647</u>
	<u>\$ 5,113,553</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 2. Cash Deposits and Investments (continued):

Investments

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

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

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

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

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

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

The District did not hold any investments at June 30, 2017.

Note 3. Reserve Accounts

A. Capital Reserve

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 3. Reserve Accounts (Continued):

A. Capital Reserve (Continued):

N.J.S.A.19:60-2. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	415,758
Increased by:		
Interest Earnings		208
Deposits approved by Board		540,000
Excess Capital Projects funds		182,268
Ending Balance, June 30, 2017	\$	1,138,234

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

B. Maintenance Reserve Account

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

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

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

Beginning Balance, July 1, 2016	\$	300,553
Increased by:		
Deposits approved by Board		360,000
Ending Balance, June 30, 2017	\$	660,553

C. Tuition Reserve

The District established a Tuition Reserve Account in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 3. Reserve Accounts (Continued):

C. Tuition Reserve (Continued):

for tax relief. The District's tuition reserve was established by board resolution in June of 2017 and will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2018.

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

Beginning Balance, July 1, 2016	\$	-
Increased by:		
Deposits approved by Board		65,000
Ending Balance, June 30, 2017	\$	65,000

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds				<u>Total Governmental Activities</u>	Proprietary Funds		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			<u>Food Service Fund</u>	<u>Community District Alliance Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 65,576	\$ 351,980	\$ 417,556	\$ 17,268	\$ -	\$ 17,268	
State Awards	445,792	-	-	445,792	425	-	425	
Tuition	54,022	-	-	54,022	-	-	-	
Other	170,932	-	-	170,932	-	8,356	8,356	
Total	\$ 670,746	\$ 65,576	\$ 351,980	\$ 1,088,302	\$ 17,693	\$ 8,356	\$ 26,049	

Note 5. Capital Assets

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and <u>Adjustments</u>	Balance June 30, <u>2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,779,651	\$ -	\$ -	\$ 1,779,651
Construction in Progress	61,844	-	(61,844)	-
Total Capital Assets not being depreciated	<u>1,841,495</u>	<u>-</u>	<u>(61,844)</u>	<u>1,779,651</u>
Capital Assets being depreciated:				
Land Improvements	7,433,826	-	1,495	7,435,321
Buildings and Improvements	57,601,275	784,087	52,616	58,437,978
Equipment	7,653,153	230,803	(35,876)	7,848,080
Total Capital Assets being depreciated	<u>72,688,254</u>	<u>1,014,890</u>	<u>18,235</u>	<u>73,721,379</u>
Less: Accumulated Depreciation:				
Land Improvements	(4,504,103)	(307,897)	866,500	(3,945,500)
Buildings and Improvements	(18,064,327)	(1,179,145)	(1,173,280)	(20,416,752)
Equipment	(4,492,591)	(397,017)	342,655	(4,546,953)
Total Accumulated Depreciation	<u>(27,061,021)</u>	<u>(1,884,059)</u>	<u>35,875</u>	<u>(28,909,205)</u>
Total Capital Assets being depreciated, net	<u>45,627,233</u>	<u>(869,169)</u>	<u>54,110</u>	<u>44,812,174</u>
Total Governmental Activities Capital Assets, net	<u>\$ 47,468,728</u>	<u>\$ (869,169)</u>	<u>\$ (7,734)</u>	<u>\$ 46,591,825</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and <u>Transfers</u>	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 488,137	\$ 22,060	\$ (4,732)	\$ 505,465
	<u>488,137</u>	<u>22,060</u>	<u>(4,732)</u>	<u>505,465</u>
Less: Accumulated Depreciation:				
Equipment	(395,757)	(20,391)	4,732	(411,416)
	<u>(395,757)</u>	<u>(20,391)</u>	<u>4,732</u>	<u>(411,416)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 92,380</u>	<u>\$ 1,669</u>	<u>\$ -</u>	<u>\$ 94,049</u>

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

Governmental Activities:	
Pupil Transportation	212,209
Unallocated	<u>1,635,975</u>
Total Depreciation Expense	<u>\$ 1,848,184</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 190,872	\$ -
Capital Projects Fund	-	190,654
Payroll Fund	-	218
	<u>\$ 190,872</u>	<u>\$ 190,872</u>

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

The summary of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 190,637	\$ -
Capital Projects Fund	-	190,637
	<u>\$ 190,637</u>	<u>\$ 190,637</u>

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

Note 7. Long-Term Obligations

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

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 37,664,000	\$ 27,355,000	\$ 32,420,000	\$ 32,599,000	\$ 1,895,000
Capital Leases	470,375	38,929	95,697	413,607	101,221
Unamortized Bond Premiums	56,826	3,642,105	208,580	3,490,351	227,632
Compensated Absences	2,039,353	20,125	91,540	1,967,938	46,494
Net Pension Liability	14,594,000	5,405,497	582,428	19,417,069	-
Deferred PERS Pension Obligation	99,500	-	9,961	89,539	-
	<u>\$ 54,924,054</u>	<u>\$ 36,461,656</u>	<u>\$ 33,408,206</u>	<u>\$ 57,977,504</u>	<u>\$ 2,270,347</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 7. Long-Term Obligations (continued):

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2017, bonds payable consisted of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2010 School Bonds	1.50% - 3.50%	3/1/2025	\$ 8,499,000	\$ 5,499,000
2016 Refunding Bonds	3.00% - 5.00%	1/15/2033	27,355,000	<u>27,100,000</u>
				<u>\$ 32,599,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,895,000	\$ 1,347,927	\$ 3,242,927
2019	1,950,000	1,291,078	3,241,078
2020	2,000,000	1,219,077	3,219,077
2021	2,085,000	1,143,765	3,228,765
2022	2,160,000	1,063,865	3,223,865
2023-2027	10,324,000	3,830,895	14,154,895
2028-2032	10,055,000	1,571,850	11,626,850
2033-2037	<u>2,130,000</u>	<u>63,900</u>	<u>2,193,900</u>
	<u>\$ 32,599,000</u>	<u>\$ 11,532,357</u>	<u>\$ 44,131,357</u>

Bonds Authorized But Not Issued:

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

Defeased Debt:

On November 10, 2016, the District issued \$27,355,000 School Refunding Bonds with interest rates ranging from 3.00% to 5.00% to refund the \$30,205,000 remaining balance of the Refunding Bonds, Series 2006. The proceeds of \$30,823,416 (includes a premium of \$3,642,105) were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$1,765,818. This amount is being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. Under the escrow reserve agreement, the escrow fund was irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$30,205,000 refunded obligations are considered defeased and the liability for those bonds has been removed from the District's financial statements. As a result of the refunding, the District reduced its aggregate debt service payments to maturity by \$4,417,482 and

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 7. Long-Term Obligations (continued):

obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$3,647,326.

As of June 30, 2017, the amount of defeased debt removed from the financial statements amounted to \$30,205,000. This debt with interest was called and paid in full January 15, 2017.

B. Deferred PERS Pension Obligation

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district began repaying the deferred amount in April 2012, over 15 years. The total payment for the April 2017 bill amounted to \$21,307 with \$9,961 attributed to principal. The amount to be paid will fluctuate based on pension system investment earnings. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.

C. Capital Leases

The District approved a lease purchase agreement in 2014-15 year in the amount of \$38,731 at a 4.00% interest rate maturing March 2, 2018 to finance the acquisition of a tractor. The District also approved a lease purchase agreement in 2014-15 year in the amount of \$525,000 at a 1.67 interest rate maturing October 1, 2021 to finance the acquisition of a six 54 passenger school buses. The District also approved a lease purchase agreement in 2016-17 year in the amount of \$38,929 at a 5.65% interest rate maturing February 3, 2020 to finance the acquisition of a maintenance truck. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ending <u>June 30,</u>		
2018	\$	108,860
2019		99,741
2020		95,051
2021		85,670
2022		<u>42,835</u>
Total Minimum Lease Payments		432,157
Less: Amount Representing Interest		<u>(18,550)</u>
Present Value of Minimum Lease Payments		<u>\$ 413,607</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$19,417,069 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .06556%, which was an increase of .00055% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$1,895,393 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 361,099	\$ -
Changes of Assumptions	4,022,180	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	740,391	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	205,905	31,937
School District contributions subsequent to measurement date	620,121	
	\$ 5,949,696	\$ 31,937

\$620,121 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2016-2017 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

Year Ending <u>June 30,</u>	
2018	\$ 1,192,589
2019	1,192,590
2020	1,371,339
2021	1,156,477
2022	<u>384,643</u>
	<u>\$ 5,297,638</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

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 assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	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 U.S. 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/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	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. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (2.98%)</u>	<u>At Current Discount Rate (3.98%)</u>	<u>At 1% Increase (4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 23,793,352</u>	<u>\$ 19,417,069</u>	<u>\$ 15,804,068</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
School District's portion	0.06556%	0.06501%

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

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

The following represents the membership tiers for TPAF:

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District 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 local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$119,765,208. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .15224%, which a increase of .00507% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$1,791,313 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

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

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	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%

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>143,026,423.00</u>	<u>119,765,208.00</u>	<u>100,769,424.00</u>
	<u>\$143,026,423.00</u>	<u>\$119,765,208.00</u>	<u>\$100,769,424.00</u>

Pension Plan Fiduciary Net Position - 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.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$29,815 and the District recognized pension expense of \$16,262.

Note 9. State Post-Retirement Medical Benefits

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 9. State Post-Retirement Medical Benefits

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 (APB) 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,791,313, \$1,492,571 and \$3,719, respectively.

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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -	\$ 28,380	\$ 9	\$ 25,001	\$ 35,906
2015-2016	-	31,834	2	7,000	32,518
2014-2015	22,313	40,354	-	57,824	7,682

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 11. Risk Management (continued)

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

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

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 15. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2017 is \$1,967,939.

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 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 \$166,445.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 18. Fund Balance

General Fund – Of the \$3,732,566 General Fund fund balance at June 30, 2017, \$1,138,234 has been reserved in the Capital Reserve Account; \$660,553 has been reserved in the Maintenance Reserve Account; \$65,000 has been reserved in the Tuition Reserve Account; \$166,445 is restricted for current year excess surplus; \$1,465,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$104,650 has been reserved for encumbrances; and \$132,684 is unassigned.

Capital Projects Fund – Of the \$402,899 Capital Projects Fund fund balance at June 30, 2017, \$402,899 is restricted for capital projects.

Debt Service Fund – Of the \$131,574 Debt Service Fund fund balance at June 30, 2017, \$131,574 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$15,061,536. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Subsequent Events

The District awarded a contract on July 12, 2017 to replace the HVAC chiller at the middle school in the amount of \$171,200.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank.

C. Budgetary Comparison Schedules

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 27,980,272	\$ -	\$ 27,980,272	\$ 27,980,272	\$ -
Other Local Governmental Units	10-1990-006	184,000	-	184,000	147,686	(36,314)
Tuition From Individuals	10-1310	80,000	-	80,000	130,345	50,345
Tuition From Other LEAs Within the State	10-1320	702,709	-	702,709	702,709	-
Transportation Fees from Other LEAs	10-1420	109,465	-	109,465	138,367	28,902
Rents and Royalties	10-1910	5,000	-	5,000	2,025	(2,975)
Unrestricted Miscellaneous Revenues	10-1XXX	472,242	-	472,242	464,590	(7,652)
Advertising Fees - School Buses	10-1992	1,250	-	1,250	730	(520)
Other Restricted Miscellaneous Revenues	10-1990-005	20,000	-	20,000	19,836	(164)
Total Local Sources		29,554,938	-	29,554,938	29,586,560	31,622
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	38,661	-	38,661	86,760	48,099
Total Federal Sources		38,661	-	38,661	86,760	48,099
State Sources:						
Equalization Aid	10-3176	6,170,909	-	6,170,909	6,170,909	-
Categorical Special Education Aid	10-3132	1,470,071	-	1,470,071	1,470,071	-
Categorical Security Aid	10-3177	71,779	-	71,779	71,779	-
Categorical Transportation Aid	10-3121	204,608	-	204,608	204,608	-
Extraordinary Aid	10-3131	335,000	-	335,000	395,865	60,865
Under Adequacy Aid	10-3180	33,986	-	33,986	33,986	-
PARCC Readiness Aid	10-3181	25,530	-	25,530	25,530	-
Per Pupil Growth Aid	10-3182	25,530	-	25,530	25,530	-
Professional Learning Community Aid	10-3183	25,720	-	25,720	25,720	-
Non-Public Transportation Aid	10-3190	-	-	-	15,850	15,850
Homeless Tuition Aid	10-3XXX	-	-	-	25,725	25,725
Lead Testing Program Reimbursement Aid	10-3XXX	-	-	-	8,352	8,352
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,791,313	1,791,313
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	1,492,571	1,492,571
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	3,719	3,719
Reimbursed TPAF Social Security Contribution		-	-	-	1,176,559	1,176,559
Total State Sources		8,363,133	-	8,363,133	12,938,087	4,574,954
Total Revenues		37,956,732	-	37,956,732	42,611,407	4,654,675
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	59,069	1,136	60,205	53,388	6,817
Kindergarten	11-110-100-101	612,289	(16,500)	595,789	540,236	55,553
Grades 1 - 5	11-120-100-101	3,730,820	(31,339)	3,699,481	3,627,477	72,004
Unusued Sick Payment to Terminated/Retired Staff	11-120-100-299	7,507	-	7,507	7,507	-
Grades 6 - 8	11-130-100-101	2,094,911	127,156	2,222,067	2,206,536	15,531
Unusued Sick Payment to Terminated/Retired Staff	11-130-100-299	16,180	-	16,180	16,180	-
Grades 9 - 12	11-140-100-101	3,145,427	115,354	3,260,781	3,243,030	17,751
Unusued Sick Payment to Terminated/Retired Staff	11-140-100-299	540	2,620	3,160	3,160	-
Home Instruction:						
Salaries of Teachers	11-150-100-101	53,020	500	53,520	27,448	26,072
Other Salaries of Instruction	11-150-100-106	25,867	(6,000)	19,867	-	19,867
Regular Programs - Undistributed Instruction:						
Purchased Technical Services	11-150-100-340	162,500	(2,000)	160,500	160,491	9
Other Purchased Services	11-150-100-500	50,165	(2,917)	47,248	40,299	6,949
General Supplies	11-150-100-610	574,789	(5,049)	569,740	528,543	41,197
Textbooks	11-150-100-640	29,600	(400)	29,200	26,176	3,024
Total Regular Programs		10,562,684	182,561	10,745,245	10,480,471	264,774

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	579,599	120,067	699,666	694,738	4,928
Other Salaries for Instruction	11-204-100-106	204,964	58,129	263,093	262,217	876
Unusued Sick Payment to Terminated/Retired Staff	11-204-100-299	-	7,427	7,427	4,933	2,494
Supplies and Materials	11-204-100-610	29,080	-	29,080	22,304	6,776
Textbooks	11-204-100-640	756	(755)	1	-	1
Total Behavioral Disabilities		814,399	184,868	999,267	984,192	15,075
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	213,675	(72,721)	140,954	123,847	17,107
Other Salaries for Instruction	11-212-100-106	27,015	864	27,879	20,530	7,349
General Supplies	11-212-100-610	9,633	-	9,633	9,604	29
Total Multiple Disabilities		250,323	(71,857)	178,466	153,981	24,485
Resource Room:						
Salaries of Teachers	11-213-100-101	826,583	80,198	906,781	902,657	4,124
Other Salaries for Instruction	11-213-100-106	161,934	4,600	166,534	161,783	4,751
Unusued Sick Payment to Terminated/Retired Staff	11-213-100-299	12,493	1,240	13,733	13,733	-
General Supplies	11-213-100-610	5,670	-	5,670	5,395	275
Textbooks	11-213-100-640	900	-	900	796	104
Total Resource Room		1,007,580	86,038	1,093,618	1,084,364	9,254
Autism:						
Salaries of Teachers	11-214-100-101	235,847	(112,656)	123,191	113,751	9,440
Other Salaries for Instruction	11-214-100-106	27,953	(12,390)	15,563	1,200	14,363
General Supplies	11-214-100-610	2,848	147	2,995	1,692	1,303
Total Autism		266,648	(124,899)	141,749	116,643	25,106
Preschool Disabilities - Part-time:						
Salaries of Teachers	11-215-100-101	109,944	60,212	170,156	170,147	9
Other Salaries for Instruction	11-215-100-106	21,735	300	22,035	11,386	10,649
General Supplies	11-215-100-600	3,750	(128)	3,622	3,594	28
Total Preschool Disabilities - Part-time		135,429	60,384	195,813	185,127	10,686
Total Special Education		2,474,379	134,534	2,608,913	2,524,307	84,606
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	632,559	29,535	662,094	660,113	1,981
Unusued Sick Payment to Terminated/Retired Staff	11-230-100-299	-	2,773	2,773	2,773	-
General Supplies	11-230-100-610	10,439	527	10,966	10,400	566
Textbooks	11-230-100-640	200	-	200	-	200
Total Basic Skills/Remedial		643,198	32,835	676,033	673,286	2,747
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	215,160	(32,334)	182,826	155,138	27,688
Other Purchased Services	11-240-100-500	1,300	-	1,300	3	1,297
General Supplies	11-240-100-610	2,500	-	2,500	-	2,500
Total Basic Skills/Remedial		218,960	(32,334)	186,626	155,141	31,485
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	164,872	8,580	173,452	160,291	13,161
Supplies and Materials	11-401-100-600	19,353	-	19,353	15,760	3,593
Total School Sponsored Cocurricular Activities		184,225	8,580	192,805	176,051	16,754

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	448,862	9,774	458,636	436,207	22,429
Other Purchased Services	11-402-100-500	136,318	(9,700)	126,618	124,927	1,691
Supplies and Materials	11-402-100-600	77,377	5,286	82,663	80,406	2,257
Total School Sponsored Athletics Instruction		662,557	5,360	667,917	641,540	26,377
Total Instruction		14,746,003	331,536	15,077,539	14,650,796	426,743
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	19,612	-	19,612	-	19,612
Tuition to County Vocational School District - Special	11-000-100-564	19,860	6,124	25,984	25,984	-
Tuition to County Vocational School District - Regular	11-000-100-563	64,588	(6,124)	58,464	58,464	-
Tuition to CSSD & Regional Day School	11-000-100-565	640,469	(207,382)	433,087	243,554	189,533
Tuition to Private School for the Handicapped - State	11-000-100-566	1,374,141	-	1,374,141	1,138,090	236,051
Tuition - State Facilities	11-000-100-568	40,973	-	40,973	-	40,973
Tuition - Other	11-000-100-569	102,323	46,382	148,705	148,705	-
Total Undistributed Expenditures - Instruction		2,261,966	(161,000)	2,100,966	1,614,797	486,169
Attendance & Social Work Services:						
Salaries	11-000-211-100	1,061	-	1,061	-	1,061
Total Attendance & Social Work Services		1,061	-	1,061	-	1,061
Health Services:						
Salaries	11-000-213-100	368,949	9,386	378,335	377,928	407
Purchased Professional & Technical Services	11-000-213-300	31,400	14,994	46,394	44,086	2,308
Other Purchased Services	11-000-213-500	5,050	(82)	4,968	3,673	1,295
Supplies and Materials	11-000-213-600	7,300	(211)	7,089	6,883	206
Total Health Services		412,699	24,087	436,786	432,570	4,216
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	414,587	13,020	427,607	425,779	1,828
Unusued Sick Payment to Terminated/Retired Staff	11-000-216-299	3,580	(47)	3,533	3,533	-
Purchased Professional - Educational Services	11-000-216-320	39,200	-	39,200	27,100	12,100
Supplies and Materials	11-000-216-600	4,915	-	4,915	4,711	204
Total Other Support Services-Students-Related Services		462,282	12,973	475,255	461,123	14,132

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	425,944	(63,017)	362,927	287,932	74,995
Unusued Sick Payment to Terminated/Retired Staff	11-000-217-299	10,387	53	10,440	10,440	-
Total Other Support Services - Students - Extra Services		436,331	(62,964)	373,367	298,372	74,995
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	711,319	10,810	722,129	670,795	51,334
Salaries of Secretarial & Clerical Assistants	11-000-218-105	69,734	1,900	71,634	70,550	1,084
Other Purchased Services	11-000-218-500	800	-	800	743	57
Supplies and Materials	11-000-218-600	5,905	(7)	5,898	5,578	320
Other Objects	11-000-218-800	4,000	-	4,000	3,620	380
Total Other Support Services - Students - Regular		791,758	12,703	804,461	751,286	53,175
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,187,865	500	1,188,365	1,143,880	44,485
Salaries of Secretarial & Clerical Assistants	11-000-219-105	150,744	6,205	156,949	154,390	2,559
Unusued Sick Payment to Terminated/Retired Staff	11-000-219-299	2,063	9,330	11,393	11,393	-
Purchased Professional - Educational Services	11-000-219-320	21,500	-	21,500	15,098	6,402
Other Purchased Professional & Technical Services	11-000-219-390	1,671,124	194,000	1,865,124	1,843,055	22,069
Miscellaneous Purchased Services	11-000-219-592	4,000	-	4,000	1,524	2,476
Supplies and Materials	11-000-219-600	44,597	1,265	45,862	20,352	25,510
Total Other Support Services-Students-Special Services		3,081,893	211,300	3,293,193	3,189,692	103,501
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisor of Instruction	11-000-221-102	221,886	-	221,886	221,886	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	56,047	210	56,257	55,881	376
Other Purchased Services	11-000-221-500	50,000	995	50,995	34,388	16,607
Supplies and Materials	11-000-221-600	3,000	-	3,000	88	2,912
Total Improvement of Instruction Services/Other Support Services Instructional Staff		330,933	1,205	332,138	312,243	19,895
Educational Media Services/School Library:						
Salaries	11-000-222-100	265,909	11,980	277,889	276,497	1,392
Other Purchased Services	11-000-222-500	1,125	-	1,125	1,077	48
Supplies and Materials	11-000-222-600	18,340	174	18,514	18,278	236
Total Educational Media Services/School Library		285,374	12,154	297,528	295,852	1,676
Support Services General Administration:						
Salaries	11-000-230-100	232,497	194	232,691	218,194	14,497
Legal Services	11-000-230-331	60,000	(7,100)	52,900	33,484	19,416
Audit Services	11-000-230-332	38,500	-	38,500	37,200	1,300
Communications/Telephone	11-000-230-530	76,000	14,001	90,001	89,286	715
BOE Other Purchased Services	11-000-230-585	2,500	-	2,500	1,989	511
Other Purchased Services	11-000-230-590	131,407	10,658	142,065	114,581	27,484
General Supplies	11-000-230-610	5,600	4,000	9,600	6,709	2,891
Miscellaneous Expenditures	11-000-230-890	10,000	(3,120)	6,880	2,285	4,595
BOE Membership Dues & Fees	11-000-230-895	20,000	2,000	22,000	18,291	3,709
Total Support Services General Administration		576,504	20,633	597,137	522,019	75,118

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	1,011,077	19,939	1,031,016	1,014,448	16,568
Salaries of Secretarial & Clerical Assistants	11-000-240-105	426,072	22,981	449,053	438,909	10,144
Unusued Vacation Payment to Terminated/Retired Staff	11-000-240-199	-	12,868	12,868	12,868	-
Unusued Sick Payment to Terminated/Retired Staff	11-000-240-299	7,743	-	7,743	7,743	-
Other Purchased Services	11-000-240-500	93,365	-	93,365	71,194	22,171
Supplies and Materials	11-000-240-600	12,480	(1,964)	10,516	7,470	3,046
Total Support Services School Administration		1,550,737	53,824	1,604,561	1,552,632	51,929
Central Services:						
Salaries	11-000-251-100	350,613	9,100	359,713	352,050	7,663
Purchased Technical Services	11-000-251-340	5,900	3,000	8,900	5,701	3,199
Miscellaneous Purchased Services	11-000-251-592	19,000	(11,000)	8,000	2,961	5,039
Sale/Lease-Back Payments	11-000-251-594	-	18,367	18,367	18,367	-
Supplies & Materials	11-000-251-600	20,500	(3,700)	16,800	16,800	-
Total Central Services		396,013	15,767	411,780	395,879	15,901
Administrative Information Technology:						
Salaries	11-000-252-100	245,905	(1,678)	244,227	230,473	13,754
Unusued Vacation Payment to Terminated/Retired Staff	11-000-252-199	-	2,278	2,278	2,278	-
Purchased Technical Services	11-000-252-340	72,090	23,330	95,420	87,452	7,968
Other Purchased Services	11-000-252-500	3,000	5,000	8,000	1,575	6,425
Total Administrative Information Technology		320,995	28,930	349,925	321,778	28,147
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	308,050	3,070	311,120	283,009	28,111
Unusued Vacation Payment to Terminated/Retired Staff	11-000-261-199	-	3,430	3,430	3,430	-
Unusued Sick Payment to Terminated/Retired Staff	11-000-261-299	2,560	-	2,560	2,560	-
Maintenance Services	11-000-261-420	388,478	(8,618)	379,860	367,301	12,559
General Supplies	11-000-261-610	97,600	24,482	122,082	117,724	4,358
Total Allowance Maintenance for School Facilities		796,688	22,364	819,052	774,024	45,028
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,596,716	26,951	1,623,667	1,555,687	67,980
Salaries of Non-Instructional Aids	11-000-262-107	163,995	4,100	168,095	158,896	9,199
Unusued Sick Payment to Terminated/Retired Staff	11-000-262-299	3,000	-	3,000	3,000	-
Purchased Professional & Technical Services	11-000-262-300	105,000	(2,000)	103,000	90,260	12,740
Cleaning, Repair & Maintenance Services	11-000-262-420	30,000	1,536	31,536	31,536	-
Other Purchased Property Services	11-000-262-490	90,000	(3,818)	86,182	86,182	-
Insurance	11-000-262-520	122,599	2,660	125,259	125,259	-
Miscellaneous Purchased Services	11-000-262-590	19,719	117	19,836	19,836	-
General Supplies	11-000-262-610	139,310	(11,900)	127,410	122,736	4,674
Energy (Natural Gas)	11-000-262-621	190,000	-	190,000	171,666	18,334
Energy (Electricity)	11-000-262-622	700,000	(1,536)	698,464	698,224	240
Total Other Operation&Maintenance of Plant Services		3,160,339	16,110	3,176,449	3,063,282	113,167

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Security						
Salaries	11-000-266-100	53,396	914	54,310	54,310	-
Total Security		53,396	914	54,310	54,310	-
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	145,331	6,666	151,997	151,990	7
Salaries for Pupil Transportation (Between Home & School)-Reg	11-000-270-160	568,883	54,161	623,044	622,631	413
Salaries for Pupil Transportation (Between Home & School)-Sp.	11-000-270-161	311,351	(7,627)	303,724	302,849	875
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	43,832	12,540	56,372	55,290	1,082
Social Security Contributions	11-000-270-220	85,000	2,198	87,198	87,198	-
Workmen's Compensation	11-000-270-260	105,000	-	105,000	105,000	-
Health Benefits	11-000-270-270	400,000	-	400,000	400,000	-
Unused Sick Payment to Terminated/Retired Staff	11-000-270-299	3,320	-	3,320	3,320	-
Cleaning, Repair&Maintenance	11-000-270-420	46,000	5,090	51,090	51,027	63
Lease Purchase Payments - School Buses	11-000-270-443	86,000	-	86,000	85,670	330
Aid in Lieu of Payments	11-000-270-503	88,400	(26,048)	62,352	50,064	12,288
Contracted Services (Special Education) - Vendors	11-000-270-514	143,000	(14,900)	128,100	75,340	52,760
Contracted Services (Special Education) - - Joint Agreements	11-000-270-515	20,000	-	20,000	18,996	1,004
Miscellaneous Purchased Services - Transportation	11-000-270-593	38,788	(4,893)	33,895	29,955	3,940
Supplies and Materials	11-000-270-610	82,000	(1,829)	80,171	78,684	1,487
Transportation Supplies	11-000-270-615	329,700	-	329,700	253,712	75,988
Fuel Costs Funded by Advertising Revenue	11-000-270-626	1,250	-	1,250	730	520
Total Student Transportation Services		2,497,855	25,358	2,523,213	2,372,456	150,757
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	450,000	42,000	492,000	459,160	32,840
TPAF Contributions - ERIP	11-000-291-232	602,291	973	603,264	602,546	718
Other Retirement Contributions - ERIP	11-000-291-242	40,000	-	40,000	21,953	18,047
Other Retirement Contributions - Deferred PERS Pymt	11-000-291-248	22,709	-	22,709	22,709	-
Unemployment Compensation	11-000-291-250	50,000	-	50,000	-	50,000
Worker's Compensation	11-000-291-260	262,924	2,233	265,157	265,157	-
Health Benefits	11-000-291-270	5,343,296	(33,397)	5,309,899	4,635,215	674,684
Tuition Reimbursement	11-000-291-280	40,000	-	40,000	16,450	23,550
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	5,000	(5,000)	-	-	-
Total Unallocated Benefits - Employee Benefits		6,816,220	6,809	6,823,029	6,023,190	799,839
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,791,313	(1,791,313)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	1,492,571	(1,492,571)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	3,719	(3,719)
Reimbursed TPAF Social Security Contribution		-	-	-	1,176,559	(1,176,559)
Total Undistributed Expenditures		24,233,044	241,167	24,474,211	26,899,667	(2,425,456)
Total Expenditures - Current Expense		38,979,047	572,703	39,551,750	41,550,463	(1,998,713)

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
Grades 9 - 12	12-140-100-730	-	5,225	5,225	5,225	-
Support Services - Students - Special	12-000-219-730	-	8,399	8,399	8,399	-
School Administration	12-000-240-730	-	9,754	9,754	9,754	-
Administrative Information Technology	12-000-252-730	90,000	(175)	89,825	89,825	-
Required Maintenance - School Facilities	12-000-261-730	-	24,939	24,939	24,939	-
Total Equipment		90,000	48,142	138,142	138,142	-
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	115,000	(12,278)	102,722	18,629	84,093
Assessment for Debt Service on SDA Funding	12-000-400-896	117,685	-	117,685	117,685	-
Total Facilities Acquisition & Construction Services		232,685	(12,278)	220,407	136,314	84,093
Assets Acquired Under Capital Leases (Nonbudgeted):						
Equipment		-	-	-	38,929	(38,929)
Total Assets Acquired Under Capital Leases (Nonbudgeted):		-	-	-	38,929	(38,929)
Total Capital Outlay		322,685	35,864	358,549	313,385	45,164
Transfer of Funds to Charter Schools	10-000-100-561	30,000	(8,130)	21,870	1,142	20,728
Total Expenditures		39,331,732	600,437	39,932,169	41,864,990	(1,932,821)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(1,375,000)	(600,437)	(1,975,437)	746,417	2,721,854
Other Financing Sources/(Uses):						
Capital Leases (Nonbudgeted)		-	-	-	38,929	38,929
Transfer from Capital Projects Fund to Capital Reserve	12-000-400-931	-	-	-	182,268	182,268
Transfer from Capital Projects Fund		-	-	-	8,369	8,369
Cancellation of Prior Year Accounts Receivable		-	-	-	(27)	(27)
Total Other Financing Sources/(Uses)		-	-	-	229,539	229,539
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,375,000)	(600,437)	(1,975,437)	975,956	2,951,393
Fund Balances, July 1		3,447,879	-	3,447,879	3,447,879	-
Fund Balances, June 30		\$ 2,072,879	\$ (600,437)	\$ 1,472,442	\$ 4,423,835	\$ 2,951,393

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 600,437
Total	<u>\$ 600,437</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Maintenance Reserve	\$ 660,553
Capital Reserve	1,138,234
Tuition Reserve	65,000
Excess Surplus	166,445
Assigned to:	
Year-End Encumbrances	104,650
Designated for Subsequent Year's Expenditures	1,465,000
Unassigned Fund Balance	<u>823,953</u>
Subtotal	4,423,835
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(691,269)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,732,566</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	904,764	79,918	984,682	919,180	(65,502)
Local Sources	-	89,615	89,615	61,389	(28,226)
Total Revenues	904,764	169,533	1,074,297	980,569	(93,728)
Expenditures:					
Instruction:					
Salaries of Teachers	271,109	(29,609)	241,500	238,500	3,000
Purchased Professional and Technical Services	-	9,500	9,500	415	9,085
Tuition to Private Schools for the Handicapped	593,628	(26,135)	567,493	567,493	-
Supplies & Materials	-	54,070	54,070	37,373	16,697
Other Objects	-	33,438	33,438	9,750	23,688
Total Instruction	864,737	41,264	906,001	853,531	52,470
Support Services:					
Salaries	-	16,181	16,181	6,019	10,162
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	35,612	20,270	55,882	55,600	282
Purchased Professional and Technical Services	-	3,010	3,010	3,010	-
Purchased Professional - Educational Services	-	43,366	43,366	27,479	15,887
Other Purchased Services	-	11,477	11,477	4,506	6,971
Supplies & Materials	4,415	33,715	38,130	30,424	7,706
Other Objects	-	250	250	-	250
Total Support Services	40,027	128,269	168,296	127,038	41,258
Facilities Acquisition & Construction Services:					
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	904,764	169,533	1,074,297	980,569	93,728
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2017**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 42,611,407	\$ 980,569
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	-	675
Current Year	-	(5,363)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	657,431	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(691,269)	-
	\$ 42,577,569	\$ 975,881
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 41,864,990	\$ 980,569
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	(4,688)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 41,864,990	\$ 975,881

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank.

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

This page intentionally left blank

BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.06556%	0.06501%	0.06408%	0.06439%
School District's proportionate share of the net pension liability	\$ 19,417,069	\$ 14,594,000	\$ 11,997,681	\$ 12,306,906
School District's covered payroll	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347	\$ 4,522,419
School District's proportionate share of the net pension liability as a percentage of its covered payroll	447.38%	325.50%	266.59%	272.13%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 582,428	\$ 558,933	\$ 95,436	\$ 85,241
Contributions in relation to the contractually required contribution	<u>(582,428)</u>	<u>(558,933)</u>	<u>(95,436)</u>	<u>(85,241)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 4,402,878	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347
Contributions as a percentage of covered payroll	13.23%	12.88%	2.13%	1.89%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST FOUR FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.152%	0.147%	0.149%	0.151%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	119,765,208	93,017,621	79,474,589	76,204,693
	<u>\$ 119,765,208</u>	<u>\$ 93,017,621</u>	<u>\$ 79,474,589</u>	<u>\$ 76,204,693</u>
School District's covered payroll	\$ 15,928,224	\$ 15,676,373	\$ 15,920,799	\$ 15,220,543
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank.

E. Special Revenue Fund

This page intentionally left blank.

**Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017**

	Title I, Part A - Improving Basic Programs Operated by LEA's				I.D.E.A. Part B		Burlington County Municipal Alliance (BRAD)		Totals
	2016-2017	2015-2016 Carryover	Basic 2016-2017	Preschool 2016-2017	Basic 2016-2017	Preschool 2016-2017	2016-2017	2015-2016	
REVENUES									
Local Sources	\$ 45,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,436	\$ 2,906	\$ 61,389
State Sources	-	-	-	-	-	-	-	-	-
Federal Sources	53,689	232,191	65,807	26,246	541,247	26,246	-	-	919,180
Total Revenues	98,736	232,191	65,807	26,246	541,247	26,246	13,436	2,906	980,569
EXPENDITURES:									
Instruction:									
Salaries of Teachers	28,000	164,092	46,408	-	-	-	-	-	238,500
Purchased Professional and Technical Services	-	415	-	-	-	-	-	-	415
Tuition for Private Schools for the Handicapped	-	-	-	26,246	541,247	26,246	-	-	567,493
General Supplies	28,090	3,519	5,764	-	-	-	-	-	37,373
Other Objects	-	9,750	-	-	-	-	-	-	9,750
Total instruction	56,090	177,776	52,172	26,246	541,247	26,246	-	-	853,531
Support services:									
Salaries	393	-	-	-	-	-	5,626	-	6,019
Personal Services - Employee Benefits	7,360	48,087	153	-	-	-	-	-	55,600
Purchased Professional and Technical Services	-	-	-	-	-	-	3,010	-	3,010
Purchased Professional - Educational Services	16,200	6,328	4,951	-	-	-	-	-	27,479
Other Purchased Services (400-500 series)	-	-	-	-	-	-	3,600	906	4,506
Supplies & Materials	18,693	-	8,531	-	-	-	1,200	2,000	30,424
Total support services	42,646	54,415	13,635	-	-	-	13,436	2,906	127,038
Facilities acquisition and construction services:									
Non-instructional Equipment	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-
Total Expenditures	98,736	232,191	65,807	26,246	541,247	26,246	13,436	2,906	980,569
Other Financing Sources (Uses)									
Transfer to General Fund	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bordentown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017**

	Title II, Part A		Title III, Part A		Teacher Quality Mentoring Program Carryover	Total Carried Forward
	Teacher & Principal Training & Recruiting		English Language Acquisitor			
	2015-2016 Carryover	2016-2017	2016-2017	2016-2017		
REVENUES						
Local Sources	\$ 44,654	\$ -	\$ -	\$ -	393	\$ 45,047
State Sources	-	-	-	-	-	-
Federal Sources	-	38,078	9,618	5,993	-	53,689
Total Revenues	44,654	38,078	9,618	5,993	393	98,736
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	26,000	-	2,000	-	28,000
General Supplies	26,124	-	-	1,966	-	28,090
Total instruction	26,124	26,000	-	3,966	-	56,090
Support services:						
Salaries	-	-	-	-	393	393
Personal Services - Employee Benefits	-	7,207	-	153	-	7,360
Purchased Professional - Educational Services	-	4,871	9,455	1,874	-	16,200
Supplies & Materials	18,530	-	163	-	-	18,693
Total support services	18,530	12,078	9,618	2,027	393	42,646
Facilities acquisition and construction services:						
Non-instructional Equipment	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-
Total Expenditures	44,654	38,078	9,618	5,993	393	98,736
Other Financing Sources (Uses)						
Transfer to General Fund	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017**

	2016-2017	Carryover	Bordertown Regional School District Education Foundation Grant	PMS PTA Chromebook Donations	2016-2017	Davis Honda Chromebook Donations	2016-2017	Total Carried Forward
REVENUES								
Local Sources	\$ 25,835	\$ 289	\$ 289	\$ 13,540	\$ 13,540	\$ 4,990	\$ 4,990	\$ 44,654
Total Revenues	25,835	289	289	13,540	13,540	4,990	4,990	44,654
EXPENDITURES								
Instruction:								
General Supplies	25,835	289	289	-	-	-	-	26,124
Total instruction	25,835	289	289	-	-	-	-	26,124
Support services:								
Supplies & Materials	-	-	-	13,540	13,540	4,990	4,990	18,530
Total support services	-	-	-	13,540	13,540	4,990	4,990	18,530
Facilities acquisition and const. serv.:								
Non-instructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	25,835	289	289	13,540	13,540	4,990	4,990	44,654
Other Financing Sources (Uses)								
Transfer to General Fund	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

This page intentionally left blank.

F. Capital Projects Fund

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		CANCELLATION OF SDA GRANT	TRANSFER TO GENERAL FUND	UNEXPENDED BALANCE 2017
			PRIOR YEAR	CURRENT YEAR			
Renovations to Clara Barton Elementary School	6/19/2002	\$ 1,831,755	\$ 1,745,118	\$ -	-	-	\$ 86,637
Renovations to MacFarland Elementary School	6/19/2002	1,613,832	1,546,754	-	-	-	67,078
Renovations to Peter Muschal Elementary School	6/19/2002	923,063	872,960	-	-	-	50,103
Renovations to Bordentown Middle School	6/19/2002	2,324,235	2,125,154	-	-	-	199,081
Subtotal - Remaining Referendum Project Balance	6/19/2002	6,692,885	6,289,986	-	-	-	402,899
Bordentown Middle School Partial Roof Replacement	7/23/2015	1,183,731	63,844	807,939	(121,512)	(190,436)	-
Total		\$ 7,876,616	\$ 6,353,830	\$ 807,939	\$ (121,512)	\$ (190,436)	\$ 402,899

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues and Other Financing Sources:	
SDA Grant Award	\$ (121,512)
Interest	<u>201</u>
Total Revenues	<u>(121,311)</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	13,860
Construction Services	<u>794,079</u>
Total Expenditures	<u>807,939</u>
Other Financing Sources/(Uses)	
Transfer to General Fund	<u>(190,637)</u>
Total Other Financing Sources/(Uses)	<u>(190,637)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,119,887)
Fund Balance - Beginning	<u>1,522,786</u>
Fund Balance - Ending	<u><u>\$ 402,899</u></u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO CLARA BARTON ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO MACFARLAND ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO PETER MUSCHAL ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO BORDENTOWN MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BORDENTOWN MIDDLE SCHOOL PARTIAL ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 473,492	\$ (121,512)	\$ 351,980	\$ 351,980
Transfer from Capital Reserve	710,239	(182,268)	527,971	527,971
Total Revenues	1,183,731	(303,780)	879,951	879,951
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	63,844	13,860	77,704	77,704
Construction Services	-	794,079	794,079	794,079
Total Expenditures	63,844	807,939	871,783	871,783
Other Financing Sources/(Uses)				
Other Charges	-	(8,168)	(8,168)	(8,168)
Total Other Financing Sources/(Uses)	-	(8,168)	(8,168)	(8,168)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,119,887	\$ (1,119,887)	-	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0475-055-14-G2VB
Grant Date	July 23, 2015
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,183,731
Revised Authorized Cost	\$ 879,951
Percentage Increase Over Original Authorized Cost	-26%
Percentage of Completion	100%
Original Target Completion Date	August 30, 2016
Revised Target Completion Date	August 30, 2016

This page intentionally left blank.

G. Proprietary Funds

This page intentionally left blank.

Enterprise Funds

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2017**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2017
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 203,005	\$ 716,958	\$ 919,963
Accounts Receivable:			
State	425	7,465	7,890
Federal	17,268	-	17,268
Local	-	891	891
Inventories	23,806	-	23,806
Total Current Assets	244,504	725,314	969,818
Noncurrent Assets:			
Furniture, Machinery & Equipment	505,465	-	505,465
Accumulated Depreciation	(411,416)	-	(411,416)
Total Capital Assets	94,049	-	94,049
Total Assets	338,553	725,314	1,063,867
LIABILITIES:			
Current Liabilities:			
Accounts Payable	40,268	536	40,804
Unearned Revenue	30,239	321,235	351,474
Total Current Liabilities	70,507	321,771	392,278
Noncurrent Liabilities:			
Compensated Absences	-	-	-
Total Noncurrent Liabilities	-	-	-
Total Liabilities	70,507	321,771	392,278
NET POSITION			
Net Investment in Capital Assets	94,049	-	94,049
Unrestricted Net Position	173,997	403,543	577,540
Total Net Position	\$ 268,046	\$ 403,543	\$ 671,589

BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2017
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 279,807	\$ -	\$ 279,807
Daily Sales - Nonreimbursable Programs	146,965	-	146,965
Special Function	21,371	-	21,371
Community Service Activities			
Tuition, Trips and Rentals	-	1,045,617	1,045,617
Total Operating Revenue	448,143	1,045,617	1,493,760
Operating Expenses:			
Salaries	306,994	724,614	1,031,608
Employee Benefits	-	98,088	98,088
Supplies and Materials	73,670	43,587	117,257
Other Purchased Services	96,328	174,322	270,650
Other Expenses	8,937	17,686	26,623
Depreciation	20,391	-	20,391
Cost of Sales - Reimbursable Programs	239,851	-	239,851
Cost of Sales - Nonreimbursable Programs	49,756	-	49,756
Total Operating Expenses	795,927	1,058,297	1,854,224
Operating (Loss)/Gain	(347,784)	(12,680)	(360,464)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	7,126	-	7,126
Adult Basic Skill Program	-	75,351	75,351
Federal Sources:			
National School Lunch Program	220,905	-	220,905
National School Breakfast Program	57,390	-	57,390
Healthy Hunger-Free Kids Act	9,280	-	9,280
Food Distribution Program	54,442	-	54,442
Total Nonoperating Revenues	349,143	75,351	424,494
Net Income/(Loss)	1,359	62,671	64,030
Operating Transfer In/(Out) - Capital Assets	15,949	(25,800)	(9,851)
Change in Net Position	17,308	36,871	54,179
Total Net Position - Beginning	250,738	366,672	617,410
Total Net Position - Ending	\$ 268,046	\$ 403,543	\$ 671,589

**BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2017
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 454,638	\$ 1,018,762	\$ 1,473,400
Payments to Employees	(306,994)	(724,614)	(1,031,608)
Payments for Employee Benefits	-	(98,088)	(98,088)
Payments to Suppliers	(479,250)	(236,872)	(716,122)
Net Cash Provided/(Used) by Operating Activities	<u>(331,606)</u>	<u>(40,812)</u>	<u>(372,418)</u>
Cash Flows From Investing Activities:			
Purchase of Equipment	(6,111)	(25,800)	(31,911)
Net Cash Provided by Investing Activities	<u>(6,111)</u>	<u>(25,800)</u>	<u>(31,911)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	7,124	68,241	75,365
Federal Sources	342,880	-	342,880
Net Cash Provided by Noncapital Financing Activities	<u>350,004</u>	<u>68,241</u>	<u>418,245</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	12,287	1,629	13,916
Cash & Cash Equivalents, July 1	190,718	715,329	906,047
Cash & Cash Equivalents, June 30	<u>\$ 203,005</u>	<u>\$ 716,958</u>	<u>\$ 919,963</u>

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (347,784)	\$ (12,680)	\$ (360,464)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	20,391	-	20,391
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(4,561)	-	(4,561)
(Increase)/Decrease in Accounts Receivable, Net	-	111	111
Increase/(Decrease) in Accounts Payable	(6,147)	(1,277)	(7,424)
Increase/(Decrease) in Deferred Revenues	6,495	(26,966)	(20,471)
Total Adjustments	<u>16,178</u>	<u>(28,132)</u>	<u>(11,954)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (331,606)</u>	<u>\$ (40,812)</u>	<u>\$ (372,418)</u>

This page intentionally left blank.

H. Fiduciary Fund

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION		PAYROLL FUND	STUDENT ACTIVITY	
	TRUST	SCHOLARSHIP			
ASSETS					
Cash & Cash Equivalents	\$ 35,906	\$ 140,956	\$ 73,325	\$ 155,461	\$ 405,648
Total Assets	<u>\$ 35,906</u>	<u>\$ 140,956</u>	<u>\$ 73,325</u>	<u>\$ 155,461</u>	<u>\$ 405,648</u>
LIABILITIES					
Payroll Deductions & Withholdings			73,107	-	73,107
Due to Student Groups			-	155,461	155,461
Interfund Payable			218	-	218
Total Liabilities			<u>\$ 73,325</u>	<u>\$ 155,461</u>	<u>228,786</u>
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	35,906	-			35,906
Restricted for Scholarships	-	140,956			140,956
Total Net Position	<u>\$ 35,906</u>	<u>\$ 140,956</u>			<u>\$ 176,862</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIPS	TOTALS
ADDITIONS:			
Local Sources:			
Contributions	\$ 28,380	\$ 12,000	\$ 40,380
Total Contributions	28,380	12,000	40,380
Investment Earnings:			
Interest on Investments	9	1,523	1,532
Total Investment Earnings	9	1,523	1,532
Total Additions	28,389	13,523	41,912
DEDUCTIONS:			
Unemployment Claims	25,001	-	25,001
Scholarship Payments	-	12,800	12,800
Total Deductions	25,001	12,800	37,801
Change in Net Position	3,388	723	4,111
Net Position - Beginning of Year	32,518	140,233	172,751
Net Position - End of Year	\$ 35,906	\$ 140,956	\$ 176,862

**BORDENTOWN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2017
Bordentown Regional Elementary Schools	\$ 25,545	\$ 51,285	\$ 49,681	\$ 27,149
Bordentown Regional Middle School	45,274	61,844	68,860	38,258
Bordentown Regional High School	76,484	229,798	216,228	90,054
Total	\$ 147,303	\$ 342,927	\$ 334,769	\$ 155,461

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	BALANCE JULY 1, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
ASSETS				
Cash & Cash Equivalents:				
Payroll	\$ 72,057	\$ 26,720,374	\$ 26,719,106	\$ 73,325
Total Assets	\$ 72,057	\$ 26,720,374	\$ 26,719,106	\$ 73,325
LIABILITIES				
Net Payroll Deductions & Withholdings	72,005	26,719,888	26,718,786	73,107
Interfund Account Payable	52	486	320	218
Total Liabilities	\$ 72,057	\$ 26,720,374	\$ 26,719,106	\$ 73,325

This page intentionally left blank.

I. Long-Term Debt

This page intentionally left blank.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY	INTEREST RATE	BALANCE JUNE 30, 2016	ISSUED	REFUNDED	REDEEMED	BALANCE JUNE 30, 2017
2016 School Refunding Bonds	11/10/2016	\$ 27,355,000	1/15/2018	3.000%	\$ -	\$ 27,355,000	\$ -	\$ 255,000	\$ 27,100,000
			1/15/2019	4.000%					
			1/15/2020	4.000%					
			1/15/2021	4.000%					
			1/15/2022	5.000%					
			1/15/2023	5.000%					
			1/15/2024	5.000%					
			1/15/2025	5.000%					
			1/15/2026	5.000%					
			1/15/2027	5.000%					
			1/15/2028	5.000%					
			1/15/2029	4.000%					
			1/15/2030	4.000%					
			1/15/2031	4.000%					
		1/15/2032	4.000%						
		1/15/2033	3.000%						
2010 School Bonds for Renovations and Improvements at the High School Complex to Include Solar Energy and Athletic Fields	3/12/2010	8,499,000	3/1/2018	3.000%	6,049,000	-	-	550,000	5,499,000
			3/1/2019	3.000%					
			3/1/2020	3.250%					
			3/1/2021	3.500%					
			3/1/2022	3.500%					
			3/1/2023	3.500%					
		3/1/2024	3.500%						
		3/1/2025	3.500%						
2006 School Refunding Bonds	1/15/2006	\$ 38,840,000	N/A	N/A	31,615,000	-	30,205,000	1,410,000	-
Total					\$ 37,664,000	\$ 27,355,000	\$ 30,205,000	\$ 2,215,000	\$ 32,599,000

**BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2017**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2016	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2017
2014-15								
1 Cab Utility Tractor & Accessories	12/1/2014	36 Months	4.00%	\$ 38,731	\$ 22,016	\$ -	\$ 13,033	\$ 8,983
6 54 Passenger School Buses	3/6/2015	7 Years	1.67%	525,000	448,359	-	78,492	369,867
2017 Ford F-350	3/3/2017	36 Months	5.65%	38,929	-	38,929	4,172	34,757
TOTAL					\$ 470,375	\$ 38,929	\$ 95,697	\$ 413,607

**BORDENTOWN REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,256,422	\$ -	\$ 3,256,422	\$ 3,256,422	\$ -
State Sources:					
Debt Service Aid Type II	196,993	-	196,993	196,993	-
Total Revenues	3,453,415	-	3,453,415	3,453,415	-
Expenditures:					
Regular Debt Service:					
Interest on Bonds	1,543,415	(256,381)	1,287,034	1,117,690	169,344
Redemption of Principal	1,960,000	256,381	2,216,381	2,216,381	-
Expense of Refunding Bonds	-	-	-	161,460	(161,460)
Total Expenditures	3,503,415	-	3,503,415	3,495,531	7,884
Other Financing Sources/(Uses):					
Bond Refunding Premium	-	-	-	3,642,105	3,642,105
Bond Proceeds	-	-	-	27,355,000	27,355,000
Deposit to Refunding Escrow	-	-	-	(30,823,415)	(30,823,415)
Transfer From Capital Projects Fund	50,000	(50,000)	-	-	-
Total Other Financial Sources/(Uses)	50,000	(50,000)	-	173,690	173,690
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	-	(50,000)	(50,000)	131,574	181,574
Fund Balance July 1, 2016	-	-	-	-	-
Fund Balance June 30, 2017	\$ -	\$ (50,000)	\$ (50,000)	\$ 131,574	\$ 181,574

This page intentionally left blank.

STATISTICAL SECTION (Unaudited)

This page intentionally left blank.

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 11,784,533	\$ 10,577,418	\$ 11,311,755	\$ 11,513,485	\$ 12,122,145	\$ 12,214,431	\$ 12,400,387	\$ 6,666,723	\$ 13,454,206	\$ 13,652,363
Restricted	2,564,705	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161	2,978,547
Unrestricted	(15,061,536)	(13,209,537)	(14,581,412)	(1,039,381)	(1,230,770)	(977,100)	(482,412)	(2,174,163)	(1,751,761)	(1,757,992)
Total Governmental Activities	(712,298)	(1,243,875)	(2,427,438)	11,583,296	12,749,135	13,349,020	13,172,197	12,796,776	13,260,606	14,872,918
Business-Type Activities:										
Net Investment in Capital Assets	94,049	92,380	112,580	132,455	156,353	183,596	227,164	244,294	95,152	73,690
Unrestricted	577,540	525,030	497,158	482,860	397,382	309,183	102,974	150,547	17,471	101,636
Total Business-Type Activities	671,589	617,410	609,738	615,315	553,735	492,779	330,138	394,841	112,623	175,326
District-Wide:										
Net Investment in Capital Assets	11,878,582	10,669,798	11,424,335	11,645,940	12,278,498	12,398,027	12,627,551	6,911,017	13,549,358	13,726,053
Restricted	2,564,705	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161	2,978,547
Unrestricted	(14,483,996)	(12,684,507)	(14,084,254)	(556,521)	(833,388)	(667,917)	(379,438)	(2,023,616)	(1,734,290)	(1,656,356)
Total District Net Position	\$ (40,709)	\$ (626,465)	\$ (1,817,700)	\$ 12,198,611	\$ 13,302,870	\$ 13,841,799	\$ 13,502,335	\$ 13,191,617	\$ 13,373,229	\$ 15,048,244

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 10,480,471	\$ 9,965,239	\$ 12,720,994	\$ 12,885,266	\$ 12,270,882	\$ 11,782,331	\$ 11,412,860	\$ 11,871,087	\$ 12,507,348	\$ 11,688,411
Special Education	3,371,838	3,139,589	3,781,151	4,064,402	4,200,979	4,393,784	4,459,110	4,399,350	3,080,964	2,947,124
Other Instruction	828,427	858,422	1,026,179	1,035,910	949,973	909,103	780,307	839,047	738,265	846,962
School Sponsored	817,591	809,589	903,586	896,352	877,030	813,316	837,371	797,930	760,495	726,262
Support Services:										
Tuition	1,614,797	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912	2,224,270
Student & Instruction Related Services	5,807,888	5,606,567	6,458,910	5,867,320	5,492,798	4,705,990	4,589,935	4,815,094	4,798,095	4,429,658
School Administrative Services	1,552,632	1,486,937	515,428	584,012	720,066	506,363	484,317	498,491	516,934	562,799
General & Business Administrative Services	522,019	496,433	1,878,967	1,771,923	1,837,361	1,829,094	1,737,531	1,745,775	1,723,832	1,539,553
Central Office & Technology Services	717,657	664,378	801,699	755,325	709,560	724,576	650,674	637,213	639,013	616,036
Plant Operations & Maintenance	3,807,687	3,576,440	4,371,506	4,342,287	4,053,655	4,128,597	4,343,102	4,492,522	4,501,470	4,146,037
Pupil Transportation	2,586,046	1,927,589	2,550,631	2,530,435	2,542,987	2,421,515	2,355,307	2,244,822	2,227,234	2,322,669
Allocated Benefits	-	-	6,714,526	2,811,542	3,183,332	2,474,537	2,158,567	2,055,060	2,004,611	3,037,029
Unallocated Benefits	7,310,413	17,766,768	-	-	-	-	-	-	-	-
Special Schools	-	-	4,477	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,256,569	1,783,349	1,874,615	1,941,677	1,973,098	2,001,334	2,072,048	1,832,474	1,805,871	1,850,805
On-Behalf TPAF Pension & Social Security Contributions	4,464,162	-	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	20,590	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	1,635,975	1,708,492	1,702,526	1,724,580	1,865,929	2,056,443	1,360,714	1,364,802	1,393,099	1,539,004
Amortization of Debt Issuance Costs	-	-	-	-	23,478	23,478	23,478	21,846	21,265	21,265
Unallocated Compensated Absences	-	145,112	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	46,800,762	51,743,787	47,193,317	42,727,585	41,907,648	39,974,567	38,586,035	39,117,896	38,679,408	38,497,884
Business-Type Activities:										
Community District Alliance	1,058,297	1,018,752	992,079	904,975	814,073	701,470	675,613	629,355	836,681	-
Community Education Program	-	-	-	-	-	-	-	-	-	800,985
Food Service	795,927	792,625	751,901	731,614	696,724	784,264	741,888	543,626	668,933	714,710
Total Business-Type Activities Expense	1,854,224	1,811,377	1,743,980	1,636,589	1,510,797	1,485,734	1,417,501	1,172,981	1,505,614	1,515,695
Total District Expenses	48,654,986	53,555,164	48,937,297	44,364,174	43,418,445	41,460,301	40,003,536	40,290,877	40,185,022	40,013,579
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	-	-	881,361	722,944	899,221	881,504	1,041,527	919,689	1,148,999	941,368
Operating Grants & Contributions	5,440,043	11,709,591	7,817,957	3,975,830	4,403,431	3,761,352	3,515,934	3,279,942	3,186,749	4,237,640
Total Governmental Activities Program Revenues	5,440,043	11,709,591	8,699,318	4,698,774	5,302,652	4,642,856	4,557,461	4,199,631	4,335,748	5,179,008
Business-Type Activities:										
Charges for Services:										
Community Education Program	-	-	-	-	-	-	-	-	-	641,174
Food Service	448,143	408,372	412,591	414,681	399,383	426,936	436,567	459,476	484,032	486,904
Community District Alliance	1,045,617	986,957	943,985	946,733	815,745	857,343	583,040	680,671	675,696	-
Operating Grants & Contributions	424,494	434,585	413,459	381,865	356,625	364,096	333,191	315,051	283,184	281,387
Total Business Type Activities Program Revenues	1,918,254	1,829,914	1,770,035	1,743,279	1,571,753	1,648,375	1,352,798	1,455,198	1,442,912	1,409,465
Total District Program Revenues	7,358,297	13,539,505	10,469,353	6,442,053	6,874,405	6,291,231	5,910,259	5,654,829	5,778,660	6,588,473

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net/(Expense)/Revenue:										
Governmental Activities	(41,360,719)	(40,034,196)	(38,493,999)	(38,028,811)	(36,604,996)	(35,331,711)	(34,028,574)	(34,918,265)	(34,343,660)	(33,318,876)
Business-Type Activities	64,030	18,537	26,055	106,690	60,956	162,641	(64,703)	282,217	(62,702)	(106,230)
Total District-Wide Net Expense	(41,296,689)	(40,015,659)	(38,467,944)	(37,922,121)	(36,544,040)	(35,169,070)	(34,093,277)	(34,636,048)	(34,406,362)	(33,425,106)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	27,980,272	27,203,066	26,630,061	25,579,178	24,613,704	24,131,082	23,744,262	23,191,599	22,299,615	23,001,615
Taxes Levied for Debt Service	3,256,422	3,260,409	3,043,674	2,712,127	2,712,124	2,680,506	2,680,506	2,676,172	2,588,064	2,480,316
Unrestricted Grants & Contributions	8,988,893	8,580,348	8,366,014	8,317,443	8,167,105	7,762,512	7,182,584	7,792,162	7,532,102	7,241,981
EDA Grant not restricted to specific functions	-	-	-	-	-	-	-	358,898	-	-
Tuition Received	833,054	1,047,875	-	-	-	-	-	-	-	-
Rents and Royalties	2,025	3,287	-	-	-	-	-	-	-	-
Investment Earnings	-	-	457	676	2,122	5,014	6,199	20,964	61,291	108,191
Miscellaneous Income	694,432	695,517	783,395	488,150	510,056	479,398	723,078	345,220	250,276	358,113
Transportation Fees from Other LEA's Within State	138,367	113,504	-	-	-	-	-	-	-	-
Transfers	(1,142)	(26,407)	30,592	45,110	-	-	-	-	-	-
Extraordinary Item - Fire Loss Impairment-Buses	-	-	-	-	-	-	(92,775)	-	-	-
Extraordinary Item - Insurance Proceeds for Fire Loss--Buses	-	-	-	-	-	-	246,668	-	-	-
Special Item - Capital Lease Buyout	-	-	-	-	-	450,022	(86,527)	-	-	-
Cancellation of Account Receivables/Payables	(27)	20	-	-	-	-	-	-	-	-
Prior Year Write-Offs (net)	-	-	762	-	-	-	-	-	-	-
Total Governmental Activities	41,892,296	40,877,619	38,854,955	37,142,684	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348	33,190,216
Business-Type Activities:										
Transfers	(9,851)	(10,865)	(30,592)	(45,110)	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	(1,040)	-	-	-	-	-	-	-
Total Business-Type Activities	(9,851)	(10,865)	(31,632)	(45,110)	-	-	-	-	-	-
Total District-Wide	41,882,445	40,866,754	38,823,323	37,097,574	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348	33,190,216
Change in Net Position:										
Governmental Activities	531,577	843,423	360,956	(886,127)	(599,885)	176,823	375,421	(533,250)	(1,612,312)	(128,660)
Business-Type Activities	54,179	7,672	(5,577)	61,580	60,956	162,641	(64,703)	282,217	(62,702)	(106,230)
Total District	\$ 585,756	\$ 851,095	\$ 355,379	\$ (824,547)	\$ (538,929)	\$ 339,464	\$ 310,718	\$ (251,033)	\$ (1,675,014)	\$ (234,890)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,405	\$ 912,273	\$ 2,109,404
Unreserved	-	-	-	-	-	-	-	23,608	487,105	479,871
Restricted	2,030,232	716,311	842,219	1,109,192	1,608,911	1,729,906	929,984	-	-	-
Assigned	1,569,650	1,975,437	1,331,249	559,498	761,457	569,552	652,052	-	-	-
Unassigned	132,684	98,700	(245,081)	(448,346)	(298,121)	(248,268)	(126,589)	-	-	-
Total General Fund	3,732,566	2,790,448	1,928,387	1,220,344	2,072,247	2,051,190	1,455,447	733,013	1,399,378	2,589,275
All Other Governmental Funds:										
Restricted	402,899	1,074,832	-	-	-	-	-	5,041,460	149,460	610,306
Assigned, Reported in:										
Capital Projects Fund	-	-	452,899	708,844	957,697	1,339,484	2,178,263	-	-	-
Debt Service Fund	-	-	-	-	(4)	(4)	(4)	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	(1,799)
Capital Projects Fund	-	-	-	-	-	-	-	2,012	532,461	224,096
Debt Service Fund	131,574	-	-	-	-	-	-	148,285	818	63,045
Total All Other Governmental Funds	\$ 534,473	\$ 1,074,832	\$ 452,899	\$ 708,844	\$ 957,693	\$ 1,339,480	\$ 2,178,259	\$ 5,191,757	\$ 682,739	\$ 895,648

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Taxes Local	\$ 31,236,694	\$ 30,463,475	\$ 29,673,735	\$ 28,291,305	\$ 27,325,828	\$ 26,811,588	\$ 26,424,768	\$ 25,867,771	\$ 24,887,679	\$ 25,481,931
Tuition Charges	833,054	1,047,875	881,361	722,944	899,221	881,504	1,041,527	922,089	1,166,594	941,368
Transportation	138,367	113,504	457	676	2,122	5,014	6,199	20,964	61,291	108,191
Interest Earnings	696,457	698,804	656,405	417,481	445,099	419,237	656,484	341,702	261,227	348,858
Miscellaneous	-	-	206,035	152,826	147,054	134,377	139,377	70,127	67,764	87,589
Local Sources	13,427,684	12,347,288	11,736,072	11,350,455	11,627,980	10,342,697	9,350,449	9,399,187	9,803,262	10,607,622
State Sources	1,001,252	1,044,160	967,074	942,818	942,556	1,181,167	1,348,069	2,031,815	915,589	871,999
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total Revenue	47,333,508	45,715,106	44,121,139	41,878,505	41,389,860	39,775,584	38,966,873	38,653,655	37,163,406	38,447,558
Expenditures:										
Instruction:										
Regular Instruction	10,480,471	9,965,239	10,257,059	10,130,247	10,019,740	9,577,867	9,482,923	10,005,949	10,644,014	9,908,516
Special Education Instruction	3,377,838	3,139,589	3,186,798	3,288,128	3,425,294	3,608,899	3,776,138	3,729,164	2,560,531	2,415,427
Other Special Instruction	-	-	816,252	801,629	781,318	735,627	624,840	674,688	623,779	696,558
Other Instructional	828,427	858,422	761,321	737,922	733,924	706,974	704,413	678,015	657,324	628,148
School Sponsored	817,591	809,589	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,614,797	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912	2,224,270
Student & Instruction Related Services	5,807,888	5,606,567	5,449,824	4,772,649	4,662,160	3,982,886	3,826,634	4,038,281	4,096,468	3,743,521
School Administrative Services	1,552,632	1,486,937	1,504,693	1,524,861	1,491,828	1,439,956	1,434,687	1,423,889	1,395,819	1,353,135
General & Business Administration Services	1,239,676	1,160,811	1,174,904	1,178,899	1,117,063	1,093,738	1,010,093	984,007	1,017,299	1,049,326
Plant Operations & Maintenance	3,891,616	3,720,150	3,822,782	3,689,763	3,573,345	3,603,386	3,849,549	4,011,396	4,098,322	3,747,089
Pupil Transportation	2,372,456	1,715,380	1,770,620	1,762,287	1,704,136	1,647,528	1,557,314	1,519,994	1,599,234	2,270,472
Allocated Benefits	-	594,917	-	-	-	-	-	-	-	-
Unallocated Benefits	6,078,790	9,861,969	9,309,738	9,634,426	9,246,000	8,232,012	7,566,334	7,403,035	6,623,538	7,135,392
On-Behalf TPAP Pension and Social Security Contributions	4,464,162	-	-	-	-	-	-	-	-	-
Expenditures (continued):										
Special Schools	-	-	4,477	-	-	-	-	-	-	-
Capital outlay	1,121,324	312,122	840,747	778,737	444,597	608,882	5,968,179	2,577,558	600,306	1,012,909
Debt service:										
Principal	2,216,381	1,880,000	1,775,000	1,455,000	1,540,000	1,465,000	1,030,000	1,155,000	1,090,000	1,100,000
Interest & Other Charges	1,279,150	1,624,290	1,701,790	1,753,265	1,804,665	1,855,180	1,887,427	1,684,187	1,726,776	1,767,086
Total Expenditures	47,143,199	44,544,865	44,264,127	43,024,367	41,750,590	39,762,041	44,039,045	41,387,546	38,694,322	39,051,849
Excess (Deficiency) of Revenues Over/(Under) Expenditures	190,309	1,170,241	(142,988)	(1,145,862)	(360,730)	13,543	(5,072,172)	(2,733,891)	(1,530,916)	(604,291)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other Financing Sources/(Uses):										
Prior Year Receivable	-	-	(28)	-	-	-	-	-	(17,594)	-
Proceeds of Refunding Bonds	30,997,105	-	-	-	-	-	-	8,499,000	-	-
Payment to Refunded Debt Escrow Agent	(30,823,415)	-	-	-	-	-	-	-	-	-
Capital Leases										
(Nonbudgeted)	38,929	-	563,731	-	-	-	-	698,509	145,704	-
Cancellation of Account Payable	-	20	-	-	-	-	-	-	-	-
Cancellation of Account Receivable	(27)	-	-	-	-	-	-	-	-	-
Other	-	-	790	-	-	(9,911)	-	-	-	-
Transfers in	-	(17)	286,807	294,436	764,670	326,407	6,199	8,165	22,390	44,700
Transfers Out	(1,142)	(26,390)	(256,214)	(249,326)	(764,670)	(326,407)	(6,199)	(8,165)	(22,390)	(44,700)
Total Other Financing Sources/ (Uses)	211,450	(26,387)	595,086	45,110	-	(9,911)	-	9,197,509	128,110	-
Special & Extraordinary Items (Uses):										
Copier Lease Buyout	-	-	-	-	-	(696,690)	(86,526)	-	-	-
Insurance Proceeds from Fire Loss - Buses	-	-	-	-	-	450,022	246,668	-	-	-
Total Other Financing Sources/ (Uses)	249,210	(52,774)	-	-	-	(246,668)	160,142	-	-	-
Net Change in Fund Balances	\$ 401,759	\$ 1,143,854	\$ 452,098	\$ (1,100,752)	\$ (360,730)	\$ (243,036)	\$ (4,912,030)	\$ 6,463,618	\$ (1,402,806)	\$ (604,291)
Debt Service as a Percentage of Noncapital Expenditures	7.60%	7.92%	8.01%	7.59%	8.10%	8.48%	7.66%	7.32%	7.39%	7.54%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION REVENUE	RENTALS	RESTRICTED FUEL CO-OP	SOLAR SREC'S	P.I.L.O.T.	MISCELLANEOUS	TOTAL
2017	\$ 2,810	\$ 833,054	\$ 2,025	\$ 147,686	\$ 105,373	\$ 66,695	\$ 310,278	\$ 1,467,921
2016	2,515	1,038,395	3,288	153,468	114,275	60,038	295,798	1,667,777
2015	1,852	881,361	2,257	206,035	91,823	31,935	341,800	1,557,063
2014	2,386	805,876	14,733	152,826	69,318	-	212,206	1,257,345
2013	1,026	899,221	10,284	147,054	65,095	-	324,475	1,447,155
2012	2,845	886,704	-	-	120,764	-	182,669	1,192,982
2011	4,032	1,041,527	-	-	69,326	-	477,155	1,592,040
2010	12,758	919,689	-	-	-	-	391,565	1,324,012
2009	38,402	1,166,594	-	-	-	-	299,650	1,504,646
2008	108,191	941,368	-	-	-	-	348,858	1,398,417

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY) EQUALIZED VALUE
Bordentown Township												
2017	\$ 42,441,925	\$ 857,230,173	\$ 1,938,200	\$ 243,100	\$ 188,835,830	\$ 30,786,689	\$ 34,707,800	\$ 1,156,183,717	\$ 3,138,486	\$ 1,159,322,203	2.090%	1,336,837,548
2016	34,563,000	856,370,143	3,275,200	217,800	195,968,230	31,785,689	34,707,800	1,156,887,862	3,215,382	1,160,103,244	1.905%	1,281,120,896
2015	30,989,400	856,847,870	3,282,200	217,800	197,933,630	32,639,389	34,707,800	1,156,618,089	3,036,590	1,159,654,679	1.875%	1,280,644,111
2014	31,600,800	851,703,725	1,789,600	257,500	219,945,806	34,548,800	34,707,800	1,174,554,051	3,159,995	1,177,714,026	1.873%	1,300,579,669
2013	37,400,800	841,210,500	2,017,200	269,200	205,437,900	34,952,500	34,707,800	1,155,995,900	3,603,878	1,159,599,778	1.826%	1,280,524,125
2012	48,400,900	839,651,800	2,098,900	269,200	205,987,000	35,082,500	34,707,800	1,166,198,100	4,683,360	1,170,881,460	1.767%	1,307,261,379
2011	63,821,300	1,057,960,900	2,476,400	272,200	269,614,600	45,462,200	43,036,900	1,482,644,500	4,524,928	1,487,169,428	1.371%	1,403,246,154
2010	64,306,800	1,055,478,400	2,476,400	272,600	280,438,000	45,765,900	44,299,900	1,493,038,000	4,797,374	1,497,835,374	1.332%	1,467,699,588
2009	65,906,700	1,058,439,300	2,476,400	238,700	285,255,600	49,643,600	46,645,400	1,508,605,700	4,393,296	1,512,998,996	1.282%	1,464,805,397
2008	34,690,400	505,312,150	949,300	522,400	118,741,560	20,537,830	15,557,000	696,310,640	2,135,846	698,446,486	2.767%	1,424,048,527
Bordentown City												
2017	\$ 4,888,100	\$ 241,501,000	\$ -	\$ -	\$ 45,814,100	\$ 12,335,600	\$ 25,016,300	\$ 329,555,100	\$ 464,447	\$ 330,019,547	1.915%	344,467,683
2016	4,990,900	242,244,200	-	-	46,255,100	12,650,600	25,016,300	331,157,100	483,323	331,640,423	2.039%	337,951,070
2015	4,812,700	243,789,600	-	-	46,689,200	12,902,700	25,016,300	333,210,500	446,106	333,656,606	1.978%	340,006,383
2014	4,853,700	244,895,500	-	-	46,988,000	16,502,700	25,181,300	338,421,200	450,733	338,871,933	1.784%	345,321,007
2013	4,806,700	245,552,200	-	-	50,460,900	16,552,600	25,985,000	343,357,400	512,096	343,869,496	1.676%	350,412,656
2012	5,908,300	292,188,050	-	-	53,331,700	16,517,600	26,575,300	394,520,950	556,037	395,076,987	1.399%	358,885,692
2011	6,178,400	293,129,600	-	-	55,828,300	18,017,600	27,775,300	400,929,200	503,525	401,432,725	1.364%	379,955,730
2010	7,496,400	293,955,600	-	-	54,322,300	16,517,600	28,155,300	400,447,200	351,264	400,798,464	1.345%	388,607,227
2009	7,496,400	293,763,600	-	-	54,322,300	16,517,600	28,155,300	400,255,200	351,264	400,606,464	1.282%	392,220,463
2008	7,107,200	293,454,900	-	-	56,856,000	16,517,600	28,155,300	402,091,000	351,264	402,442,264	1.233%	384,649,266
Borough of Fieldsboro												
2017	\$ 1,908,100	\$ 38,838,800	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 52,948,700	\$ 48,801	\$ 52,997,501	1.744%	51,852,656
2016	1,908,100	38,611,200	-	-	1,901,800	10,300,000	-	52,721,100	48,577	52,769,677	1.677%	46,507,072
2015	1,788,600	39,044,400	-	-	1,901,800	10,300,000	-	53,034,800	49,127	53,083,927	1.637%	46,784,058
2014	1,788,600	42,093,200	-	-	1,901,800	10,300,000	-	56,083,600	48,871	56,132,471	1.566%	49,470,443
2013	1,775,300	41,982,000	-	-	1,901,800	10,300,000	-	55,959,100	54,353	56,013,453	1.545%	49,366,214
2012	1,775,300	41,872,600	-	-	2,083,600	10,300,000	-	56,031,500	44,879	56,076,379	1.446%	53,210,739
2011	1,775,300	41,974,800	-	-	2,365,400	10,300,000	-	56,415,500	44,879	56,460,379	1.409%	57,558,897
2010	1,775,300	42,010,400	-	-	2,365,400	10,300,000	-	56,451,100	59,909	56,511,009	1.437%	54,739,394
2009	1,775,300	42,160,800	-	-	2,365,400	13,800,000	-	60,101,500	65,050	60,166,550	1.397%	58,280,374
2008	815,900	18,944,300	-	-	1,287,400	7,865,900	-	28,913,500	24,966	28,938,466	3.082%	58,014,336

Source: District records Tax list summary & Municipal Tax Assessor

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

EXHIBIT J-7

TOWNSHIP OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			of Bordentow n	Municipal Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2008	2.489	0.278	2.767	0.623		0.138	0.632	4.160
2009	1.149	0.133	1.282	0.336		0.068	0.298	1.984
2010	1.205	0.136	1.341	0.390		0.068	0.287	2.086 R
2011	1.234	0.137	1.371	0.379	0.030	0.068	0.315	2.163
2012	1.590	0.176	1.766	0.522	0.030	0.081	0.355	2.754 R
2013	1.648	0.178	1.826	0.549	0.045	0.034	0.365	2.819
2014	1.687	0.186	1.873	0.544	0.046	0.034	0.366	2.863
2015	1.771	0.207	1.978	0.540	0.075	0.035	0.370	2.998
2016	1.823	0.215	2.039	0.540	0.074	0.035	0.370	3.058
2017	1.872	0.218	2.090	0.541	0.076	0.082	0.384	3.173

CITY OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			City of Bordentow n	County Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2008	1.109	0.124	1.233	0.707		0.065	0.295	2.300
2009	1.149	0.133	1.282	0.735		0.068	0.298	2.383 R
2010	1.216	0.138	1.354	0.764		0.069	0.306	2.493
2011	1.223	0.137	1.360	0.794		0.068	0.300	2.522
2012	1.260	0.140	1.400	0.811		0.067	0.290	2.568
2013	1.513	0.164	1.677	0.954	0.015	0.032	0.348	3.026 R
2014	1.607	0.177	1.784	0.973	0.016	0.032	0.344	3.149
2015	1.678	0.197	1.875	0.992	0.043	0.034	0.363	3.307
2016	1.704	0.201	1.905	1.012	0.041	0.032	0.341	3.331
2017	1.715	0.200	1.915	1.021	0.042	0.033	0.352	3.363

BOROUGH OF FIELDSBORO

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			Borough of Fieldsboro	County Open Space	County Library/Other	Burlington County	
	Basic Rate ^a	Service ^b	Total Direct					
2008	2.772	0.310	3.082	1.067		0.162	0.738	5.049
2009	1.252	0.145	1.397	0.689		0.071	0.316	2.473
2010	1.301	0.147	1.448	0.680		0.071	0.314	2.513
2011	1.268	0.141	1.409	0.680		0.071	0.314	2.474
2012	1.301	0.144	1.445	0.669		0.075	0.329	2.518
2013	1.394	0.151	1.545	0.569	0.014	0.031	0.332	2.491
2014	1.402	0.154	1.556	0.569	0.014	0.029	0.311	2.479
2015	1.465	0.172	1.637	0.569	0.037	0.030	0.313	2.586
2016	1.500	0.177	1.677	0.569	0.039	0.030	0.322	2.637
2017	1.562	0.182	1.744	0.568	0.041	0.032	0.343	2.728

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

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

R Reassessment year

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

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

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

	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
BORDENTOWN TOWNSHIP						
WW Grainger, Inc	\$ 18,204,900	1	1.57%			
Dunns Mill Rd Retail LLC	14,700,000	2	1.27%			
Bordentown Investment LLC	11,120,000	3	0.96%	\$ 5,391,400	6	0.77%
Moshulu Realty LLC	11,000,000	4	0.95%	4,575,000	9	0.66%
HPT PSC Properties Trust, DBA: TCA	11,000,000	5	0.95%	6,694,500	4	0.96%
Hedding Hotels, LLC	7,539,500	6	0.65%			
Colfin 2015-4 Industrial Owner, LLC	6,800,000	7	0.59%			
Rt 206 Bordentown Realty, LLC	6,380,000	8	0.55%			
Bordentown Realty, Inc	6,055,700	9	0.52%			
Laurel Run LLC	6,000,000	10	0.52%			
Rock-IDI Central Crossing, LLC				10,729,100	1	1.54%
Public Service Electric and Gas				10,202,100	2	1.46%
Bordentown V.F. LLC				9,925,410	3	1.42%
Central Crossing Bus Park Bldg II, LLC				5,650,000	5	0.81%
Kerry Fahey c/o Thompson Tax & Acct				5,360,000	7	0.77%
Hunter Industries, Inc.				4,836,700	8	0.69%
KOR				3,965,000	10	0.57%
Total	\$ 98,800,100		8.52%	\$ 67,329,210		9.64%
Total Municipal Assessment	<u>\$ 1,159,322,203</u>			<u>\$ 698,446,486</u>		
BORDENTOWN CITY						
Park Apartments	\$ 9,690,000	1	2.94%	\$ 11,200,000	2	2.78%
OD/NJ, LLC	8,200,000	2	2.48%			
Schino Property Management, LLC.	6,886,400	3	2.09%	6,100,000	3	1.52%
Cranberry Park	3,000,000	4	0.91%			
Storage Depot of Bordentown, LLC	2,700,000	5	0.82%	3,600,000	4	0.89%
Lucas Bordentown, LLC	2,635,000	6	0.80%			
Thompson Realty Co. of Princeton	1,807,200	7	0.55%	2,203,000	7	0.55%
J&B Bordentown, LLC	1,657,300	8	0.50%			
860 Rt 206 Associates LLC	1,637,000	9	0.50%	1,785,900	9	0.44%
Land Holding	1,410,000	10	0.43%			
Ocean Spray Cranberries				14,800,000	1	3.68%
Bob Maguire Chevrolet				2,900,000	5	0.72%
Bordentown New Valley Realty				2,750,000	6	0.68%
Riverview Gardens				1,825,500	8	0.45%
R&W Tire				1,085,000	10	0.27%
Total	\$ 39,622,900		12.01%	\$ 48,249,400		11.99%
Total Municipal Assessment	<u>\$ 330,019,547</u>			<u>\$ 402,442,264</u>		
BOROUGH OF FIELDSBORO						
Stepan Chemical	\$ 10,300,000	1	19.43%	\$ 8,013,300	1	27.69%
Individual #1	641,800	2	1.21%	305,100	3	1.05%
Balon Real Estate, LLC	485,300	3	0.92%			
Reddy Holding, LLC	448,500	4	0.85%	320,900	2	1.11%
Individual # 2	416,600	5	0.79%	281,900	4	0.97%
Individual # 3	390,900	6	0.74%	175,900	5	0.61%
Individual # 4	374,900	7	0.71%	162,000	6	0.56%
Individual # 5	366,000	8	0.69%	173,100	7	0.60%
Individual # 6	332,000	9	0.63%	160,800	8	0.56%
Individual # 7	331,600	10	0.63%	153,500	9	0.53%
Individual # 8				148,400	10	0.51%
Total	\$ 14,087,600		26.58%	\$ 9,894,900		34.19%
Total Municipal Assessment	<u>\$ 52,997,501</u>			<u>\$ 28,938,466</u>		

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
Bordentown Township			
2016	38,234,984	37,817,282	98.91%
2015	37,418,378	36,517,398	97.59%
2014	35,228,117	34,879,814	99.01%
2013	35,560,199	34,442,130	96.86%
2012	34,378,206	33,903,048	98.62%
2011	33,598,186	33,202,342	98.82%
2010	32,943,260	32,690,253	99.23%
2009	31,892,057	31,486,722	98.73%
2008	31,172,847	30,838,124	98.93%
2007	30,539,803	30,100,509	98.56%
Bordentown City			
2016	11,061,946	10,732,562	97.02%
2015	11,034,024	10,693,230	96.91%
2014	10,693,203	10,267,168	96.02%
2013	10,436,703	10,033,759	96.14%
2012	10,051,489	9,580,737	95.32%
2011	10,176,142	9,597,984	94.32%
2010	9,952,334	9,589,673	96.36%
2009	9,571,273	9,240,199	96.54%
2008	9,286,951	8,994,125	96.85%
2007	9,235,616	9,016,444	97.63%
Borough of Fieldsboro			
2016	1,391,536	1,344,482	96.62%
2015	1,373,802	1,297,264	94.43%
2014	1,392,299	1,312,349	94.26%
2013	1,400,857	1,343,514	95.91%
2012	1,412,586	1,331,565	94.26%
2011	1,396,830	1,327,881	95.06%
2010	1,413,906	1,347,402	95.30%
2009	1,487,919	1,417,056	95.24%
2008	1,465,632	1,390,578	94.88%
2007	1,426,717	1,371,801	96.15%

Source: Municipal records.

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

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES			
2017	\$ 32,599,000	\$ -	\$ -	\$ 413,607	\$ 33,012,607	N/A	N/A
2016	37,664,000	-	-	470,375	38,134,375	N/A	2,314
2015	39,544,000	-	-	559,538	40,103,538	4.44%	2,453
2014	41,319,000	-	-	-	41,319,000	4.79%	2,572
2013	42,774,000	-	-	96,170	42,870,170	5.23%	2,703
2012	44,314,000	-	-	188,954	44,502,954	5.48%	2,801
2011	45,779,000	-	-	357,098	46,136,098	5.88%	2,907
2010	46,809,000	-	-	516,534	47,325,534	6.27%	2,986
2009	39,215,000	250,000	-	71,916	39,536,916	5.78%	2,736
2008	40,070,000	485,000	-	-	40,555,000	5.86%	2,798

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

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

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of		Debt per Capita	Population *	Taxable Value of Property
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Property	Property			
2017	\$ 32,599,000	\$ -	\$ 32,599,000	2.11%	\$ 1,978	16,479	\$ 1,542,339,251	
2016	37,664,000	-	37,664,000	2.44%	2,304	16,479	1,544,513,344	
2015	39,544,000	-	39,544,000	2.56%	2,419	16,349	1,546,395,212	
2014	41,319,000	-	41,319,000	2.63%	2,572	16,062	1,572,718,430	
2013	42,774,000	-	42,774,000	2.67%	2,697	15,862	1,599,482,727	
2012	44,314,000	-	44,314,000	2.73%	2,789	15,887	1,622,034,826	
2011	45,779,000	-	45,779,000	2.36%	2,884	15,872	1,943,115,532	
2010	46,809,000	-	46,809,000	2.39%	2,953	15,850	1,955,144,847	
2009	39,215,000	-	39,215,000	1.99%	2,714	14,448	1,973,772,010	
2008	40,070,000	-	40,070,000	3.55%	2,764	14,495	1,129,827,216	

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

* Current year population estimated at the previous year amount.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

<u>Governmental Unit</u>	<u>DECEMBER 31, 2016 DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE (a)</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes:			
Bordentown Township	\$ 26,790,405	100.00%	\$ 26,790,405
Bordentown City	2,184,925	100.00%	2,184,925
Fieldsboro Borough	262,592	100.00%	262,592
Other Debt:			
Bordentown Sewer Authority	17,533,707	100.00%	17,533,707
Burlington County	314,942,084	3.57%	<u>11,253,310</u>
Subtotal, Overlapping Debt			58,024,939
Bordentown Regional School District Bonded Debt - June 30, 2017			<u>32,599,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 90,623,939</u></u>

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

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

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	68,469,829	67,728,025	68,242,015	69,654,030	75,302,140	75,332,196	75,736,915	74,681,041	74,681,041	65,802,251
Total Net Debt Applicable to Limit	32,599,000	37,664,000	39,544,000	41,319,000	42,774,000	44,314,000	45,779,000	46,809,000	39,215,000	40,070,000
Legal Debt Margin	\$ 35,870,829	\$ 30,064,025	\$ 28,698,015	\$ 28,335,030	\$ 32,528,140	\$ 31,018,196	\$ 29,957,915	\$ 27,872,041	\$ 35,466,041	\$ 25,732,251
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	47.61%	55.61%	57.95%	59.32%	56.80%	58.82%	60.44%	62.68%	52.51%	60.89%

Legal Debt Margin Calculation for Fiscal Year 2017:

Average Equalized Valuation Basis for the Three Years 2014 to 2016:

Bordentown Township	\$ 1,314,175,000
Bordentown City	347,803,859
Fieldsboro	49,766,857
	<u>\$ 1,711,745,716</u>

Average Equalized Valuation of Taxable Property

1,711,745,716

Debt Limit (4 % of Average Equalization Value)

68,469,829

Net Bonded School Debt

32,599,000

Legal Debt Margin

35,870,829

Source: Abstract Ratables and District Records

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

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PERSONAL INCOME (b)</u>	<u>PER CAPITA PERSONAL INCOME (c)</u>	<u>UNEMPLOYMENT RATE (d)</u>
Bordentown Township				
2016	12,095	N/A	N/A	3.70%
2015	11,935	\$ 659,134,245	\$ 55,227	4.20%
2014	11,625	624,808,875	53,747	5.30%
2013	11,423	591,540,055	51,785	4.40%
2012	11,427	587,233,530	51,390	8.80%
2011	11,414	570,186,370	49,955	8.50%
2010	11,384	546,967,048	48,047	8.70%
2009	10,068	479,730,132	47,649	8.20%
2008	10,102	483,037,232	47,816	9.20%
2007	10,176	470,009,088	46,188	3.50%
Bordentown City				
2016	3,851	N/A	N/A	3.70%
2015	3,882	\$ 214,391,214	\$ 55,227	5.10%
2014	3,903	209,774,541	53,747	5.50%
2013	3,907	202,323,995	51,785	8.80%
2012	3,925	201,705,750	51,390	9.60%
2011	3,921	195,873,555	49,955	9.30%
2010	3,928	188,728,616	48,047	9.50%
2009	3,820	182,019,180	47,649	9.00%
2008	3,830	183,135,280	47,816	9.20%
2007	3,860	178,285,680	46,188	3.80%
Fieldsboro Borough				
2016	533	N/A	N/A	4.80%
2015	532	\$ 29,380,764	\$ 55,227	8.80%
2014	534	28,700,898	53,747	11.50%
2013	532	27,549,620	51,785	8.30%
2012	535	27,493,650	51,390	15.50%
2011	537	26,825,835	49,955	15.00%
2010	538	25,849,286	48,047	15.30%
2009	560	26,683,440	47,649	14.50%
2008	563	26,920,408	47,816	9.20%
2007	567	26,188,596	46,188	6.40%

Source:

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

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

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

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

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

EMPLOYER	2017		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	

Information not available

2008

Information not available

Source: Comprehensive Annual Financial Reports of Individual School Districts

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

<u>Function/Program</u>	<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>
Instruction:										
Regular	169	174	177	171	174	150	142	140	139	137
Special Education	72	78	86	96	107	106	92	86	70	69
Other Instruction	14	16	17	13	14	13	13	11	15	15
Adult/Continuing Education	5	5	4	4	4	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	32	36	37	35	33	33	33	38	40	40
School Administrative Services	43	42	43	46	42	61	58	63	61	60
General Administrative Services	2	2	2	2	2	1	1	1	1	1
Plant Operations & Maintenance	43	46	44	43	42	41	43	44	41	39
Pupil Transportation	43	39	37	36	35	35	35	38	39	38
Business & Other Support Services	1	1	1	1	1	1	1	1	1	1
Food Service	-	-	-	-	-	-	-	-	-	-
Total	424	439	448	447	454	441	418	422	407	400

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY		% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	ENROLLMENT (ADE) (c)	ATTENDANCE (ADA) (d)		
2017	2,489	\$ 42,526,344	\$ 17,086	21.68%	212	11.0:1	13.0:1	12.0:1	2,492	2,382	-0.04%	95.59%
2016	2,558	\$ 40,728,453	\$ 14,041	0.35%	211	13.3:1	14.0:1	14.0:1	2,493	2,391	12.45%	95.91%
2015	2,574	\$ 36,015,036	\$ 13,992	-0.58%	218	13.0:1	14.0:1	14.0:1	2,217	2,146	-11.71%	96.80%
2014	2,561	\$ 36,042,451	\$ 14,074	2.84%	213	12.3:1	13.0:1	14.0:1	2,511	2,429	0.68%	96.73%
2013	2,503	\$ 34,253,248	\$ 13,685	3.99%	214	11.1:1	11.0:1	9.5:1	2,494	2,379	2.80%	95.39%
2012	2,464	\$ 32,426,539	\$ 13,160	-1.01%	212	10.3:1	12.0:1	11.5:1	2,426	2,347	0.71%	96.74%
2011	2,461	\$ 32,718,416	\$ 13,295	0.01%	217	9.3:1	10.9:1	11.8:1	2,409	2,335	0.38%	96.93%
2010	2,480	\$ 32,968,346	\$ 13,294	-1.65%	215	10.1:1	10.8:1	11.8:1	2,400	2,321	-1.40%	96.71%
2009	2,427	\$ 32,806,502	\$ 13,517	0.99%	224	10.9:1	10.5:1	12.7:1	2,434	2,275	4.64%	93.47%
2008	2,346	\$ 31,401,380	\$ 13,385	6.76%	224	7.9:1	10.9:1	12.8:1	2,326	2,213	2.74%	95.14%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Elementary										
Clara Barton Elementary School (1953)										
Square Feet	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432
Capacity (students)	346	346	346	346	346	346	346	346	346	346
Enrollment	220	221	254	249	237	247	253	240	235	247
Peter Muschal Elementary School (1953)										
Square Feet	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	572	537	553	612	642	622	602	608	580	543
Intermediate School										
MacFarland Intermediate School (1924)										
Square Feet	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
Capacity (students)	334	334	334	334	334	334	334	334	334	334
Enrollment	343	344	352	345	381	394	405	406	409	379
Middle School										
Bordentown Regional Middle School (1965)										
Square Feet	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720
Capacity (students)	545	545	545	545	545	545	545	545	545	545
Enrollment	533	532	541	541	524	535	563	577	614	590
High School										
Bordentown Regional High School (2006)										
Square Feet	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000
Capacity (students)	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Enrollment	766	723	712	716	694	705	738	743	720	730
Other										
James F. Black Administration Building										
Square Feet	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
Transportation (1990)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2017

Elementary = 3

Middle School = 1

High School = 1

Other = 2

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULED OR REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
For the Fiscal Year Ended June 30, 2008 to 2017**

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

School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
James Black Dist. Admin. Building	N/A	5,418	5,733	6,121	5,133	5,218	5,550	2,838	2,965	3,496	3,027
Transportation / Bus Building	N/A	7,740	7,166	7,651	6,416	6,522	6,937	4,745	4,952	5,846	5,063
Bordentown Regional Middle School	N/A	142,420	131,136	140,009	117,404	119,353	128,333	83,250	86,887	102,567	88,818
Clara Barton School	N/A	81,273	73,809	78,803	66,080	67,177	71,450	48,811	50,944	60,137	52,076
MacFarland Intermediate School	N/A	99,850	92,440	98,695	82,760	84,134	89,486	58,686	61,250	72,303	62,611
Peter Muschal School	N/A	134,680	123,254	131,593	110,347	112,179	119,315	79,064	82,518	97,409	84,352
Bordentown Regional High School	N/A	302,643	283,053	302,205	253,414	257,620	272,621	180,306	188,184	222,142	192,365
		774,024	716,591	765,077	641,554	652,203	693,692	457,700	477,700	563,900	488,312
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>774,024</u>	<u>716,591</u>	<u>765,077</u>	<u>641,554</u>	<u>652,203</u>	<u>693,692</u>	<u>457,700</u>	<u>477,700</u>	<u>563,900</u>	<u>488,312</u>

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

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

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

Source: District Records

This page intentionally left blank.

SINGLE AUDIT SECTION

This page intentionally left blank.



EXHIBIT K-1

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

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

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 Bordentown Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Bordentown Regional School District's basic financial statements, and have issued our report thereon dated October 22, 2017.

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Bordentown, New Jersey
October 22, 2017



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Bordentown Regional School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2017. The Bordentown Regional School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Bordentown Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Bordentown, New Jersey
October 22, 2017

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR AT JUNE 30, 2017
U.S. DEPARTMENT OF EDUCATION:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	\$ 86,760	9/1/16-8/31/17	\$ -	\$ -	\$ 86,760	\$ (86,760)	\$ -	\$ -	\$ -	\$ -	
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	95,438	9/1/15-8/31/16	(17,633)	-	17,633	-	-	-	-	-	
Total General Fund					(17,633)	-	104,393	(86,760)	-	-	-	-	
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue:													
Special Education Cluster:													
L.D.E.A. Part B, Basic Regular	84.027	H027A160100	541,247	7/1/16-6/30/17	-	-	490,031	(541,247)	-	(51,216)	-	-	
L.D.E.A. Part B, Preschool	84.173	H173A160114	26,246	7/1/16-6/30/17	-	-	26,246	(26,246)	-	-	-	-	
Total Special Education Cluster					-	-	516,277	(567,493)	-	(51,216)	-	-	
Title I, Part A	84.010A	S010A160030	297,998	7/1/16-6/30/17	-	65,807	237,047	(280,436)	-	-	22,418	-	
Title I, Part A	84.010A	S010A150030	280,535	7/1/15-6/30/16	(11,626)	(65,807)	77,433	-	-	-	-	-	
Title I, Part A	84.010A	N/A	302,918	7/1/14-6/30/15	12,370	-	-	(12,370)	-	-	-	-	
Title I, Part A	84.010A	N/A	2,259,21	9/1/09-8/31/10	5,192	-	-	(5,192)	-	-	-	-	
Subtotal					5,936	-	314,480	(297,998)	-	-	22,418	-	
Title II, Part A Improving Teacher Quality	84.367A	S367A160029	47,696	7/1/16-6/30/17	-	9,618	24,084	(47,696)	-	(13,994)	-	-	
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	44,580	7/1/15-6/30/16	(6,134)	(9,618)	15,752	-	-	-	-	-	
Title II, Part A Improving Teacher Quality	84.367A	N/A	76,188	7/1/14-6/30/15	9,413	-	-	-	-	-	9,413	-	
Title II, Part A Improving Teacher Quality	84.367A	N/A	53,556	9/1/10-8/31/11	58	-	-	-	-	-	58	-	
Title II, Part A Improving Teacher Quality	84.367A	N/A	51,490	9/1/09-8/31/10	1,564	-	-	-	-	-	1,564	-	
Subtotal					4,901	-	39,836	(47,696)	-	(13,994)	11,035	-	
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	459	9/1/10-8/31/11	10	-	-	-	-	-	10	-	
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	2,300	9/1/09-8/31/10	91	-	-	-	-	-	91	-	
Subtotal					101	-	-	-	-	-	101	-	
Title III, English Language Acquisition & Enhancement	84.365A	S365A160030	5,993	7/1/16-6/30/17	-	-	5,627	(5,993)	-	(366)	-	-	
Title III, English Language Acquisition & Enhancement	84.365A	S365A150030	21,438	7/1/15-6/30/16	(2,646)	-	2,646	-	-	-	-	-	
Title III, English Language Acquisition & Enhancement	84.365A	N/A	37,462	7/1/14-6/30/15	475	-	-	-	-	-	475	-	
Subtotal					(2,171)	-	8,273	(5,993)	-	(366)	475	-	
Title IV, Safe & Drug Free Schools & Communities Governor's Initiative: Enhancing & Expanding In-District Program Options for Students With Disabilities - Yr 2	84.186	N/A	6,298	9/1/09-8/31/10	22	-	-	-	-	-	22	-	
	84.027A	N/A	150,000	6/1/08-6/1/09	5,191	-	-	-	-	-	5,191	-	
Total Special Revenue Fund					13,980	-	878,866	(919,180)	-	(65,576)	39,242	-	
Total U.S. Department of Education					(3,653)	-	983,259	(1,005,940)	-	(65,576)	39,242	-	
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Enterprise Fund:													
Child Nutrition Cluster:													
Noncash Assistance:													
Food Distribution Program	10.550	171NJ304N1099	54,442	7/1/16-6/30/17	-	7,312	58,593	(54,442)	-	-	11,463	-	
Food Distribution Program	10.550	16161NJ304N1099	59,820	7/1/15-6/30/16	7,312	(7,312)	-	-	-	-	-	-	
Subtotal					7,312	-	58,593	(54,442)	-	-	11,463	-	
Cash Assistance:													
School Breakfast Program	10.553	171NJ304N1099	57,390	7/1/16-6/30/17	-	-	53,532	(57,390)	-	(3,858)	-	-	
School Breakfast Program	10.553	16161NJ304N1099	67,232	7/1/15-6/30/16	(4,321)	-	4,321	-	-	-	-	-	
Subtotal					(4,321)	-	57,853	(57,390)	-	(3,858)	-	-	
National School Lunch Program	10.555	171NJ304N1099	220,905	7/1/16-6/30/17	(13,263)	-	208,051	(220,905)	-	(12,854)	-	-	
National School Lunch Program	10.555	16161NJ304N1099	233,178	7/1/15-6/30/16	13,263	-	-	-	-	-	-	-	
Subtotal					22,131	-	22,131	(220,905)	-	(12,854)	-	-	
National School Lunch HHEKA Perf. Based Programs	10.592	171NJ304N1099	9,280	7/1/16-6/30/17	-	-	8,724	(9,280)	-	(556)	-	-	
National School Lunch HHEKA Perf. Based Programs	10.592	16161NJ304N1099	9,356	7/1/15-6/30/16	(547)	-	547	-	-	-	-	-	
Subtotal					(547)	-	9,271	(9,280)	-	(556)	-	-	
Total Child Nutrition Cluster					(10,819)	-	347,031	(342,017)	-	(17,268)	11,463	-	
Total Enterprise Fund					(10,819)	-	347,031	(342,017)	-	(17,268)	11,463	-	
Total U.S. Department of Agriculture					(10,819)	-	347,031	(342,017)	-	(17,268)	11,463	-	
Total Federal Financial Assistance					\$ (14,472)	\$ -	\$ 1,330,290	\$ (1,347,957)	\$ -	\$ (82,844)	\$ 50,705	\$ -	

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR AT JUNE 30, 2017	MEMO		
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:															
General Fund:															
State Aid Cluster:															
Equalization Aid	495-034-5120-078	\$ 6,170,909	7/1/16-6/30/17	\$ -	\$ 6,170,909	\$ (6,170,909)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 531,351	\$ 6,170,909
Categorical Special Education Aid	495-034-5120-089	1,470,071	7/1/16-6/30/17	-	1,470,071	(1,470,071)	-	-	-	-	-	-	-	126,582	1,470,071
Categorical Security Aid	495-034-5120-084	71,779	7/1/16-6/30/17	-	71,779	(71,779)	-	-	-	-	-	-	-	6,181	71,779
Under Adequacy Aid	495-034-5120-096	33,986	7/1/16-6/30/17	-	33,986	(33,986)	-	-	-	-	-	-	-	33,986	33,986
PARCC Readiness Aid	495-034-5120-098	25,530	7/1/16-6/30/17	-	25,530	(25,530)	-	-	-	-	-	-	-	2,926	25,530
Per Pupil Growth Aid	495-034-5120-097	25,530	7/1/16-6/30/17	-	25,530	(25,530)	-	-	-	-	-	-	-	2,198	25,530
Professional Learning Community Aid	495-034-5120-101	25,720	7/1/16-6/30/17	-	25,720	(25,720)	-	-	-	-	-	-	-	2,215	25,720
Total State Aid Cluster		7,823,525			7,823,525	(7,823,525)								673,651	7,823,525
Categorical Transportation Aid	495-034-5120-014	204,608	7/1/16-6/30/17	-	204,608	(204,608)	-	-	-	-	-	-	-	17,618	204,608
Extraordinary Aid	495-034-5120-044	595,865	7/1/16-6/30/17	(316,681)	-	-	-	-	-	(395,865)	-	-	-	-	395,865
Additional Nonpublic School Transportation Aid	495-034-5120-044	15,850	7/1/16-6/30/17	(18,086)	18,086	-	-	-	-	(15,850)	-	-	-	-	15,850
Dept. of Children & Families Homeless Tuition Aid	495-034-5120-005	25,725	7/1/16-6/30/17	(31,918)	31,918	-	-	-	-	(25,725)	-	-	-	-	25,725
Lead Water Testing for Schools Aid	495-034-5120-005	8,352	7/1/16-6/30/17	-	8,352	(8,352)	-	-	-	(8,352)	-	-	-	-	8,352
Reimbursed TPAF Social Security Contributor	100-034-5120-104	1,176,559	7/1/16-6/30/17	-	1,176,559	(1,176,559)	-	-	-	-	-	-	-	-	1,176,559
On-Behalf TPAF Pension Contributor	495-034-5094-002	1,791,313	7/1/16-6/30/17	-	1,791,313	(1,791,313)	-	-	-	-	-	-	-	-	1,791,313
On-Behalf TPAF Post Retirement Medical Contributor	495-034-5094-001	1,492,571	7/1/16-6/30/17	-	1,492,571	(1,492,571)	-	-	-	-	-	-	-	-	1,492,571
On-Behalf TPAF Long-Term Disability Insurance	495-034-5094-004	3,719	7/1/16-6/30/17	-	3,719	(3,719)	-	-	-	-	-	-	-	-	3,719
Total General Fund		12,858,980		(366,685)	12,858,980	(12,938,087)				(445,792)				691,269	12,938,087
Special Character Fund:															
Character Education Aid	495-034-5120-053	5,661	7/1/05-6/30-06	132	-	-	-	-	-	-	-	-	132	-	-
Governor's School of Excellence Award	100-034-5063-298	25,000	9/1/05-6/30/06	4,979	-	-	-	-	-	-	-	-	4,979	-	-
Total Special Revenue Fund				5,111							5,111				
Enterprise Fund:															
Adult Basic Skills Grant Program	3-67144-9701	75,351	7/1/16-6/30/17	-	67,886	(75,351)	-	-	-	(7,465)	-	-	-	-	75,351
Adult Basic Skills Grant Program	3-67144-9701	57,720	7/1/15-6/30/16	(355)	355	-	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(355)	68,241	(75,351)				(7,465)					75,351
Debt Service Fund:															
Debt Service Aid Type I	100-034-5120-125	196,993	7/1/16-6/30/17	-	196,993	(196,993)	-	-	-	-	-	-	-	-	196,993
Total Debt Service Fund				-	196,993	(196,993)									196,993
Total State Department of Education															
				(361,929)	13,124,214	(13,210,431)				(453,257)				691,269	13,210,431
NJ School Development Authority:															
Capital Projects Fund:															
BRMS - Partial Roof Replacement	0475-055-14-G2VB	473,492	7/1/15-6/30/17	(25,538)	-	(326,442)	-	-	-	(351,980)	-	-	-	-	326,442
Total Capital Projects Fund				(25,538)	-	(326,442)				(351,980)					326,442
Total NJ School Development Authority															
				(25,538)	-	(326,442)				(351,980)					326,442
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	100-010-3350-023	7,126	7/1/16-6/30/17	-	6,701	(7,126)	-	-	-	(425)	-	-	-	-	7,126
National School Lunch Program (State Share)	100-010-3350-023	7,279	7/1/15-6/30/16	(423)	423	-	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(423)	7,124	(7,126)				(425)					7,126
Total State Department of Agriculture															
				(423)	7,124	(7,126)				(425)					7,126
Total State Financial Assistance															
				(387,890)	13,131,338	(13,543,999)				(805,662)				5,111	13,543,999

Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08
 On-Behalf TPAF Pension Contributions (Nonbudgeted) 1,791,313
 On-Behalf TPAF Post-Retirement Medical (Nonbudgeted) 1,492,571
 On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted) 3,719

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

\$ (10,256,396)

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Bordentown Regional School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 3. Relationship to Basic Financial Statements

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$33,838) for the general fund and (\$4,688) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 86,760	\$ 12,904,249	\$ 12,991,009
Special Revenue Fund	914,492	-	914,492
Capital Projects Fund	-	326,442	326,442
Debt Service Fund	-	196,993	196,993
Food Service Fund	342,017	7,126	349,143
Community District Alliance Fund	-	75,351	75,351
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,343,269</u>	<u>\$ 13,510,161</u>	<u>\$ 14,853,430</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Bordentown Regional School District had no loan balances outstanding at June 30, 2017.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

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

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes no

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

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$750,000.00 _____

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

 1) Material weakness(es) identified? yes X no

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____	State Aid - Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-084	Categorical Security Aid _____
495-034-5120-089	Categorical Special Education Aid _____
495-034-5120-083	Under Adequacy Aid _____
495-034-5120-097	Per Pupil Growth Aid _____
495-034-5120-098	PARCC Readiness Aid _____
495-034-5120-101	Professional Learning Community Aid _____

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

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

None.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

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

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.