

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
BOROUGH OF JAMESBURG BOARD OF EDUCATION**

**13 Augusta Street
Jamesburg, New Jersey 08831**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

**Jamesburg Board of Education
Nick Mackres
Board Secretary/Business Administrator**

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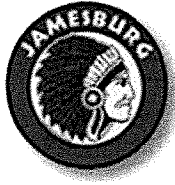
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INTRODUCTORY SECTION



Jamesburg Public Schools

Celebrating Pride in Ourselves, Our Schools, Our Community

13 Augusta Street
Jamesburg, NJ 08831
(732) 521-0303 x2203

December 13, 2017

Honorable President and Members
of the Board of Education
Jamesburg Borough School District
County of Middlesex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Jamesburg Borough School District (the "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 four sections: introductory, financial, statistical tables and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical tables section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and in addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Jamesburg Borough School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Jamesburg Borough Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 676 students. The following details the changes in the student enrollment of the District over the last nine (9) years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	676	0.00%
2015-2016	676	3.84%
2014-2015	651	1.24%
2013-2014	643	4.55%
2012-2013	615	(3.45%)
2011-2012	637	(2.90%)
2010-2011	656	5.64%
2009-2010	621	0.16%
2008-2009	620	(1.43%)

2. **ECONOMIC CONDITION AND OUTLOOK:** The mayor and council are involved in a number of initiatives to make the Borough more attractive to homeowners, as well as to new and relocating businesses.
3. **MAJOR INITIATIVES:** The District continue to attempt to address the needs of a rapidly expanding ESL population by offering academic support programs aimed at assisting students to read at higher levels. A dual-language program was started in kindergarten in an attempt to immerse students into a world language. The middle school implemented a one-on-one Chrome book initiative and each grade level at the elementary level has access to full carts of these laptops. The K-3rd grade initiated a new math series with subsequent grades adding this program in the coming years.
4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District 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. This internal control structure is also subject to periodic evaluation by the District management.

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

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

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

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, 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 the "Notes to the Financial Statements", Note 1.
7. **DEBT ADMINISTRATION:** The District's total outstanding debt as of June 30, 2017 was \$1,470,000. The remaining annual maturity schedule as of June 30, 2017 for principal as well as annual interest payments are detailed in the "Notes to Financial Statements".
8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

10. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, Certified Public Accountants, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 *US Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Jamesburg Borough Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office.

Respectfully submitted,



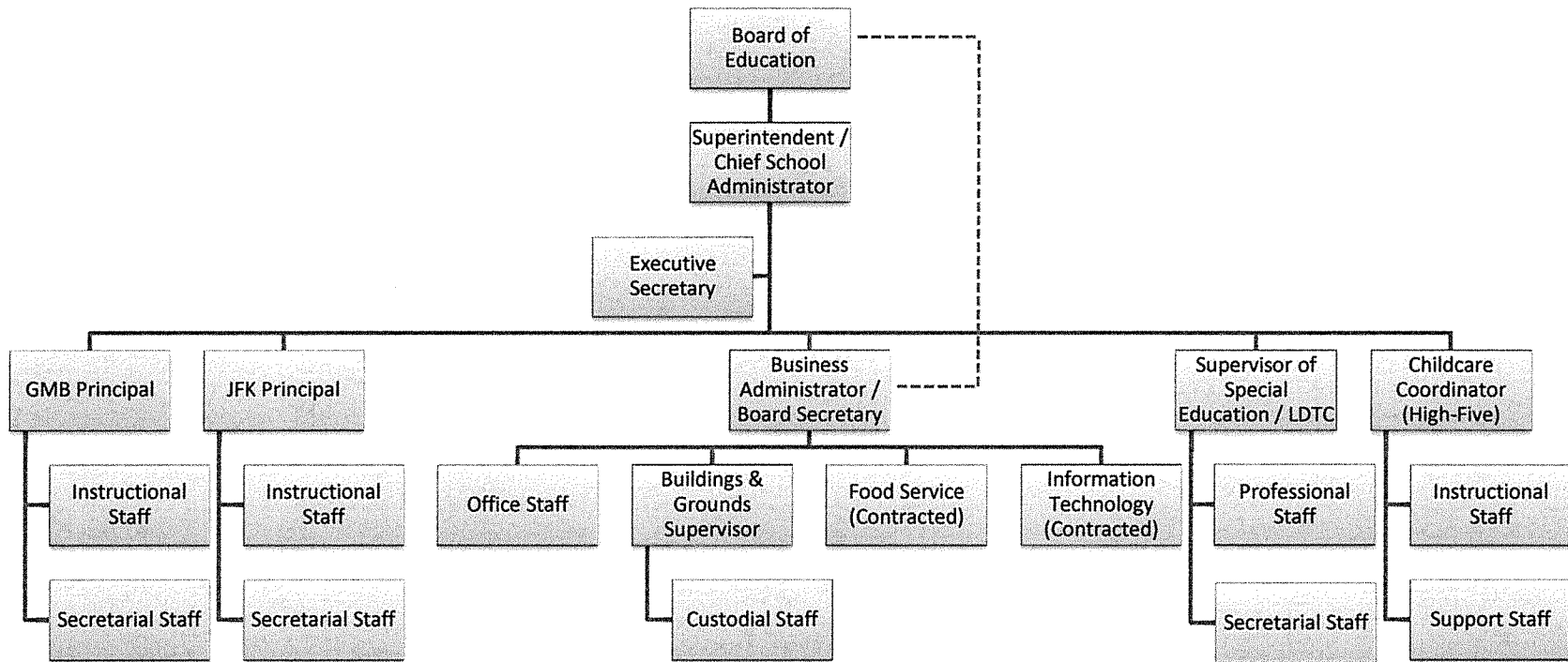
Brian Betze
Superintendent of Schools



Nick Mackres
School Business Administrator/Board Secretary

JAMESBUG BOARD OF EDUCATION

Organizational Chart



JAMESBURG BOROUGH BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>Members of the Board of Education</u> *	<u>Term Expires</u>
Elliott Stroul, President	2018
Paul Rutsky, Vice-President	2018
Edward J. Herban	2019
Kerryann Holster	2019
Scott Passner	2017
Linda Newton	2017
Michelle Scott	2019
Peter Shaughnessy	2017
Board Member # 9	Vacant

Other Officials

Brian Betze, Superintendent of Schools

Nick Mackres, School Business Administrator

Scott Frueh, Treasurer of School Funds

* On January 23, 2012, as authorized under Public Law 2012 Chapter 202 (Senate Bill 3148), the District passed a resolution moving the annual school election for board members to November.

JAMESBURG BOROUGH BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2017

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA, PSA
Samuel Klein and Company
36 West Main Street
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Freehold, NJ 07728

ATTORNEY

Schwartz, Simon, Edelstein & Celso LLC
Attorneys at Law
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OFFICIAL DEPOSITORIES

PNC Bank
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East Brunswick, New Jersey 08816

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Jamesburg Borough Board of Education
County of Middlesex, New Jersey

Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Jamesburg Borough School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2017 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents. The financial statements for the year ended June 30, 2016 for the School District were audited by another firm whose opinion dated November 18, 2016 was unmodified.

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

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

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Jamesburg Borough School District, 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 Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Jamesburg 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 Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by US Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

The accompanying Combining and Individual Fund Statements, Long-Term Debt Schedule and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and was 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Combining and Individual Fund Statements, Long-Term Debt Schedule and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017, on our consideration of the Borough of Jamesburg School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Jamesburg School District's 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 Jamesburg Borough School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 13, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I



Jamesburg Public Schools

Celebrating Pride in Ourselves, Our Schools, Our Community

13 Augusta Street
Jamesburg, NJ 08831
(732) 521-0303 x2203

December 13, 2017

Honorable President and Members
of the Board of Education
Jamesburg Borough School District
County of Middlesex, New Jersey

Dear Board Members:

Management's Discussion and Analysis

The following analysis of Jamesburg Borough Board of Education's financial performance provides a summary of the district's financial integrity. The intent of the analysis is to provide an interpretation of the financial statements. As you know, school districts operate as a non-profit organization. Yet, GASB 34 is instrumental in providing outside entities the opportunity to measure for profit operations. Hence, financial information that is analyzed utilizing GASB 34 for non-profit entities is, in our opinion, irrelevant and misleading. School districts are required to account for asset depreciation even though the need to match revenues with purchased assets are not necessary since all similar purchases are budgeted for in capital outlay and expensed in the operating year.

Fund Financial Statements

School Districts utilize two categories for reporting assets. The first category identified as Governmental Funds records the most activity. Governmental Funds reflects activity within the following sub-groups:

General Fund (Fund 10)

Fund 11 Distributed and Undistributed Instructional Accounts – Asset Producing
Fund 12 Capital Outlay – Asset Producing

Special Revenue (Fund 20)

Fund 20 Grants and Entitlements – Asset Producing

Capital Projects (Fund 30)

Fund 30 Capital Projects/Construction in progress – Asset Producing

Debt Service (Fund 40)

Fund 40 Debt Service payments for Bonds and Interest – Non Asset Producing

The second category identified as Business Type Activities, records assets purchased for the following sub-group:

Enterprise (Fund 60)

Fund 60 Enterprise/Food Service/Childcare Initiative – Asset Producing

Financial Highlights

Key financial highlights for 2017 are as follows:

In total, net position totaled \$1,112,464 which represents \$1,238,422 or 983.20% increase in the net position as adjusted of negative \$125,958 from 2016.

General revenues accounted for \$16,515,562 in revenue or 93.24% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,197,067 or 6.76% of total revenues of \$17,712,629.

Total assets of governmental activities, exclusive of the Capital Projects Fund, increased by \$1,566,670; as cash and cash equivalents increased by \$1,248,954, receivables increased by \$24,934 and current liabilities decreased by \$66,145.

The District had \$16,491,877 in expenses; only \$1,197,067 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and federal and state aid) of \$16,515,562 were adequate to provide for these programs.

Among major funds, the General Fund had \$14,510,891 in revenues and \$13,526,310 in expenditures. The General Fund's fund balance increased \$984,580 over 2016. The General Fund's fund balance is \$2,034,393. The increase was caused by lower than anticipated expenditure levels.

The Special Revenue Fund had \$492,384 in both revenues and expenditures.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Borough of Jamesburg School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provides information about the activities of the District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Borough of Jamesburg School District, the General Fund is by far the most significant.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2017". The Statement of Net Position and the Statement of activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and change in those positions. This change in net position is important because they report on whether the District's financial position has improved or diminished.

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

Governmental Activities — All of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities — This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund and Childcare Initiative Fund is reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 26. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget

The basic governmental fund financial statements can be found on pages 26-27 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

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

The District uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The fiduciary fund financial statements can be found on pages 33-34 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 35-81 of this report.

Other Information

Combining fund statements can be found on pages 26-34 and schedules on pages 82-107 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2017 and 2016.

Table 1 – Comparative Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>
Assets						
Current and other assets	\$ 2,036,984	\$ 1,038,909	\$ 472,036	\$ 422,671	\$ 2,509,020	\$ 1,461,580
Capital assets, net	4,773,099	4,764,943	22,992	9,244	4,796,091	4,774,187
Total Assets	<u>\$ 6,810,083</u>	<u>\$ 5,803,852</u>	<u>\$ 495,028</u>	<u>\$ 431,915</u>	<u>\$ 7,305,111</u>	<u>\$ 6,235,767</u>
Deferred outflows of resources						
Loss on Defeasance of Bonds	\$ 29,988	\$ 37,485			\$ 29,988	\$ 37,485
Pension	875,550	361,475			875,550	361,475
Total Deferred outflows of resources	<u>\$ 905,538</u>	<u>\$ 398,960</u>			<u>\$ 905,538</u>	<u>\$ 398,960</u>
Liabilities						
Current and other liabilities	\$ 367,133	\$ 386,208	\$ 67,112	\$ 6,401	\$ 434,245	\$ 392,609
Net pension liability	2,875,948	2,096,853			2,875,948	2,096,853
Long-term liabilities outstanding	3,725,945	4,158,661			3,725,945	4,158,661
Total Liabilities	<u>\$ 6,969,026</u>	<u>\$ 6,641,722</u>	<u>\$ 67,112</u>	<u>\$ 6,401</u>	<u>\$ 7,036,138</u>	<u>\$ 6,648,123</u>
Deferred inflow of resources						
Pension	<u>\$ 62,047</u>	<u>\$ 112,562</u>			<u>\$ 62,047</u>	<u>\$ 112,562</u>
Net Position						
Net investment in capital assets	\$ 3,095,085	\$ 2,754,943	\$ 22,992	\$ 9,244	\$ 3,118,077	\$ 2,764,187
Restricted	944,457	1,316,214			944,457	1,316,214
Unrestricted (deficit)	<u>(3,354,994)</u>	<u>(4,622,628)</u>	<u>404,924</u>	<u>416,269</u>	<u>(2,950,070)</u>	<u>(4,206,359)</u>
Total Net Position	<u>\$ 684,548</u>	<u>\$ (551,471)</u>	<u>\$ 427,916</u>	<u>\$ 425,513</u>	<u>\$ 1,112,464</u>	<u>\$ (125,958)</u>

The District's combined net position were \$1,112,464 on June 30, 2017, representing an increase of \$1,238,422, or 983.20% over the net position from the prior year of negative \$125,958 as adjusted for the net pension liability and payment of bonds.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Long-term liabilities decreased due to the annual principal payment of the bonds payable.

Table 2 shows the comparative change in net position from fiscal year 2017 and 2016.

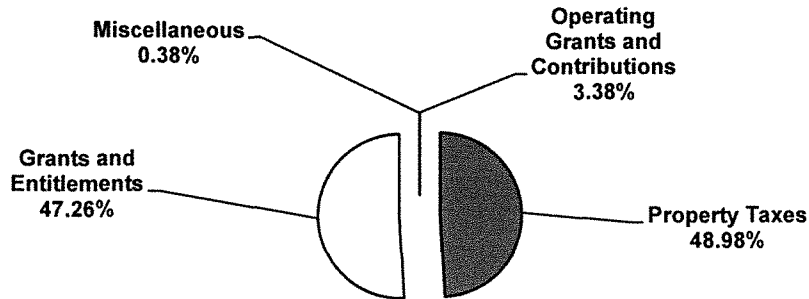
Table 2 – Comparative Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>
Revenues:						
Program Revenues:						
Charges for Services			\$ 376,198	\$ 354,223	\$ 376,198	\$ 354,223
Operating Grants and Contributions	\$ 578,734	\$ 6,518,989	242,135	226,549	820,869	6,745,538
General Revenue:						
Property Taxes	8,372,297	8,086,907			8,372,297	8,086,907
Federal and State Aid	8,078,161	184,859			8,078,161	184,859
Miscellaneous	65,104	13,318			65,104	13,318
Total Revenue	17,094,296	14,804,073	618,333	580,772	17,712,629	15,384,845
Expenses:						
Instruction	6,626,649	5,311,760			6,626,649	5,311,760
Tuition	4,498,634	4,881,952			4,498,634	4,881,952
Student and Instruction						
Related Services	1,258,566	1,142,432			1,258,566	1,142,432
School Administration	604,819	417,215			604,819	417,215
General Administration	1,005,435	801,716			1,005,435	801,716
Operation and Maintenance						
of Facilities	978,026	866,171			978,026	866,171
Pupil Transportation	753,879	689,934			753,879	689,934
Interest on Debt	73,393	47,630			73,393	47,630
Charter Schools	63,206				63,206	-
Business Type Activities			629,270	538,992	629,270	538,992
Total Expenses	15,862,607	14,158,810	629,270	538,992	16,491,877	14,697,802
Special and Extraordinary Items, Net	4,331	(1,494,160)	13,339		17,670	(1,494,160)
Change in Net Position	\$ 1,236,020	\$ (848,897)	\$ 2,402	\$ 41,780	\$ 1,238,422	\$ (807,117)
Net Position - beginning	(551,472)	297,425	425,514	383,734	(125,958)	681,159
Net Position - ending	\$ 684,548	\$ (551,472)	\$ 427,916	\$ 425,514	\$ 1,112,464	\$ (125,958)

Governmental Activities

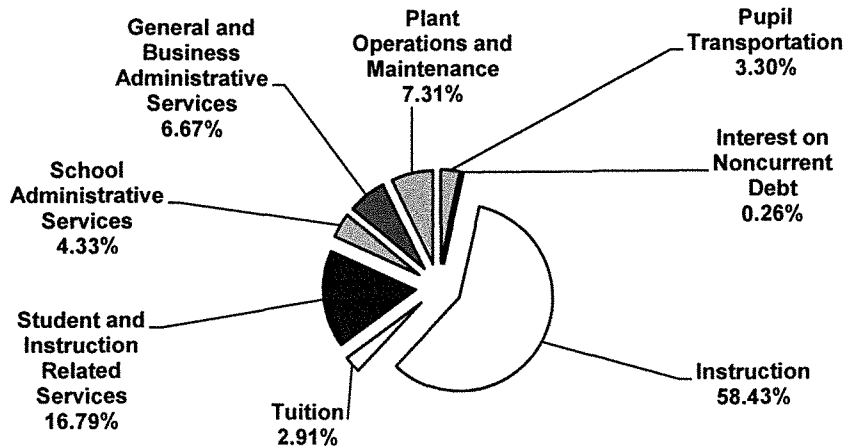
Revenue for Fiscal Year 2017

Total revenues of the Governmental Activities were \$17,094,296. Property taxes as approved made up \$8,372,297, or 48.98% of revenues for governmental activities for the fiscal year 2017. Federal, state and local grants and entitlements and contributions accounted for another \$8,656,895 or 50.64%.



Expenses for Fiscal Year 2017

The total cost of all programs and services was \$15,862,607. Instruction comprises \$6,626,648 or 58.43% of the District's expenses other than capital expenditures.



Expenditures for out-of-district placement of classified students equal about 7.93% of the operating budget. Instructional expenses equal 41.78% of the operating budget. Instructional expenses include teachers' salaries, supplies and textbooks.

Student Support Services include health, social work, child study team and guidance support.

Maintenance and Operations are expenses mandated by the State Department of Education to maintain all building systems. Costs for the maintenance and custodial departments are also included here.

Transportation costs primarily include Special Education students.

General and Business Administrative Services are expenditures associated with the business and financial aspect of the District. Expenditures include payroll, transportation, accounting, accounts payable, benefits processing, technology and personnel departments.

School Administrative Services relates to principals and oversight of the various school buildings.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services *		
	2016-2017	2015-2016	% Change	2016-2017	2015-2016	% Change
Instruction	\$ 6,626,648	\$ 5,311,760	24.75%	\$ 6,215,495	\$ 4,900,607	26.83%
Support Services:						
Tuition	4,498,634	4,881,952	-7.85%	4,498,634	4,881,952	-7.85%
Pupils and Instructional Staff	1,258,566	1,142,432	10.17%	1,258,566	1,142,432	10.17%
School Administration	604,819	417,215	44.97%	604,819	417,216	44.97%
Other Administration	1,005,435	801,716	25.41%	961,979	758,266	26.87%
Operation and Maintenance of Facilities	978,026	866,171	12.91%	978,026	866,171	12.91%
Pupil Transportation	753,879	689,934	9.27%	753,879	689,934	9.27%
Debt Service	73,394	47,630	54.09%	(50,731)	(70,245)	-27.78%
Transfer to Charter School	63,206		#DIV/0!	63,206		#DIV/0!
Total Expenses	\$ 15,862,607	\$ 14,158,810	12.03%	\$ 15,283,873	\$ 13,586,331	12.49%

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$27,311. Charges for services represent \$103,485 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches was \$242,135.

Childcare Initiative revenues exceeded expenses by \$16,375. Charges for services represent \$272,712 of revenue. This represents the fees paid by parents and guardians.

The District's Funds

Information about the District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds exclusive of capital projects had total revenues of \$15,441,921 and expenditures of \$14,465,397. The net positive change in overall fund balance for the year was most significant in the General Fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds exclusive of the capital projects fund for the fiscal years ended June 30, 2017 and June 30, 2016, and the amount and percentage of total and increases/decreases in relation to prior year revenues.

Revenue	2016-2017		2015-2016		Increase/ (Decrease) from 2015-2016 to 2016-2017
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 8,452,121	54.73%	\$ 8,102,725	54.73%	\$ 349,396
State Sources	6,545,693	42.39%	6,262,704	42.31%	282,989
Federal Sources	444,107	2.88%	438,645	2.96%	5,462
Total	<u>\$ 15,441,921</u>	<u>100.00%</u>	<u>\$ 14,804,074</u>	<u>100.00%</u>	<u>\$ 637,847</u>

The increase in Local Sources is primarily attributed to an increase in the local tax levy. The increase in State Sources is attributed to an increase of the TPAF on-behalf pension contributions and increases in other state aid. However, the increase in Federal Sources is attributed to increases in the Title I, Title II, IDEA and a Pre-School Expansion Grant.

The following schedule presents a summary of general fund expenditures for the fiscal years ended June 30, 2017 and June 30, 2016 and the amount and percent of the total and increase/(decrease) in relation to prior year expenditures, exclusive of the Capital Project Fund.

Expenditures	2016-2017		2015-2016		Increase/(Decrease) from 2015-2016 to 2016-2017
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 4,059,179	28.05%	\$ 3,862,818	27.62%	\$ 196,361
Undistributed Expenditures	9,686,167	66.96%	9,586,948	68.54%	99,219
Capital Outlay	210,142	1.46%	447,500	3.21%	(237,358)
Debt Service	446,700	3.09%	89,054	0.63%	357,646
Charter School	63,206	0.44%		0.00%	63,206
Total	<u>\$ 14,465,394</u>	<u>100.00%</u>	<u>\$ 13,986,320</u>	<u>100.00%</u>	<u>\$ 479,074</u>

The increase in Current Expense – Instruction is attributed to increased costs of salaries of teachers and the increased cost of other instructional programs.

The increase in Undistributed Expenses relates to higher administrative and benefits costs.

Debt Service relates to the principal and interest payments on the 2014 Series Refunding Bonds, all of which were for building improvements and renovations.

General Fund Budgeting Highlights

The Jamesburg Borough School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The district uses four major funds: the General Fund, where the district records its budget for day to day operation; the Special Revenue Fund, where the district records budgeted monies from the State and Federal Governments; the Debt Service Fund, where they record expenses for noncurrent debt and interest payments; and its Proprietary Fund where the district records its operational expenses for its food service program. The most significant budgeted fund and the fund that attracts the most attention is the General Fund.

During the course of the fiscal year 2017, the District amended its General Fund budget as needed. These transfers are approved by the Board of Education and the Executive County Superintendent of Schools. Transfers that occurred during the year were necessitated by:

- Staffing changes based on student needs
- Mid-year salary adjustments as previously agreed upon
- Additional Special Education Students
- Changes in appropriations to prevent budget overruns

In creating its budget the District uses program based budgeting as defined by the State's Chart of Accounts. The budgeting program and purchase order encumbrance system are designed to control budgets and insure fiscal integrity in the district's fiscal program.

The District's final budget for the General Fund anticipated that revenues and expenditures would equal.

Revenue

Miscellaneous revenues of \$65,104 exceeded the anticipated amount of \$10,000 by \$55,104 due primarily to refunds from prior year expenditures and various E-Rate receipts.

Expenditures

- Regular programs – instruction in total final budget exceeded the original by \$74,122 or 2.98%. Actual expenditures of \$2,548,687 represented 99.35% of budget. This was caused additional expenditures for teachers' grades 1-5 and textbooks.
- Total instructional expenditures final budget exceeded the original by \$43,799 or 1.18%. Actual total instructional expenditures of \$3,648,026 or 97.12%. The increase in the budget was caused by additional need for professional educational services.
- Undistributed – tuition final budget did not exceed the original by \$99,210, or 2.09%. The decrease was due to lack of the need for educational programs designed and suitable for special education students.
- Undistributed – general administration final budget exceeded the original by \$24,000, or 7.68% due to the need for a provision for more purchased services.
- Undistributed – required maintenance and custodial services final budget did not exceed the original by \$18,655, or 2.84%. The decrease was due to lack of anticipated maintenance and custodial services acquired throughout the year.
- Undistributed – unallocated benefits final budget was lower than the original by \$18,957, or a negative 1.16%. The decrease was attributed to favorable results in several benefit categories.
- Total undistributed expenditures in total were higher by \$241,613, or 2.52%. Expenditures net of on behalf payments were \$8,615,488, or 65.67% of final budget. This was due to the expanding educational needs of the students.

Capital Assets

At the end of the fiscal year 2017, the School District had \$10,471,766 invested in buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>
Building and Building Improvements	\$ 4,531,186	\$ 4,481,947			\$ 4,531,186	\$ 4,481,947
Machinery and Equipment	241,913	282,996	\$ 22,992	\$ 9,244	264,905	292,240
Total Capital Assets - Net of Depreciations	<u>\$ 4,773,099</u>	<u>\$ 4,764,943</u>	<u>\$ 22,992</u>	<u>\$ 9,244</u>	<u>\$ 4,796,091</u>	<u>\$ 4,774,187</u>

Refer to Notes to Financial Statements (Note 5) for more detailed information.

Overall capital assets (net) increased from fiscal year 2016 to fiscal year 2017. The increase in capital assets is primarily due to fixed asset additions in excess of annual depreciation.

Debt Administration

At the end of the fiscal year 2017 and 2016, the School District had outstanding debt as follows:

Table 5 – Debt Administration

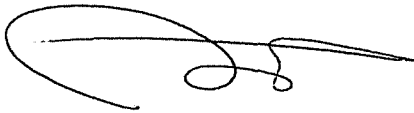
	June 30,	
	<u>2017</u>	<u>2016</u>
Compensated Absences	\$ 185,633	\$ 231,349
Serial Bonds	<u>1,640,000</u>	<u>2,010,000</u>
Totals	<u>\$ 1,825,633</u>	<u>\$ 2,241,349</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Jamesburg Borough Board of Education, 13 Augusta Street, Jamesburg, NJ 08831.

Respectfully submitted,



Brian Betze
Superintendent of Schools



Nick Mackres
Business Administrator/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 751,899.78	\$ 451,324.65	\$ 1,203,224.43
Receivables - Net	290,627.33	15,632.74	306,260.07
Inventory		5,078.48	5,078.48
Capital Assets, Net	4,773,098.75	22,992.30	4,796,091.05
Restricted Cash	<u>994,456.92</u>		<u>994,456.92</u>
Total Assets	<u>\$ 6,810,082.78</u>	<u>\$ 495,028.17</u>	<u>\$ 7,305,110.95</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Obligation	\$ 875,550.00		\$ 875,550.00
Deferred Loss on Refunding of Bonds	<u>29,988.26</u>		<u>29,988.26</u>
Total Deferred Outflow of Resources	<u>\$ 905,538.26</u>		<u>\$ 905,538.26</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 329,968.30	\$ 7,414.21	\$ 337,382.51
Accrued Interest Payable	27,333.33		27,333.33
Other Payable	7,777.51		7,777.51
Unearned Revenue	2,053.64	59,697.94	61,751.58
Net Pension Liability	2,875,948.00		2,875,948.00
Noncurrent Liabilities:			
Due Within One Year	439,127.10		439,127.10
Due Beyond One Year	<u>3,286,817.90</u>		<u>3,286,817.90</u>
Total Liabilities	<u>\$ 6,969,025.78</u>	<u>\$ 67,112.15</u>	<u>\$ 7,036,137.93</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension Obligation	\$ <u>62,047.00</u>		\$ <u>62,047.00</u>
Total Deferred Inflows of Resources	<u>\$ 62,047.00</u>		<u>\$ 62,047.00</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 3,095,084.96	\$ 22,992.30	\$ 3,118,077.26
Restricted for:			
Other Purposes	944,456.92		944,456.92
Unrestricted (Deficit)	<u>(3,354,993.62)</u>	<u>404,923.72</u>	<u>(2,950,069.90)</u>
Total Net Position	<u>\$ 684,548.26</u>	<u>\$ 427,916.02</u>	<u>\$ 1,112,464.28</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense)/Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 4,799,796.65		\$ 411,153.06	\$ (4,388,643.59)		\$ (4,388,643.59)
Special Education	1,580,239.52			(1,580,239.52)		(1,580,239.52)
Other Special Instruction	53,550.96			(53,550.96)		(53,550.96)
Other Instruction	193,060.96			(193,060.96)		(193,060.96)
Support Services:						
Tuition	4,498,633.89			(4,498,633.89)		(4,498,633.89)
Student & Instruction Related Services	1,258,566.21			(1,258,566.21)		(1,258,566.21)
School Administrative Services	604,819.26			(604,819.26)		(604,819.26)
General & Business Administrative Services	1,005,435.27		43,456.42	(961,978.85)		(961,978.85)
Plant Operations and Maintenance	978,025.76			(978,025.76)		(978,025.76)
Pupil Transportation	753,879.42			(753,879.42)		(753,879.42)
Interest on Long-Term Debt	73,393.46		124,125.00	50,731.54		50,731.54
Transfer to Charter Schools	63,206.00			(63,206.00)		(63,206.00)
Total Governmental Activities	\$ 15,862,607.36		\$ 578,734.48	\$ (15,283,872.88)		\$ (15,283,872.88)
Business-Type Activities:						
Food Service	\$ 372,932.15	\$ 103,485.41	\$ 242,135.42		\$ (27,311.32)	\$ (27,311.32)
Child Care	256,337.41	272,712.11			16,374.70	16,374.70
Total Business -Type Activities	\$ 629,269.56	\$ 376,197.52	\$ 242,135.42		\$ (10,936.62)	\$ (10,936.62)
Total Primary Government	\$ 16,491,876.92	\$ 376,197.52	\$ 820,869.90	\$ (15,283,872.88)	\$ (10,936.62)	\$ (15,294,809.50)
General Revenues						
Taxes:						
Property taxes, levied for general purposes				\$ 8,052,828.00		\$ 8,052,828.00
Taxes levied for debt service				319,469.00		319,469.00
Federal and State Aid Not Restricted				8,078,160.60		8,078,160.60
Miscellaneous Income				65,104.08		65,104.08
Total General Revenues				\$ 16,515,561.68		\$ 16,515,561.68
Change in Net Position - Before Special and Extraordinary Items, Net				\$ 1,231,688.80	\$ (10,936.62)	\$ 1,220,752.18
Special and Extraordinary Items, Net				4,331.00	13,339.10	17,670.10
Change in Net Position				\$ 1,236,019.80	\$ 2,402.48	\$ 1,238,422.28
Net Position - Beginning				\$ (551,471.54)	\$ 425,513.54	\$ (125,958.00)
Net Position - Ending				\$ 684,548.26	\$ 427,916.02	\$ 1,112,464.28

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,182,073.52			\$ 0.53	\$ 1,182,074.05
Intergovernmental Accounts Receivable	189,161.02	\$ 101,466.31			290,627.33
Restricted Cash and Cash Equivalents	<u>944,456.92</u>				<u>944,456.92</u>
Total Assets	\$ <u>2,315,691.46</u>	\$ <u>101,466.31</u>	<u> </u>	\$ <u>0.53</u>	\$ <u>2,417,158.30</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Cash & Cash Equivalent Overdraft		\$ 104,360.27	\$ 275,814.00		\$ 380,174.27
Accounts Payable	\$ 273,521.30				273,521.30
Interfunds Payable	7,777.51				7,777.51
Unearned Revenue		<u>2,053.64</u>			<u>2,053.64</u>
Total Liabilities	\$ <u>281,298.81</u>	\$ <u>106,413.91</u>	\$ <u>275,814.00</u>		\$ <u>663,526.72</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 944,456.92				\$ 944,456.92
Emergency Reserve	75,040.52				75,040.52
Maintenance Reserve	255,815.00				255,815.00
Tuition Reserve	100,000.00				100,000.00
Reserve for Excess Surplus	558,145.98				558,145.98
Unreserved :					
Assigned for Other Purposes	74,084.23				74,084.23
Assigned:					
Designated for Subsequent Year's Expenditures	26,850.00				26,850.00
Unassigned:					
Debt Service Fund				\$ 0.53	0.53
Capital Projects Fund (Deficit)			\$ (275,814.00)		(275,814.00)
Special Revenue Fund (Deficit)		<u>(4,947.60)</u>			<u>(4,947.60)</u>
Total Fund Balances	\$ <u>2,034,392.65</u>	<u>(4,947.60)</u>	\$ <u>(275,814.00)</u>	\$ <u>0.53</u>	\$ <u>1,753,631.58</u>
Total Liabilities and Fund Balance	\$ <u>2,315,691.46</u>	\$ <u>101,466.31</u>	<u> </u>	\$ <u>0.53</u>	\$ <u>2,417,158.30</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Fund Balance above	\$ 1,753,631.58
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$10,300,394.38 and the accumulated depreciation is \$5,527,295.63 (See Note 5)	4,773,098.75
Deferred loss on defeasance of debt, unamortized (See Note 7D)	29,988.26
Noncurrent liabilities, including bonds, loans, leases payable and compensated absences are not payable in the current period and therefore are not reported as liabilities in the funds (See Note 8). Total Noncurrent Liabilities (See Note 7)	(3,725,945.00)
Certain liabilities are not due and payable in the current period, and therefore, are not reported in funds:	
Accrued Interest Payable: (Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance)	(27,333.33)
Accrued Pension Liability: (Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year June 30, 2016, however will be raised in the budget for the fiscal year ending June 30, 2017)	757,056.00
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9)	<u>(2,875,948.00)</u>
Net position of governmental activities (A-1)	<u>\$ 684,548.26</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
Revenues					
Local Tax Levy	\$ 8,052,828.00			\$ 319,469.00	\$ 8,372,297.00
Interest on investments	118.23				118.23
Miscellaneous	<u>64,985.85</u>	<u>\$ 14,720.36</u>			<u>79,706.21</u>
Total Local Sources	8,117,932.08	14,720.36		319,469.00	8,452,121.44
State Sources	\$ 6,377,039.10	\$ 44,528.40		\$ 124,125.00	\$ 6,545,692.50
Federal Sources	<u>15,919.50</u>	<u>428,187.31</u>			<u>444,106.81</u>
Total Revenues	<u>\$ 14,510,890.68</u>	<u>\$ 487,436.07</u>		<u>\$ 443,594.00</u>	<u>\$ 15,441,920.75</u>
Expenditures					
Current:					
Regular Instruction	\$ 2,548,687.37				\$ 2,548,687.37
Special Education Instruction	950,935.69	\$ 411,153.06			1,362,088.75
Other Special Instruction	32,225.19				32,225.19
Other Instruction	116,177.68				116,177.68
Support Services and Undistributed Costs:					
Tuition	4,498,633.89				4,498,633.89
Student and Instruction Related Services	757,363.37				757,363.37
School Administrative Services	328,058.97				328,058.97
Other Administrative Services	605,037.57	43,456.42			648,493.99
Plant Operations and Maintenance	588,543.44				588,543.44
Pupil Transportation	453,659.61				453,659.61
Unallocated Benefits	2,373,639.22	37,774.19			2,411,413.41
Debt Service:					
Principal				\$ 370,000.00	370,000.00
Interest				76,700.00	76,700.00
Capital Outlay	210,142.29				210,142.29
Transfer to Charter Schools	<u>63,206.00</u>				<u>63,206.00</u>
Total Expenditures	<u>\$ 13,526,310.29</u>	<u>\$ 492,383.67</u>		<u>\$ 446,700.00</u>	<u>\$ 14,465,393.96</u>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	<u>\$ 984,580.39</u>	<u>\$ (4,947.60)</u>		<u>\$ (3,106.00)</u>	<u>\$ 976,526.79</u>
Net Change in Fund Balances	\$ 984,580.39	\$ (4,947.60)		\$ (3,106.00)	\$ 976,526.79
Fund Balance July 1	<u>1,049,812.26</u>		<u>\$ (275,814.00)</u>	<u>3,106.53</u>	<u>777,104.79</u>
Fund Balance June 30	<u>\$ 2,034,392.65</u>	<u>\$ (4,947.60)</u>	<u>\$ (275,814.00)</u>	<u>\$ 0.53</u>	<u>\$ 1,753,631.58</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds	\$	976,526.79
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlay	\$	210,142.29
Depreciation expense		(206,317.13)
Capital assets, other		<u>4,331.00</u>
		8,156.16
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		370,000.00
<p>Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds.</p>		
Amortization of premium		17,000.51
<p>Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding.</p>		
Amortization of deferred loss		(7,497.07)
<p>In the statement of activities, interest on noncurrent debt in the statement of activities is accrued, regardless of when due. In the government funds, interest is reported when due; when the accrued interest is decreased, the difference is a reduction in the reconciliation.</p>		
		10,803.61
<p>Net pension obligation related to PERS which is attributable to June 30, 2016 not reported in governmental funds; however, it is reported in the statement of activities</p>		
		(184,686.00)
<p>In the statement of activities, certain operating expenses, e.g. compensated absences (sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
Compensated Absences Payable, Net		<u>45,715.80</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>1,236,019.80</u></u>

See accompanying notes to financial statements

PROPRIETARY FUNDS

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2017

	Business-Type Activities - Enterprise Fund		
<u>ASSETS</u>	<u>Food Service</u>	<u>Childcare Program</u>	<u>Totals</u>
Current Assets:			
Cash and Cash equivalents	\$ 86,035.77	\$ 365,288.88	\$ 451,324.65
Accounts Receivable:			
State sources	249.68		249.68
Federal sources	15,339.26		15,339.26
Other sources	43.80		43.80
Inventories	5,078.48		5,078.48
Total Current Assets	\$ 106,746.99	\$ 365,288.88	\$ 472,035.87
Noncurrent Assets:			
Furniture, machinery and equipment	\$ 171,372.04		\$ 171,372.04
Less: accumulated depreciation	148,379.74		148,379.74
Total Noncurrent Assets	\$ 22,992.30		\$ 22,992.30
Total Assets	\$ 129,739.29	\$ 365,288.88	\$ 495,028.17
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 7,414.21		\$ 7,414.21
Unearned Revenue	2,134.94	\$ 57,563.00	59,697.94
Total current liabilities	\$ 9,549.15	\$ 57,563.00	\$ 67,112.15
Total liabilities	\$ 9,549.15	\$ 57,563.00	\$ 67,112.15
 <u>NET POSITION</u>			
Invested in Capital Assets	\$ 22,992.30		\$ 22,992.30
Unrestricted	97,197.84	\$ 307,725.88	404,923.72
Total Net Position	\$ 120,190.14	\$ 307,725.88	\$ 427,916.02

See accompanying notes to financial statements

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund		
	Food Service	Childcare Program	Total
Operating Revenues:			
Charges for Services:			
Daily sales - reimbursable programs			
School lunch and breakfast program	\$ 82,590.80		\$ 82,590.80
Daily sales - non-reimbursable programs	12,341.15		12,341.15
Special Function	8,550.79		8,550.79
Miscellaneous	2.67		2.67
Childcare Fees		\$ 272,712.11	272,712.11
Total operating revenues	\$ 103,485.41	\$ 272,712.11	\$ 376,197.52
Operating Expenses:			
Cost of sales - reimbursable	\$ 128,397.51		\$ 128,397.51
Cost of sales - non-reimbursable	19,185.83		19,185.83
Salaries	128,127.35	\$ 174,000.22	302,127.57
Employee Benefits	22,528.37	11,896.29	34,424.66
Purchased Profession and Technical Services	11,705.58		11,705.58
Other Purchased Services	24,535.00	40,949.18	65,484.18
Supplies and Materials	12,594.52	29,491.72	42,086.24
Repairs and Maintenance	409.08		409.08
Insurance	4,433.08		4,433.08
Management Fee	13,770.00		13,770.00
Depreciation	7,245.83		7,245.83
Total operating expenses	\$ 372,932.15	\$ 256,337.41	\$ 629,269.56
Operating income/(loss)	\$ (269,446.74)	\$ 16,374.70	\$ (253,072.04)
Nonoperating Revenues:			
State Sources:			
State school lunch program	\$ 3,693.60		3,693.60
Federal Sources:			
National school lunch program	168,489.72		168,489.72
School breakfast program	50,878.77		50,878.77
Food distribution system	19,073.33		19,073.33
Total nonoperating revenues	\$ 242,135.42		242,135.42
Income/(loss) before contributions and transfers	\$ (27,311.32)	\$ 16,374.70	\$ (10,936.62)
Non-operating Revenues:			
Prior Year Revenue	\$ 10,285.21		10,285.21
Contributed Capital - Grant	3,053.89		3,053.89
Change in net position	\$ (13,972.22)	\$ 16,374.70	\$ 2,402.48
Total net position - beginning	134,162.36	291,351.18	425,513.54
Total net position - ending	\$ 120,190.14	\$ 307,725.88	\$ 427,916.02

See accompanying notes to financial statements

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities Enterprise Funds		
	Food Service	Childcare Program	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 103,438.94	\$ 330,275.11	\$ 433,714.05
Receipts from Overpayments	75.00		75.00
Payments to Employees	(25,937.03)	(185,896.51)	(211,833.54)
Payments to Suppliers	(336,810.36)	(70,440.90)	(407,251.26)
Net Cash Provided by/(Used for) Operating Activities	\$ (259,233.45)	\$ 73,937.70	\$ (185,295.75)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 4,080.99		\$ 4,080.99
Federal Sources	260,199.26		260,199.26
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ 264,280.25		\$ 264,280.25
<u>Cash Flows from Capital and Related Financing Activities</u>			
Contributed Capital - NJ Agricultural Equipment Grant	\$ 3,053.89		\$ 3,053.89
Acquisition of Capital Assets	(20,993.71)		(20,993.71)
Net Cash Provided by/(Used for) Investing Activities	\$ (17,939.82)		\$ (17,939.82)
<u>Cash Flows from Non-Operating Financing Activities</u>			
Prior Year Revenue	\$ 10,285.21		\$ 10,285.21
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ 10,285.21		\$ 10,285.21
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (2,607.81)	\$ 73,937.70	\$ 71,329.89
Balances - Beginning of Year	88,643.58	291,351.18	379,994.76
Balances - End of Year	\$ 86,035.77	\$ 365,288.88	\$ 451,324.65
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	\$ (269,446.74)	\$ 16,374.70	\$ (253,072.04)
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:			
Depreciation	\$ 7,245.83		\$ 7,245.83
Change in Assets and Liabilities:			
Increase/(Decrease) in Unearned Revenue	(9.26)	\$ 57,563.00	57,553.74
(Increase)/Decrease Other Sources Receivable	37.79		37.79
(Increase)/Decrease in Inventory	(218.33)		(218.33)
Increase/(Decrease) in Accounts Payable	3,157.26		3,157.26
Total Adjustments	\$ 10,213.29	\$ 57,563.00	\$ 67,776.29
Net Cash Provided/(Used) by Operating Activities	\$ (259,233.45)	\$ 73,937.70	\$ (185,295.75)

See accompanying notes to financial statements

FIDUCIARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	Trust Fund				Agency Fund		
	Unemployment Compensation	Flex Spending Account	Private Purpose Scholarship Fund	Trust Fund Total	Student Activity	Payroll	Agency Fund Total
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 122,530.97	\$ 202.84	\$ 5,015.36	\$ 127,749.17	\$ 9,507.35	\$ 42,312.25	\$ 51,819.60
Interfund Receivable - General Fund	<u>7,777.51</u>			<u>7,777.51</u>			
Total Assets	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>	<u>\$ 9,507.35</u>	<u>\$ 42,312.25</u>	<u>\$ 51,819.60</u>
<u>LIABILITIES</u>							
Payable to Student Groups					\$ 9,507.35		\$ 9,507.35
Payroll Deductions and Withholdings						<u>\$ 42,312.25</u>	<u>42,312.25</u>
Total Liabilities					<u>\$ 9,507.35</u>	<u>\$ 42,312.25</u>	<u>\$ 51,819.60</u>
<u>NET POSITION</u>							
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>			
Total Net Position	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>			

See accompanying notes to financial statements

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Trust Fund			
	Flexible Spending Account	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund	Total
Additions				
Contributions:				
Employees	\$ 3,196.84	\$ 8,285.38	_____	\$ 11,482.22
Total Contributions	\$ 3,196.84	\$ 8,285.38	_____	\$ 11,482.22
Deductions				
FSA Claims	\$ 2,994.00			\$ 2,994.00
Unemployment Claims		\$ 6,131.54		6,131.54
Scholarships Awarded			\$ 300.00	300.00
Other			52.82	52.82
Total Deductions	\$ 2,994.00	\$ 6,131.54	352.82	\$ 9,478.36
Change in Net Position	\$ 202.84	\$ 2,153.84	(352.82)	\$ 2,003.86
Net Position - Beginning of the Year	_____	128,154.64	\$ 5,368.18	133,522.82
Net Position - End of the Year	\$ 202.84	\$ 130,308.48	\$ 5,015.36	\$ 135,526.68

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Jamesburg Borough School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three-year terms. The purpose of the District is to educate students in grades K-8. The District had an approximate enrollment at June 30, 2017 of 686 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, childcare initiative and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

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

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

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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.

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

The District's Enterprise Fund consists of the following:

Food Service – This fund provides for the cafeteria operation in all schools within the school district.

Childcare Initiative – *known as "High Five"*. This fund provides for *before*-school childcare for students who are registered in the Jamesburg School District from kindergarten to eighth grade. The fund also provides for a summer program from July to August.

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund, Flex Spending Account Fund and Scholarship Fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds – Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

- 4. Noncurrent Debt** - Noncurrent liabilities expected to be financed from governmental funds are in the General Noncurrent Debt, not in the governmental funds.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements

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

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

2. Fund Financial Statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved by the District, submitted to the County office for review and approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c202, which became effective November 17, 2012, the District elected to move the annual School Board election to the date of November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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 accounting principles generally accepted in the United States of America 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 over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Change in Fund Balance - All Governmental Fund Types.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 14,373,612.08	\$ 492,383.67
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
June 30, 2016	None	None
June 30, 2017	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	642,871.00	None
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(505,592.40)</u>	<u>(4,947.60)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 14,510,890.68</u>	<u>\$ 487,436.07</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 13,526,310.29	\$ 492,383.67
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.		
June 30, 2016	None	None
June 30, 2017	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 13,526,310.29</u>	<u>\$ 492,383.67</u>

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

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

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded in the enterprise funds. All expenses in the other funds are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

5. Tuition Payable

Tuition charges for the fiscal years 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. 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.

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-10 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Deferred Outflows/Inflows of Resources

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

9. 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.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

10. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

11. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. (Refer to Note 7D)

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

12. Net Position

The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

13. Unearned Revenue

Unearned revenue in all funds represents program revenues that have been received but not yet earned. In the case of Food Service Fund, it is unused food distribution and student deposits for purchasing food in a future period and for Childcare (*High-Five*) advanced payments for the next year summer program.

14. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

15. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When 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. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

16. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund includes the Food Service charges to customers for sales of food service and for the Childcare Initiative and Falcon Care service fees.

Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

17. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

18. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

19. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, pension and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses."

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

20. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

21. Management Estimates

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

22. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

H. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- GASB Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District has yet determined the impact of this Statement on its financial statements.

- GASB Statement No. 83. *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District does not expect this Statement to impact its financial statements.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- GASB Statement No. 84. *Fiduciary Activities*. This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements

- GASB Statement No. 85. Omnibus 2017. This objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 86. *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 87. Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2017 through December 13, 2017, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

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

	<u>Cash and Cash Equivalents</u>
Reconciliation by Fund:	
Governmental	\$ 1,984,332.09
Proprietary	453,153.12
Fiduciary	268,409.05
	\$ 2,705,894.26

Of the total amount deposits of \$944,456.92 has been earmarked towards the Capital Reserve Account. Refer to Notes to Financial Statements Note 15.

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 1,493,028.29
Restricted	944,456.92
Fiduciary	268,409.05
	\$ 2,705,894.26

Risk Analysis – All of the balances were covered by either federal depository insurance or Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2017 and are considered to have minimal custodial risk. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

There were no securities held by the District as of June 30, 2017 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Intergovernmental accounts receivable at June 30, 2017 consisted of federal source, state source, transportation, tuition and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business Type Activities</u>
General Fund:		
Intergovernmental:		
State Aid:		
Extraordinary Aid	\$ 162,478.00	
Non-Public Transportation - Cost Reimbursement	9,057.00	
TPAF FICA Reimbursement (on-behalf)	13,360.28	
Federal		
Medical Assistance Program	4,265.74	
	<u>\$ 189,161.02</u>	
Special Revenue Fund:		
Federal:		
Title I	\$ 42,839.86	
Title II - Part A	11,686.99	
Title III - Part A	4,074.46	
IDEA Part B	42,865.00	
	<u>\$ 101,466.31</u>	
Proprietary Fund:		
Enterprise Fund - Food Service		
State Source		<u>\$ 249.68</u>
Federal Source		
Breakfast		\$ 4,030.24
Lunch		11,309.02
		<u>\$ 15,339.26</u>
Other Source		<u>\$ 43.80</u>
Capital Projects Fund <i>[Memorandum]</i>		
Receivable for Capital Project Expended in Prior Years (Refer to F-2)		\$ 275,814.00
Less: GAAP Adjustment for Documentation Not Yet Submitted and Deficit per B-1/B-2 (See Note 15 - Capital Projects Fund)		<u>(275,814.00)</u>
Balance per B-1		<u>None</u>

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

5. CAPITAL ASSETS, NET

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets being depreciated:				
Building and Building Improvements	\$ 8,488,758.94	\$ 214,473.29		\$ 8,703,232.23
Machinery and Equipment	<u>1,597,162.15</u>			<u>1,597,162.15</u>
Total at historical cost	<u>10,085,921.09</u>	<u>214,473.29</u>		<u>10,300,394.38</u>
Less accumulated depreciation for:				
Building and Building Improvements	(4,006,812.13)	(165,233.76)		(4,172,045.89)
Machinery and Equipment	<u>(1,314,166.37)</u>	<u>(41,083.37)</u>		<u>(1,355,249.74)</u>
Total accumulated depreciation	<u>(5,320,978.50)</u>	<u>(206,317.13)</u>		<u>(5,527,295.63)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>4,764,942.59</u>	<u>8,156.16</u>		<u>4,773,098.75</u>
Governmental activities capital assets, net	<u>\$ 4,764,942.59</u>	<u>\$ 8,156.16</u>		<u>\$ 4,773,098.75</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 150,378.33	\$ 20,993.71		\$ 171,372.04
Totals at historical cost	<u>150,378.33</u>	<u>20,993.71</u>		<u>171,372.04</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	(141,133.91)	(7,245.83)		(148,379.74)
Total accumulated depreciation	<u>(141,133.91)</u>	<u>(7,245.83)</u>		<u>(148,379.74)</u>
Business type activities capital assets, net	<u>\$ 9,244.42</u>	<u>\$ 13,747.88</u>		<u>\$ 22,992.30</u>
<u>Governmental Activities:</u>				
Detail of Additions and (Retirement)/Transfers:				
General Fund		\$ 210,142.29		
Other		<u>4,331.00</u>		
		<u>\$ 214,473.29</u>		
<u>Business-Type Activities:</u>				
Detail of Additions and (Retirement)/Transfers:				
Food Service		<u>\$ 20,993.71</u>		

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

5. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 89,340.03
Special Education Instruction	28,703.11
Other Special Instruction	972.69
Other Instruction	3,506.72
Support Services and Undistributed Cost:	
Student and Instruction Related Services	22,860.31
School Administrative Services	11,213.85
Other Administrative Services	18,262.49
Plant Operations and Maintenance	17,764.64
Pupil Transportation	<u>13,693.29</u>
Total	\$ <u>206,317.13</u>

6. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$5,078.48 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2017, the federal donated commodities food inventory of \$1,082.90 was included in the year end food and supplies amount of \$3,995.58.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

7. NONCURRENT (LONG-TERM) DEBT

During the fiscal year ended June 30, 2017 the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General						
Obligation Debt	\$ 2,010,000.00		\$ (370,000.00)	\$ 1,640,000.00	\$ 385,000.00	\$ 1,255,000.00
Add - Premium on Sale of Bonds	<u>85,002.56</u>		<u>(17,000.51)</u>	<u>68,002.05</u>	<u>17,000.51</u>	<u>51,001.54</u>
	2,095,002.56		(387,000.51)	1,708,002.05	402,000.51	1,306,001.54
Tuition Settlement	<u>1,832,310.00</u>			<u>1,832,310.00</u>		<u>1,832,310.00</u>
	3,927,312.56		(387,000.51)	3,540,312.05	402,000.51	3,138,311.54
Compensated						
Absences Payable	<u>231,348.75</u>	<u>\$ 12,153.95</u>	<u>(57,869.75)</u>	<u>185,632.95</u>	<u>37,126.59</u>	<u>148,506.36</u>
	<u>\$ 4,158,661.31</u>	<u>\$ 12,153.95</u>	<u>\$ (444,870.26)</u>	<u>\$ 3,725,945.00</u>	<u>\$ 439,127.10</u>	<u>\$ 3,286,817.90</u>

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows:

\$2,760,000 School District Refunding Bonds, Series 2014

Refinance \$2,840,000 of the outstanding callable principal amount of the originally issued General Obligation Bonds of 2004 in the amount of \$4,875,000. Annual maturities ranging from \$385,000 to \$435,000 with interest rate of 4.0% and a final maturity on February 1, 2021.

\$ 1,640,000.00

Redemption: The bonds are not subject to redemption prior to maturity.

B. Debt Service Requirements

Debt service requirements on serial bonds payable at June 30, 2017 are as follows:

<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 385,000.00	\$ 65,600.00	\$ 450,600.00
2019	400,000.00	50,200.00	450,200.00
2020	420,000.00	34,200.00	454,200.00
2021	435,000.00	17,400.00	452,400.00
	<u>\$ 1,640,000.00</u>	<u>\$ 167,400.00</u>	<u>\$ 1,807,400.00</u>

C. Bonds and Notes Authorized But Not Issued

There were no Bonds and Notes Authorized but not Issued as of June 30, 2017.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

D. Defeasance

As a result of the accounting requirement under GASB#23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the "straight-line".

Unamortized Loss on Defeasance of Debt

<u>Refunding Bonds</u>	<u>Loss</u>	<u>Beginning Balance</u>	<u>Amortization</u>	<u>Ending Balance</u>
2014 Series	\$ <u>56,940</u>	\$ <u>37,485</u>	\$ <u>7,497</u>	\$ <u>29,988</u>

E. Other

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal year ended June 30, 2016 has been complied with.

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

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

F. Compensated Absence

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 earn sick leave at the rate of one day for each month of service; all unused personal days shall accumulate into accumulated sick time and may be used at the time of retirement.

Upon departure from the district, teachers who have completed ten or more years of employment shall be paid for accumulated sick leave at the rate of 1/2 of the unused accumulated sick leave multiplied by \$105. Support staff who have completed 10 or more years of employment shall be paid at the rate of 1/2 of the unused accumulated sick leave multiplied \$75. All twelve month employees, including office personnel, who are enrolled and vested in the pension system may receive all unused accumulated sick leave multiplied \$90.

For teachers employed after July 1, 2006, the sick leave payment shall be limited to no more than \$12,000.00. For support staff employees, who were employed after July 1, 2007, the sick leave payment shall be limited to no more than \$7,500.00. All twelve month employees, including office personnel, are limited to no more than \$10,000.00.

Administrators have individual contracts that mimic the Jamesburg Education Association Agreement in regards to unused accumulated sick time. There is a provision for unused vacation days that accumulates for all administrators and select full time employees, such as secretaries, coordinators and custodians. They will receive up to 5 days of vacation multiplied by 1/250 of the their last annual contracted salary.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance of compensated absences.

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.

G. Tuition Settlement

The tuition settlement relates to a dispute for high school students that were sent to another district for the years 2011-2012 through 2014-2015. The amount was resolved and although there is not an immediate liability, it will be worked off as the statutory formula for tuition is certified.

**JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

8. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division of Pension issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

Teachers' Pension and Annuity Fund (TPAF)

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 contribution, 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 with 25 or more years of service credit before age 62, 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.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS)

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/annrpts.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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 with 25 or more years of service credit before age 62, 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 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.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Funding Policy: The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

During the year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year Ending June 30,</u>	<u>Net Cost to District</u>	<u>of APC Contributed</u>	<u>Employee Contribution</u>
2017	\$ 56,447	100%	\$ 30,573
2016	86,266	100%	N/A
2015	80,307	100%	N/A

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

<u>Year Ending June 30</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Total On-Behalf of</u>	<u>Employee Contribution</u>	<u>TPAF FICA</u>
2017	\$ None	100%	\$ 394,488	\$ 271,960	\$ 265,621
2016	None	100%	281,707	N/A	N/A
2015	None	100%	188,986	N/A	N/A

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Funding Policy (Continued)

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$394,488 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$265,621 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

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

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2016 Independent Auditor's Report dated April 6, 2017.

At June 30, 2017, the District reported a liability of \$2,875,948 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 (the *Measurement Date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

	June 30,	
	<u>2016</u>	<u>2015</u>
District Proportionate Share	0.0097104218 %	0.0093409363 %
Difference - Increase	0.0003694855	

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$270,952.00. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of Assumptions	\$ 595,743.00	
Differences between expected and actual experience	53,484.00	
Changes in proportion	60,213.00	\$ 62,047.00
Net difference between projected and actual earnings on pension plan investments	109,663.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date	<u>56,447.00</u>	
Total	<u>\$ 875,550.00</u>	<u>\$ 62,047.00</u>

The \$875,550.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>		<u>Amount</u>
2017	\$	170,857.00
2018		170,857.00
2019		197,944.00
2020		166,301.00
2021		52,930.00

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Additional Information:

Collective balances are as follows:

		<u>June 30, 2016</u>
Collective deferred outflows of resources	\$	8,685,338,380
Collective deferred inflows of resources		870,133,595
Net pension liability (Local Group)		29,617,131,759
District's proportion (Local Group)		0.0097104218 %

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 rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and 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 scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates (continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 (*measurement date*) 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
	<u>100.00 %</u>	

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. 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 Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
District's proportionate share of the pension liability	\$ 3,524,139	\$ 2,875,948	\$ 2,340,811

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2016 Independent Auditor's Reports dated July 13, 2017.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:

Districts proportionate share	None
State's proportionate share associated with the District	\$ 27,678,980.00
	\$ 27,678,980.00

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 June 30, 2015. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was 0.0351852782%.

	June 30,	
	2016	2015
District Proportionate Share	0.0351852782 %	0.0349561979 %
Difference - Increase	0.0002290803	

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$1,685,202.00 for contributions provided by the State.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

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

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

Long-Term Expected Rate of Return

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

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00 %	0.39 %
US Government Bonds	1.50	1.28
US Credit Bonds	13.00	2.76
US Mortgages	2.00	2.38
US Inflation-Indexed Bonds	1.50	1.41
US High Yield Bonds	2.00	4.70
US Equity Market	26.00	5.14
Foreign-Developed Equity	13.25	5.91
Emerging Markets Equity	6.50	8.16
Private Real Estate Property	5.25	3.64
Timber	1.00	3.86
Farmland	1.00	4.39
Private Equity	9.00	8.97
Commodities	0.50	2.87
Hedge Funds - MultiStrategy	5.00	3.70
Hedge Funds - Equity Hedge	3.75	4.72
Hedge Funds - Distressed	<u>3.75</u>	3.49
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the most recent fiscal years. 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.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2017 (measurement date June 30, 2016) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District 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:

	1% Decrease <u>2.22%</u>	At Current Discount Rate <u>3.22%</u>	At 1% Increase <u>4.22%</u>
State's proportionate share of the net pension liability associated with the District	\$ 33,079,663	\$ 27,678,980	\$ 23,268,625

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 17,440,003,201
Deferred inflows of resources	\$ 195,027,919
Net pension liability	\$ 78,666,367,052
State's proportionate share associated with the District	0.0351852782 %

Collective pension expense - Non-employer portion for the plan for the measurement period ended June 30, 2016 is \$5,915,082,656.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or loses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Employee</u>	<u>Employer</u>
2017	\$ 1,870.35	\$ 1,020.10
2016	N/A	N/A
2015	N/A	N/A

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. 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 eligible for 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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.20 million toward Chapter 125 benefits for 20,045 eligible retired members in fiscal year 2016.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Post-Retirement Medical</u>
2017	\$ 328,699.00
2016	335,435.00
2015	300,016.00

11. DEFERRED COMPENSATION

A. IRS Code Section 403(b)

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

Lincoln Investment Planning Inc.	Metropolitan Life
Equitable life	Variable Annuity

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

12. 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

New Jersey Unemployment Compensation Insurance: The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Ended June 30</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017	\$ None	\$ 8,285.46	\$ 6,131.62	\$ 130,308.48
2016	None	47,100.34	26,784.77	128,154.64
2015	None	11,702.95	21,852.15	107,839.07

Health Benefits: The Board of Education for the fiscal year ended June 30, 2017 procured medical insurance coverage for its employees under an agreement with State of New Jersey Division of Pensions and Benefits Health Benefit Program under various plans basis. The administrator has provided the required SSAE#16 Report on Internal Controls of Service Organizations.

Other Coverage: The Board has contracted with a commercial insurance company to provide Disability Insurance. The coverage is subject to deductibles and coverage limits based on the type of policy coverage included; which are detailed in the statistical section.

The Board also maintains surety bond coverage on key financial employees.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

13. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2017 will be liquidated in the normal course of business in the succeeding year or when funds become available and are as follows:

	Receivable	Payable
Governmental Funds:		
General Fund		\$ <u>7,777.51</u>
Fiduciary Fund:		
Unemployment Fund	\$ <u>7,777.51</u>	

The Special Revenue and Payroll Agency Funds was liquidated subsequent to yearend.

14. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Board. An analysis of the Capital Reserve account history is as follows:

Capital Reserve Account established on July 1, 2015		\$ 550,857.60
Interest Earnings:		
Prior to June 30, 2016	\$ 255.56	
For the year ended June 30, 2017	None	255.56
Capital Reserve Account Supplemental Appropriation:		
Prior to June 30, 2016	\$ 629,009.76	
For the year ended June 30, 2017	None	629,009.76
		\$ 1,180,122.92
Less - Authorized Withdrawals:		
Prior to June 30, 2016	\$ 225,666.00	
For the year ended June 30, 2017	10,000.00	235,666.00
Balance as of June 30, 2017		\$ <u>944,456.92</u>

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

14. CAPITAL RESERVE ACCOUNT (CONTINUED)

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

15. FUND BALANCE APPROPRIATED

General Fund - Of the \$2,034,392.65 General Fund fund balance at June 30, 2017, \$944,456.92 is restricted for the Capital Reserve Account; \$75,040.52 is restricted for the Emergency Reserve Account; \$255,815.00 is restricted for the Maintenance Reserve Account; \$100,000.00 is restricted for the Tuition Reserve Account; \$26,850.00 is assigned – designated for subsequent years expenditures, \$558,145.95 is restricted - excess surplus (from 2016-2017), \$74,084.23 is assigned for other purposes (encumbrances).

Of the Capital Reserve fund balance \$510,000.00 and the Emergency Reserve fund balance \$70,000.00 were included as revenue on the 2017-2018 general fund budget to offset related expenditures.

Special Revenue Fund – Of the Special Revenue Fund fund balance at June 30, 2017, a deficit of \$4,947.60 which is restricted for the special revenue of the 10% of the Preschool Education Grant from the State of New Jersey.

Capital Projects Fund – Of the Capital Projects Fund fund balance at June 30, 2017, a deficit of \$275,814.00 which is related to a grant award that was expended in years prior to 2015-2016 but not yet reimbursed that the grant proceeds will be pursued for collection in the 2017-2018 school year after the proper documentation has been assembled and submitted.

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2017, \$0.53 is restricted for debt service.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

16. CONTINGENT LIABILITIES AND COMMITMENTS

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – There are matters pending which should not, in the event of an adverse ruling, result in a material significant impact on the district’s financial condition.
- C. **Contractual Commitments** - The District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$74,084.23.

17. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. There was excess fund balance as a result of the 2016-2017 school year of \$736,466.12.

18. RECONCILIATION OF FUND BALANCE – GENERAL FUND

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

	<u>Unassigned</u>	<u>Excess Surplus</u>
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison - Reserve for Excess Surplus	\$ 327,272.26	\$ 736,466.12
Less: State Aid Payment not Recognized on a GAAP Basis \$505,592.40	327,272.26	118,320.14
	\$ None	\$ 618,145.98

19. 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.

JAMESBURG BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

20. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$3,095,084.96 indicated as part of the Governmental Activities net position is calculated as follows:

	Amount
Capital assets, net of depreciation	\$ 4,773,098.75
Bonds payable (used to build or acquire capital assets)	(1,640,000.00)
Deferred loss on defeasance of debt	29,988.26
Unamortized deferred premium	(68,002.05)
	\$ 3,095,084.96

21. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. 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 provision at N.J.S.A.18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Jamesburg has no long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 8,052,828.00		\$ 8,052,828.00	\$ 8,052,828.00	
Interest earned on capital reserve funds	50.00		50.00	118.23	\$ 68.23
Miscellaneous	9,950.00		9,950.00	64,985.85	55,035.85
Total - local sources	<u>8,062,828.00</u>		<u>8,062,828.00</u>	<u>8,117,932.08</u>	<u>55,104.08</u>
State sources:					
Categorical transportation aid	21,181.00		21,181.00	21,181.00	
Categorical special education aid	554,153.00		554,153.00	554,153.00	
Equalization aid	4,207,435.00		4,207,435.00	4,207,435.00	
Extraordinary aid	95,000.00		95,000.00	162,478.00	67,478.00
Categorical security aid	101,794.00		101,794.00	101,794.00	
Under adequacy aid	166,255.00		166,255.00	166,255.00	
PARCC readiness aid	9,480.00		9,480.00	9,480.00	
Per pupil growth Aid	9,480.00		9,480.00	9,480.00	
Professional learning community aid	9,000.00		9,000.00	9,000.00	
Non-Public Transportation Aid				9,057.00	9,057.00
On behalf - TPAF - Pension Contribution (Nonbudgeted)				394,488.00	394,488.00
On behalf - TPAF - Post Retirement Medical (Nonbudgeted)				328,699.00	328,699.00
On behalf - TPAF - Long-term Disability (Nonbudgeted)				640.00	640.00
Reimbursed TPAF social security contributions (Nonbudgeted)				265,620.50	265,620.50
Total - state sources	<u>5,173,778.00</u>		<u>5,173,778.00</u>	<u>6,239,760.50</u>	<u>1,065,982.50</u>
Federal sources:					
Medical Assistance Program	14,639.00		14,639.00	15,919.50	1,280.50
Total - federal sources	<u>14,639.00</u>		<u>14,639.00</u>	<u>15,919.50</u>	<u>1,280.50</u>
TOTAL REVENUES	<u>\$ 13,251,245.00</u>		<u>\$ 13,251,245.00</u>	<u>\$ 14,373,612.08</u>	<u>\$ 1,122,367.08</u>

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 92,081.00	\$ (92,081.00)			
Kindergarten	215,502.00	108,552.64	\$ 324,054.64	\$ 320,344.04	\$ 3,710.60
Grades 1 - 5	1,185,570.00	45,329.58	1,230,899.58	1,230,899.58	
Grades 6 - 8	607,105.00	(4,411.70)	602,693.30	602,693.30	
Total regular programs - instruction	2,100,258.00	57,389.52	2,157,647.52	2,153,936.92	3,710.60
Regular programs - home instruction:					
Salaries of teachers	6,000.00	14,181.25	20,181.25	20,181.25	
Purchased professional - education services	5,000.00	4,405.00	9,405.00	6,255.00	3,150.00
Total regular programs - home instruction	11,000.00	18,586.25	29,586.25	26,436.25	3,150.00
Regular programs - undistributed instruction:					
Other salaries for instruction					
Purchased professional - educational services	86,360.00	(9,099.20)	77,260.80	77,260.80	
Purchased professional and technical services	104,158.00		104,158.00	103,680.12	477.88
Equipment rental	13,000.00	(1,069.33)	11,930.67	11,281.50	649.17
General supplies	151,535.00	(12,284.90)	139,250.10	130,491.87	8,758.23
Textbooks	25,000.00	20,599.91	45,599.91	45,599.91	
Total regular programs - undistributed instruction	380,053.00	(1,853.52)	378,199.48	368,314.20	9,885.28
Total regular programs - instructions	2,491,311.00	74,122.25	2,565,433.25	2,548,687.37	16,745.88
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	119,578.00	100.00	119,678.00	119,678.00	
Other purchased services (400-500 Series)	289,469.00	2,834.97	292,303.97	292,303.97	
General supplies	12,000.00	(2,834.87)	9,165.13		9,165.13
Textbooks	550.00	50.00	600.00		600.00
Total learning and/or language disabilities	421,597.00	150.10	421,747.10	411,981.97	9,765.13

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource room/resource center:					
Salaries of teachers	\$ 420,563.00	\$ (20,000.00)	\$ 400,563.00	\$ 389,869.40	\$ 10,693.60
General supplies	3,200.00	600.00	3,800.00	3,366.60	433.40
Textbooks	800.00		800.00		800.00
Total resource room/resource center	<u>424,563.00</u>	<u>(19,400.00)</u>	<u>405,163.00</u>	<u>393,236.00</u>	<u>11,927.00</u>
Autism:					
Salaries of teachers	55,293.00		55,293.00	55,293.00	
Purchased Professional Educational Services	17,800.00		17,800.00	7,209.52	10,590.48
Other purchased services (400-500 Series)	79,157.00		79,157.00	79,157.00	
General supplies	6,700.00	(2,000.00)	4,700.00	4,058.20	641.80
Total autism	<u>158,950.00</u>	<u>(2,000.00)</u>	<u>156,950.00</u>	<u>145,717.72</u>	<u>11,232.28</u>
Total special education - instruction	<u>1,005,110.00</u>	<u>(21,249.90)</u>	<u>983,860.10</u>	<u>950,935.69</u>	<u>32,924.41</u>
Basic skills/remedial - Instruction:					
Salaries of Teachers	26,953.00	4,660.01	31,613.01	31,613.01	
General supplies	1,600.00	(5.00)	1,595.00	612.18	982.82
Total basic skills/remedial - Instruction	<u>28,553.00</u>	<u>4,655.01</u>	<u>33,208.01</u>	<u>32,225.19</u>	<u>982.82</u>
Bilingual education - Instruction:					
Salaries of teachers	154,857.00	(15,743.01)	139,113.99	98,520.00	40,593.99
General supplies	3,750.00	(485.00)	3,265.00	207.45	3,057.55
Textbooks	400.00		400.00		400.00
Total bilingual education - Instruction	<u>159,007.00</u>	<u>(16,228.01)</u>	<u>142,778.99</u>	<u>98,727.45</u>	<u>44,051.54</u>
School sponsored co/extra - curricular activities - Instructions:					
Salaries	6,965.00		6,965.00	6,046.00	919.00
Supplies and materials	2,000.00		2,000.00		2,000.00
Total school sponsored co/extra - curricular activities - Instruction	<u>8,965.00</u>		<u>8,965.00</u>	<u>6,046.00</u>	<u>2,919.00</u>

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored athletics - Instruction:					
Salaries	\$ 13,940.00		\$ 13,940.00	\$ 4,510.00	\$ 9,430.00
Purchased services (300-500 Series)	4,000.00		4,000.00	3,625.00	375.00
Supplies and materials	1,500.00	\$ 2,500.00	4,000.00	3,269.23	730.77
Total school sponsored athletic activities - instruction	19,440.00	2,500.00	21,940.00	11,404.23	10,535.77
Total special programs	215,965.00	(9,073.00)	206,892.00	148,402.87	58,489.13
Total instructional programs	3,712,386.00	43,799.35	3,756,185.35	3,648,025.93	108,159.42
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	3,960,900.00	36,260.00	3,997,160.00	3,996,009.78	1,150.22
Tuition to other LEAs within the state - special	295,794.00	(135,470.41)	160,323.59	113,215.10	47,108.49
Tuition to private schools-disabled within the state	482,000.00		482,000.00	389,409.01	92,590.99
Tuition - state facilities	18,600.00		18,600.00	18,600.00	18,600.00
Total undistributed expenditures - instruction	4,757,294.00	(99,210.41)	4,658,083.59	4,498,633.89	159,449.70
Attendance and social work:					
Salaries	3,000.00		3,000.00	2,387.50	612.50
Total attendance and Social Work	3,000.00		3,000.00	2,387.50	612.50
Health services:					
Salaries	126,988.00	4,633.65	131,621.65	131,621.65	
Purchased professional and technical services	10,000.00		10,000.00	10,000.00	
Other purchased services (400-500 Series)	5,950.00	7,062.64	13,012.64	12,941.69	70.95
Supplies and materials	5,475.00	(1,721.29)	3,753.71	3,753.71	
Other objects	500.00	(35.00)	465.00	170.00	295.00
Total health services	148,913.00	9,940.00	158,853.00	158,487.05	365.95
Other support services - student-related services:					
Salaries	60,000.00	1,473.00	61,473.00	61,473.00	
Purchased professional - educational services	65,160.00	33,847.74	99,007.74	88,603.63	10,404.11
Supplies and materials	500.00	100.00	600.00	500.08	99.92
Total other support services - student-related services	125,660.00	35,420.74	161,080.74	150,576.71	10,504.03

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other support services - students - regular:					
Purchased professional - educational services	\$ 58,500.00	\$ 3,292.26	\$ 61,792.26	\$ 61,792.26	
Total other support services - students - regular	<u>58,500.00</u>	<u>3,292.26</u>	<u>61,792.26</u>	<u>61,792.26</u>	
Guidance:					
Salaries of other professional staff	100,420.00		100,420.00	100,402.00	\$ 18.00
Purchased professional - technical services	18,400.00	(200.00)	18,200.00	8,225.00	9,975.00
Equipment rental	5,500.00		5,500.00	5,500.00	
Other purchased services (400-500 Series)	1,100.00		1,100.00	1,000.00	100.00
Supplies and materials	500.00		500.00	381.85	118.15
Other objects	100.00		100.00		100.00
Total guidance	<u>126,020.00</u>	<u>(200.00)</u>	<u>125,820.00</u>	<u>115,508.85</u>	<u>10,311.15</u>
Child study team:					
Salaries of other professional staff	182,903.00	(0.19)	182,902.81	177,790.26	5,112.55
Salaries of secretarial & clerical assistants	43,496.00	(0.32)	43,495.68	43,495.68	
Other salaries	32,000.00	(10,000.00)	22,000.00	12,624.00	9,376.00
Purchased professional - education services	18,239.00	(4,000.00)	14,239.00	1,585.00	12,654.00
Other purchased - services summer		14,000.00	14,000.00	13,923.90	76.10
Other purchased services (400-500 Series)	8,500.00		8,500.00	8,500.00	
Supplies and materials	2,680.00		2,680.00	2,559.03	120.97
Other objects	1,200.00		1,200.00	249.99	950.01
Total child study team	<u>289,018.00</u>	<u>(0.51)</u>	<u>289,017.49</u>	<u>260,727.86</u>	<u>28,289.63</u>
Improvement of instructional services:					
Salaries of supervisor of instruction	640.00		640.00		640.00
Total improvement of instructional services	<u>640.00</u>		<u>640.00</u>		<u>640.00</u>
Instructional staff training services:					
Purchased professional - educational services	9,850.00		9,850.00	7,671.97	2,178.03
Other purchased services (400-500 Series)	1,000.00		1,000.00	211.17	788.83
Total instructional staff training services	<u>10,850.00</u>		<u>10,850.00</u>	<u>7,883.14</u>	<u>2,966.86</u>

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - general administration:					
Salaries	\$ 185,255.00	\$ (0.30)	\$ 185,254.70	\$ 180,352.56	\$ 4,902.14
Legal services	45,600.00		45,600.00	31,264.01	14,335.99
Architectural/Engineering Services		25.00	25.00	20.57	4.43
Audit Fee	21,000.00		21,000.00	19,835.00	1,165.00
Equipment rental	1,000.00	2.79	1,002.79	1,000.00	2.79
Purchased technical services	4,150.00	(509.40)	3,640.60	3,485.00	155.60
Communications/telephone	9,000.00	481.61	9,481.61	9,481.61	
BOE other purchased services	4,200.00		4,200.00	2,739.19	1,460.81
Other purchased services (400-500)	30,114.00	20,000.00	50,114.00	29,151.88	20,962.12
General supplies	1,500.00	4,000.00	5,500.00	4,970.63	529.37
Miscellaneous expenditures	10,784.00		10,784.00	8,573.90	2,210.10
Total support services - general administration	312,603.00	23,999.70	336,602.70	290,874.35	45,728.35
Support services - school administration:					
Salaries of principals/assistant principals	196,600.00	15,999.63	212,599.63	196,713.57	15,886.06
Salaries of other professional staff	24,831.00	(0.25)	24,830.75	24,830.75	
Salaries of secretarial and clerical assistants	74,842.00	4,000.28	78,842.28	78,842.28	
Equipment rental	4,000.00	707.84	4,707.84	4,707.84	
Other purchased services (400-500 Series)	12,320.00	(500.12)	11,819.88	8,449.59	3,370.29
Supplies and materials	8,250.00	2,112.48	10,362.48	10,062.56	299.92
Other objects	4,705.00	(207.84)	4,497.16	4,452.38	44.78
Total support services - school administration	325,548.00	22,112.02	347,660.02	328,058.97	19,601.05
Central services:					
Salaries	169,883.00	21,590.66	191,473.66	191,473.66	
Purchased professional services	29,000.00	(2,830.10)	26,169.90	24,719.16	1,450.74
Maintenance service	4,000.00		4,000.00	4,000.00	
Miscellaneous purchased services (400-500 Series)	9,900.00	300.00	10,200.00	10,051.19	148.81
Supplies and materials	4,500.00	23.56	4,523.56	4,523.56	
Miscellaneous expenditures	1,800.00	70.00	1,870.00	1,865.15	4.85
Total central services	219,083.00	19,154.12	238,237.12	236,632.72	1,604.40
Admin. Info. technology:					
Salaries	8,000.00	(93.56)	7,906.44	4,000.00	3,906.44
Purchased technical services	80,000.00	9,539.86	89,539.86	72,620.50	16,919.36
Other purchased services (400-500 Series)		910.00	910.00	910.00	
Total admin. Info. technology	88,000.00	10,356.30	98,356.30	77,530.50	20,825.80

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required maintenance for school facilities:					
Salaries	\$ 58,938.00		\$ 58,938.00	\$ 58,938.00	
Cleaning, repair and maintenance services	40,000.00	\$ (9,552.13)	30,447.87	24,014.55	\$ 6,433.32
General supplies	8,000.00		8,000.00	6,947.00	1,053.00
Other objects	850.00		850.00		850.00
Total required maintenance for school facilities	107,788.00	(9,552.13)	98,235.87	89,899.55	8,336.32
Custodial Services:					
Salaries	222,059.00	19,303.67	241,362.67	226,001.67	15,361.00
Salaries of Noninstructional Aides	23,379.00	0.37	23,379.37	9,162.72	14,216.65
Cleaning, repair and maintenance services	65,710.00	(21,014.50)	44,695.50	43,526.75	1,168.75
Other purchased property services	14,500.00	(11,300.31)	3,199.69	3,199.69	0.00
Insurance	45,000.00	(1,300.00)	43,700.00	43,607.06	92.94
Miscellaneous purchased services	2,775.00	(1,000.00)	1,775.00	1,232.00	543.00
General supplies	25,000.00	46,362.27	71,362.27	65,242.24	6,120.03
Energy (gasoline)	150,000.00	(148,154.76)	1,845.24		1,845.24
Energy (electricity)		76,000.00	76,000.00	75,176.33	823.67
Energy (natural gas)		32,000.00	32,000.00	31,495.43	504.57
Other objects facilities	150.00		150.00		150.00
Total custodial services:	548,573.00	(9,103.26)	539,469.74	498,643.89	40,825.85
Total operation and maintenance of plant services	656,361.00	(18,655.39)	637,705.61	588,543.44	49,162.17
Student transportation services:					
Management fee - ESC and CTSA transp. program	10,874.00		10,874.00	10,874.00	
Lease purchase payments - School Buses	17,680.00	29,967.60	47,647.60	46,763.60	884.00
Contracted services - (between home and school) - vendors	9,000.00		9,000.00	8,321.25	678.75
Contracted services (between home and school) - joint	231,000.00	(4,967.60)	226,032.40	192,073.83	33,958.57
Contracted services (regular) - ESC's and CTSA's	132,252.00	(11,000.00)	121,252.00	85,399.23	35,852.77
Contracted services (special education students) - ESC's and	217,600.00	(14,000.00)	203,600.00	110,227.70	93,372.30
Total student transportation services	618,406.00		618,406.00	453,659.61	164,746.39

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - Employee benefits:					
Group insurance	\$ 1,080.00	\$ 2,894.00	\$ 3,974.00	\$ 1,080.00	\$ 2,894.00
Social security contribution	70,373.00	(394.00)	69,979.00	64,943.65	5,035.35
Other retirement contributions - regular	85,000.00	1,957.00	86,957.00	86,942.47	14.53
DCRP		2,818.42	2,818.42	1,020.10	1,798.32
Unemployment compensation	25,000.00	(4,000.00)	21,000.00		21,000.00
Workmen's compensation	50,000.00	(2,957.00)	47,043.00	32,570.21	14,472.79
Health benefits	1,220,764.00	100,001.00	1,320,765.00	1,172,936.84	147,828.16
Tuition reimbursement	10,000.00		10,000.00	4,119.00	5,881.00
Other employee benefits	173,958.00	(119,276.42)	54,681.58	20,579.45	34,102.13
Total unallocated benefits - employee benefits	1,636,175.00	(18,957.00)	1,617,218.00	1,384,191.72	233,026.28
On behalf - TPAF - Pension Contribution (Nonbudgeted)				394,488.00	(394,488.00)
On behalf - TPAF - Post Retirement Medical (Nonbudgeted)				328,699.00	(328,699.00)
On behalf - TPAF - Long-term Disability (Nonbudgeted)				640.00	(640.00)
Reimbursed TPAF social security contributions (Nonbudgeted)				265,620.50	(265,620.50)
Total on behalf - Contributions				989,447.50	(989,447.50)
Total personal services - employee benefits	1,636,175.00	(18,957.00)	1,617,218.00	2,373,639.22	(756,421.22)
Total undistributed expenditures	9,376,071.00	(12,748.17)	9,363,322.83	9,604,936.07	(241,613.24)
TOTAL EXPENDITURES - CURRENT EXPENSE	13,088,457.00	31,051.18	13,119,508.18	13,252,962.00	(133,453.82)

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY:					
Equipment:					
Central services	<u>47,000.00</u>		<u>47,000.00</u>	<u>40,236.93</u>	<u>6,763.07</u>
Total equipment - regular programs - instruction	<u>47,000.00</u>		<u>47,000.00</u>	<u>40,236.93</u>	<u>6,763.07</u>
Equipment - other:					
Construction Services District	\$ 210,000.00		\$ 210,000.00	\$ 166,101.36	\$ 43,898.64
Debt service assessment SDA funding	<u>3,804.00</u>		<u>3,804.00</u>	<u>3,804.00</u>	
Total Equipment - other	<u>213,804.00</u>		<u>213,804.00</u>	<u>169,905.36</u>	<u>43,898.64</u>
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>260,804.00</u>		<u>260,804.00</u>	<u>210,142.29</u>	<u>50,661.71</u>
Transfer of Funds to Charter Schools	\$ <u>96,849.00</u>		\$ <u>96,849.00</u>	\$ <u>63,206.00</u>	\$ <u>33,643.00</u>
TOTAL OF FUNDS TO CHARTER SCHOOLS	\$ <u>96,849.00</u>		\$ <u>96,849.00</u>	\$ <u>63,206.00</u>	\$ <u>33,643.00</u>
TOTAL GENERAL FUND EXPENDITURES	\$ <u>13,446,110.00</u>	\$ <u>31,051.18</u>	\$ <u>13,477,161.18</u>	\$ <u>13,526,310.29</u>	\$ <u>(49,149.11)</u>
Excess/(deficiency) of revenues over/(under) expenditures	\$ <u>(194,865.00)</u>	\$ <u>(31,051.18)</u>	\$ <u>(225,916.18)</u>	\$ <u>847,301.79</u>	\$ <u>(1,073,217.97)</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (194,865.00)	\$ (31,051.18)	\$ (225,916.18)	\$ 847,301.79	\$ 1,073,217.97
Fund balance, July 1	<u>1,692,683.26</u>		<u>1,692,683.26</u>	<u>1,692,683.26</u>	
Fund balance, June 30	\$ <u>1,497,818.26</u>	\$ <u>(31,051.18)</u>	\$ <u>1,466,767.08</u>	\$ <u>2,539,985.05</u>	\$ <u>1,073,217.97</u>

BOROUGH OF JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund balance appropriated per budget	\$ 78,720.00				
Budgeted withdrawal from capital reserve	210,000.00				
Less: increase in capital reserve	(93,805.00)				
Less: interest earned on capital reserve fund	(50.00)				
	\$ 194,865.00				
Detail of budget transfers:					
Prior Year Reserve for Encumbrances		\$ 31,000.82			
Other		50.36			
		\$ 31,051.18			
Recapitulation of Fund Balance:					
Committed for yearend encumbrances				\$ 74,084.23	
Restricted Fund Balance:					
Emergency reserve - designated for subsequent year expenditures			\$ 70,000.00		
Emergency reserve - unassigned			5,040.52	75,040.52	
Capital reserve - designated for subsequent year expenditures			510,000.00		
Capital reserve - unassigned			434,456.92	944,456.92	
Tuition reserve				100,000.00	
Maintenance reserve				255,815.00	
Excess surplus				736,466.12	
Assigned/Designated for subsequent year expenditures				26,850.00	
Unassigned - Fund Balance (2%)				327,272.26	
				\$ 2,539,985.05	
Reconciliation to governmental funds statements (GAAP):					
Less: Last State Aid payment not recognized on GAAP basis				505,592.40	
				\$ 2,034,392.65	
Fund balance per governmental funds (GAAP)					

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

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES:				
Federal Sources	\$ 433,566.00	\$ 19,387.00	\$ 452,953.00	\$ 428,187.31
State Sources	49,476.00		49,476.00	49,476.00
Local Sources	<u>14,994.00</u>		<u>14,994.00</u>	<u>14,720.36</u>
Total Revenues	<u>\$ 498,036.00</u>	<u>\$ 19,387.00</u>	<u>\$ 517,423.00</u>	<u>\$ 492,383.67</u>
EXPENDITURES:				
Instruction:				
Salaries	\$ 185,166.00	\$ 10,629.45	\$ 195,795.45	\$ 193,957.45
Purchased Professional and Technical Services	14,515.00	1,848.00	16,363.00	14,563.22
Other Purchased Services	2,500.00		2,500.00	2,500.00
Tuition	183,803.00	(21,249.00)	162,554.00	162,554.00
General Supplies	<u>17,445.00</u>	<u>21,240.57</u>	<u>38,685.57</u>	<u>37,578.39</u>
Total Instruction	<u>\$ 403,429.00</u>	<u>\$ 12,469.02</u>	<u>\$ 415,898.02</u>	<u>\$ 411,153.06</u>
Support Services:				
Salaries	\$ 24,864.00	\$ (4,935.21)	\$ 19,928.79	\$ 16,766.43
Personal Services - Employee Benefits	43,034.00	(5,259.81)	37,774.19	37,774.19
Purchased Professional/Educational Services	1,725.00	150.00	1,875.00	
Purchased Professional and Technical Services	16,361.00	15,363.00	31,724.00	18,066.99
Other Purchased Services		1,500.00	1,500.00	
Rentals	3,000.00		3,000.00	3,000.00
Tuition	5,623.00		5,623.00	5,623.00
Supplies and Materials		<u>100.00</u>	<u>100.00</u>	
Total Support Services	<u>\$ 94,607.00</u>	<u>\$ 6,917.98</u>	<u>\$ 101,524.98</u>	<u>\$ 81,230.61</u>
Total Expenditures	<u>\$ 498,036.00</u>	<u>\$ 19,387.00</u>	<u>\$ 517,423.00</u>	<u>\$ 492,383.67</u>

JAMESBURG SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 14,373,612.08	C-2 \$	492,383.67
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	642,871.00		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(505,592.40)</u>		<u>(4,947.60)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>14,510,890.68</u>	B-2 \$	<u>487,436.07</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 13,526,310.29	C-2 \$	492,383.67
Difference - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>N/A</u>		<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures and change in fund balance - governmental funds.	B-2 \$ <u>13,526,310.29</u>	B-2 \$	<u>492,383.67</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSION (GASB 68)**

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST FOUR (4) FISCAL YEAR *

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.0098467168 %	0.0097916560 %	0.0093409363 %	0.0097104218 %
District's proportionate share of the net pension liability (asset)	\$ 1,881,903	\$ 1,833,266	\$ 2,096,853	\$ 2,875,948
District's covered-employee payroll	\$ 638,175	\$ 651,199	\$ 403,132	\$ 424,621
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	294.89 %	281.52 %	520.14 %	677.30 %
Plan fiduciary net position as a percentage of the total pension liability	48.72 %	52.08 %	47.93 %	40.14 %

* The amounts presented for each fiscal year were determined as of the fiscal year-end.

Note: Only the last four (4) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST FOUR (4) FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 74,193	\$ 80,721	\$ 80,307	\$ 86,266
Contributions in relation to the contractually required contribution	<u>\$ 74,193</u>	<u>\$ 80,721</u>	<u>\$ 80,307</u>	<u>\$ 86,266</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 651,199	\$ 641,703	\$ 403,132	\$ 424,621
Contributions as a percentage of covered-employee payroll	11.39 %	12.58 %	19.92 %	20.32 %

Note: Only the last four (4) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST FOUR (4) FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.0369729966 %	0.0388108290 %	0.0349561979 %	0.0351852782 %
District's proportionate share of the net pension liability (asset)	None	None	None	None
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 18,685,862</u>	<u>\$ 20,743,125</u>	<u>\$ 22,093,810</u>	<u>\$ 27,678,980</u>
Total	<u>\$ 18,685,862</u>	<u>\$ 20,743,125</u>	<u>\$ 22,093,810</u>	<u>\$ 27,678,980</u>
District's covered-employee payroll	\$ 3,387,271	\$ 3,456,399	\$ 3,601,005	\$ 3,777,221
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	None	None	None	None
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%

Note: Only the last four (4) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Total Brought Forward (Exh. E-1a)	Title I 2016-2017	Title II 2016-2017	Title III 2016-2017	I.D.E.A. Part B		Totals 2017
					2016-2017 Regular Program	2016-2017 Preschool	
REVENUES:							
Federal sources		\$ 201,060.86	\$ 16,191.99	\$ 21,508.46	\$ 183,803.00	\$ 5,623.00	\$ 428,187.31
State sources	\$ 49,476.00						49,476.00
Local sources	14,720.36						14,720.36
Total revenues	\$ 64,196.36	\$ 201,060.86	\$ 16,191.99	\$ 21,508.46	\$ 183,803.00	\$ 5,623.00	\$ 492,383.67
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ 48,195.45	\$ 143,074.00		\$ 2,688.00			\$ 193,957.45
Purchased professional and technical services		14,563.22					14,563.22
Other purchased services	2,500.00						2,500.00
Tuition					\$ 162,554.00		162,554.00
General supplies	2,731.93			13,597.46	21,249.00		37,578.39
Total instruction	53,427.38	157,637.22		16,285.46	183,803.00		411,153.06
Support services:							
Salaries of teachers	1,000.00			3,348.00			4,348.00
Salaries of supervisors of instructors	5,774.79	6,393.64					12,168.43
Salaries of secretarial and clerical assistants	250.00						250.00
Personal services-employee benefits	744.19	37,030.00					37,774.19
Purchased professional/technical services			\$ 16,191.99	1,875.00			18,066.99
Tuition						\$ 5,623.00	5,623.00
Rentals	3,000.00						3,000.00
Total support services	10,768.98	43,423.64	16,191.99	5,223.00		5,623.00	81,230.61
Facilities acquisition and construction services:							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	\$ 64,196.36	\$ 201,060.86	\$ 16,191.99	\$ 21,508.46	\$ 183,803.00	\$ 5,623.00	\$ 492,383.67

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Preschool Education Aid	STEM	United Way	NJSBAIG Buildings Grant	Totals Carried Forward <u>2017</u>
REVENUES:					
Federal sources					
State sources	\$ 49,476.00				\$ 49,476.00
Local sources	<u> </u>	\$ <u>1,000.00</u>	\$ <u>11,220.36</u>	\$ <u>2,500.00</u>	<u>14,720.36</u>
Total revenues	\$ <u>49,476.00</u>	\$ <u>1,000.00</u>	\$ <u>11,220.36</u>	\$ <u>2,500.00</u>	<u>64,196.36</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 38,467.45		\$ 9,728.00		\$ 48,195.45
Purchased professional and technical services					
Other purchased services				\$ 2,500.00	2,500.00
Tuition					
General supplies	<u>1,983.76</u>	<u> </u>	<u>748.17</u>	<u> </u>	<u>2,731.93</u>
Total instruction	<u>40,451.21</u>	<u> </u>	<u>10,476.17</u>	\$ <u>2,500.00</u>	<u>53,427.38</u>
Support services:					
Salaries of teachers		\$ 1,000.00			1,000.00
Salaries of supervisors of instructors	5,774.79				5,774.79
Salaries of secretarial and clerical assistants	250.00				250.00
Personal services-employee benefits			\$ 744.19		744.19
Purchased professional/technical services					
Tuition					
Rentals	<u>3,000.00</u>	<u> </u>	<u> </u>	<u> </u>	<u>3,000.00</u>
Total support services	<u>9,024.79</u>	<u>1,000.00</u>	\$ <u>744.19</u>	<u> </u>	<u>10,768.98</u>
Facilities acquisition and construction services:					
Instructional equipment	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total facilities acquisition and construction services	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ <u>49,476.00</u>	\$ <u>1,000.00</u>	\$ <u>11,220.36</u>	\$ <u>2,500.00</u>	\$ <u>64,196.36</u>

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
State Sources:	\$ 49,476.00	\$ 49,476.00	_____
Total revenues	<u>49,476.00</u>	<u>49,476.00</u>	_____
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 38,467.45	\$ 38,467.45	
General Supplies	<u>1,983.76</u>	<u>1,983.76</u>	_____
Total instruction	<u>40,451.21</u>	<u>40,451.21</u>	_____
Support Services:			
Salary Program Director	5,774.79	5,774.79	
Other Salaries Other Prof. Staff	250.00	250.00	
Personal Services - Employee Benefits	<u>3,000.00</u>	<u>3,000.00</u>	_____
Total support services	<u>9,024.79</u>	<u>9,024.79</u>	_____
Total expenditures	<u>\$ 49,476.00</u>	<u>\$ 49,476.00</u>	=====

CALCULATION OF BUDGET & CARRYOVER

Total 2016-17 Preschool Education Aid Allocation	\$ 49,476.00
Actual Preschool Aid Carryover (June 30, 2016)	<u>None</u>
Total Funds Available 2016-17 Budget	\$ 49,476.00
Less: 2016-2017 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(49,476.00)</u>
Available & Unbudgeted Funds as of June 30, 2017	<u>\$ None</u>

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenues and Other Financing Sources	
State sources - SCC/EDA Grants	\$
Transfer from Capital Reserve	_____
Total revenues and Other Financing Sources	_____
Expenditures and Other Financing Uses	
Construction services	_____
Total expenditures	_____ -
Excess(deficiency) of revenues over (under) expenditures	- -
Net change in fund balance/(Decrease)	-
Fund balance, beginning	_____
Fund balance, ending	_____ - =====
Reconciliation of Budgetary Basis & GAAP Financial Reporting:	
Fund Balance-Budgetary Basis	\$ -
Less: Budgetary Revenues not recognized on a GAAP Basis due to availability of funds	
JFK HVAC Upgrades	\$ (186,505.00)
JFK Roof Replacement	(89,309.00) _____
Fund Balance - GAAP Basis (B-1 & B-2)	\$ (275,814.00) =====

FIDUCIARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Trust Fund				Agency		
	Unemployment Compensation	Flex Spending Account	Non-Expendable Scholarship Trust	Total Trust Funds	Student Activity	Payroll	Total Agency Funds
ASSETS							
Cash and Cash Equivalents	\$ 122,530.97	\$ 202.84	\$ 5,015.36	\$ 127,749.17	\$ 9507.35	\$ 42,312.25	\$ 51,819.60
Interfund Receivable - General Fund	<u>7,777.51</u>			<u>7,777.51</u>			-
Total Assets	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>	<u>\$ 9507.35</u>	<u>\$ 42,312.25</u>	<u>\$ 51,819.60</u>
LIABILITIES							
Payable to Student Groups				-	\$ 9507.35		\$ 9,507.35
Payroll Deductions and Withholdings				-		\$ 42,312.25	42,312.25
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 9507.35</u>	<u>\$ 42,312.25</u>	<u>\$ 51,819.60</u>
NET POSITION							
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>			-
Total Net Position	<u>\$ 130,308.48</u>	<u>\$ 202.84</u>	<u>\$ 5,015.36</u>	<u>\$ 135,526.68</u>			

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Trust Fund			Total
	Flexible Spending Account	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund	
<u>Additions</u>				
Contributions:				
Employees	\$ 3,196.84	\$ 8,285.38		\$ 11,482.22
Total Contributions	\$ 3,196.84	\$ 8,285.38		\$ 11,482.22
<u>Deductions</u>				
FSA Claims	\$ 2,994.00			\$ 2,994.00
Unemployment Claims		\$ 6,131.54		6,131.54
Scholarships Awarded			\$ 300.00	300.00
Other			52.82	52.82
Total Deductions	\$ 2,994.00	\$ 6,131.54	\$ 352.82	\$ 9,478.36
Change in Net Position	\$ 202.84	\$ 2,153.84	\$ (352.82)	\$ 2,003.86
Net Position - Beginning of the Year		128,154.64	5,368.18	133,522.82
Net Position - End of the Year	\$ 202.84	\$ 130,308.48	\$ 5,015.36	\$ 135,526.68

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2017</u>
Elementary Schools:				
John F. Kennedy Elementary	\$ 4,905.52	\$ 9,686.34	\$ 11,584.48	\$ 3,007.38
Grace M. Breckwedel Middle School	<u>7,594.92</u>	<u>13,159.30</u>	<u>14,254.25</u>	<u>6,499.97</u>
Total All Schools	<u>\$ 12,500.44</u>	<u>\$ 22,845.64</u>	<u>\$ 25,838.73</u>	<u>\$ 9,507.35</u>

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> July 1, 2016	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, 2017
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 114,423.47	\$ 1,885,055.51	\$ 1,957,166.73	\$ 42,312.25
Total Assets	<u>\$ 114,423.47</u>	<u>\$ 1,885,055.51</u>	<u>\$ 1,957,166.73</u>	<u>\$ 42,312.25</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 114,423.47	\$ 1,885,055.51	\$ 1,957,166.73	\$ 42,312.25
Total Liabilities	<u>\$ 114,423.47</u>	<u>\$ 1,885,055.51</u>	<u>\$ 1,957,166.73</u>	<u>\$ 42,312.25</u>

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET PAYROLL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> July 1, 2016	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, 2017
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>-</u>	<u>\$ 4,966,309.08</u>	<u>\$ 4,966,309.08</u>	<u>-</u>
Total Assets	<u>-</u>	<u>\$ 4,966,309.08</u>	<u>\$ 4,966,309.08</u>	<u>-</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	<u>-</u>	<u>\$ 4,966,309.08</u>	<u>4,966,309.08</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>\$ 4,966,309.08</u>	<u>\$ 4,966,309.08</u>	<u>-</u>

NONCURRENT DEBT

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017**

<u>Issue</u>	<u>Original</u>		<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
	<u>Date of Original Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>					
Refunding Bonds	7/1/2014	\$ 2,760,000.00	1/1/2018	\$ 385,000.00	4.00%	\$ 2,010,000.00		\$ 370,000.00	\$ 1,640,000.00
			1/1/2019	400,000.00	4.00%				
			1/1/2020	420,000.00	4.00%				
			1/1/2021	435,000.00	4.00%				
Total						<u>\$ 2,010,000.00</u>	<u>\$ 370,000.00</u>	<u>\$ 1,640,000.00</u>	

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 319,469.00	_____	\$ 319,469.00	\$ 319,469.00	_____
Total - Local Sources	319,469.00	_____	319,469.00	319,469.00	_____
State Sources:					
Debt Service Aid Type II	\$ 124,125.00	_____	\$ 124,125.00	\$ 124,125.00	_____
Total - State Sources	124,125.00	_____	124,125.00	124,125.00	_____
Total Revenues	\$ 443,594.00	_____	\$ 443,594.00	\$ 443,594.00	_____
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 76,700.00	_____	\$ 76,700.00	\$ 76,700.00	_____
Redemption of Principal	370,000.00	_____	370,000.00	370,000.00	_____
Total Regular Debt Service	446,700.00	_____	446,700.00	446,700.00	_____
Total Expenditures	\$ 446,700.00	_____	\$ 446,700.00	\$ 446,700.00	_____
Excess of Revenues Over Expenditures	\$ (3,106.00)	_____	\$ (3,106.00)	\$ (3,106.00)	_____
Other Financing Sources:					
Transfer from Capital Projects Fund	_____	_____	_____	_____	_____
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (3,106.00)	_____	\$ (3,106.00)	\$ (3,106.00)	_____
Fund Balance, July 1	3,106.53	_____	3,106.53	3,106.53	_____
Fund Balance, June 30	\$ 0.53	=====	\$ 0.53	\$ 0.53	=====

STATISTICAL TABLES (SECTION)
(UNAUDITED)

JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's outstanding debt.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 & J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

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

FINANCIAL TRENDS

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 950,126	\$ 990,560	\$ 1,066,540	\$ 1,190,717	\$ 1,310,444	\$ 1,728,745	\$ 2,073,745	\$ 2,008,258	\$ 2,754,943	\$ 3,095,085
Restricted	128,974	145,922	160,908	293,662	464,379	537,072	815,128	833,062	1,316,214	944,457
Unrestricted	<u>(13,806)</u>	<u>(216,569)</u>	<u>(270,215)</u>	<u>(184,151)</u>	<u>(321,535)</u>	<u>(493,290)</u>	<u>(2,788,091)</u>	<u>(2,543,895)</u>	<u>(4,622,629)</u>	<u>(3,354,994)</u>
Total governmental activities net position	<u>\$ 1,065,294</u>	<u>\$ 919,913</u>	<u>\$ 957,233</u>	<u>\$ 1,300,228</u>	<u>\$ 1,453,288</u>	<u>\$ 1,772,527</u>	<u>\$ 100,782</u>	<u>\$ 297,425</u>	<u>\$ (551,472)</u>	<u>\$ 684,548</u>
Business-type activities										
Invested in capital assets, net of related debt						\$ 25,354	\$ 19,537	\$ 14,391	\$ 9,245	\$ 22,992
Unrestricted	<u>263,268</u>	<u>282,161</u>	<u>299,930</u>	<u>314,650</u>	<u>309,317</u>	<u>342,945</u>	<u>315,771</u>	<u>369,343</u>	<u>416,269</u>	<u>404,924</u>
Total business-type activities net position	<u>\$ 263,268</u>	<u>\$ 282,161</u>	<u>\$ 299,930</u>	<u>\$ 314,650</u>	<u>\$ 309,317</u>	<u>\$ 368,299</u>	<u>\$ 335,308</u>	<u>\$ 383,734</u>	<u>\$ 425,514</u>	<u>\$ 427,916</u>
District-wide										
Invested in capital assets	\$ 950,126	\$ 990,560	\$ 1,066,540	\$ 1,190,717	\$ 1,310,444	\$ 1,754,099	\$ 2,093,282	\$ 2,022,649	\$ 2,764,188	\$ 3,118,077
Restricted	128,974	145,922	160,908	293,662	464,379	537,072	815,128	833,062	1,316,214	944,457
Unrestricted (Deficit)	<u>249,462</u>	<u>65,592</u>	<u>29,715</u>	<u>130,499</u>	<u>(12,218)</u>	<u>(150,345)</u>	<u>(2,472,320)</u>	<u>(2,174,552)</u>	<u>(4,206,360)</u>	<u>(2,950,070)</u>
Total district net position	<u>\$ 1,328,562</u>	<u>\$ 1,202,074</u>	<u>\$ 1,257,163</u>	<u>\$ 1,614,878</u>	<u>\$ 1,762,605</u>	<u>\$ 2,140,826</u>	<u>\$ 438,090</u>	<u>\$ 681,159</u>	<u>\$ (125,958)</u>	<u>\$ 1,112,464</u>

Source: CAFR Exhibit A-1.

Note: In 2015 the effective date of GASB 68 an adjustment was made of the provision of the net pension liability for PERS.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,679,353	\$ 2,607,726	\$ 2,133,697	\$ 2,577,808	\$ 2,682,995	\$ 2,728,794	\$ 2,351,573	\$ 2,305,318	\$ 3,274,466	\$ 4,799,797
Special education	519,343	599,092	718,481	709,802	656,054	728,018	1,052,582	1,042,056	1,800,417	1,580,240
Other special education						126,954	117,681	96,921	208,739	53,551
Other instruction	91,343	308,279	990,484	182,999	308,792	2,441	1,068	1,260	28,138	193,061
Adult/continuing education programs		19,304	19,304							
Support Services:										
Tuition	3,928,424	4,194,975	4,090,032	4,241,104	4,366,918	4,607,925	4,846,564	4,735,534	4,881,952	4,498,634
Student & instruction related services	745,544	790,897	856,067	613,510	646,513	688,154	809,813	805,018	1,142,432	1,258,566
School Administrative services	257,245	311,339	320,945	321,461	321,679	233,518	354,760	318,254	417,216	604,819
General administration services	422,230	454,852	482,191	442,569	491,230	320,808	231,973	383,063	801,716	1,005,435
Central Services						204,521	239,246	218,001		
Administrative information technology						59,819	78,501	73,747		
Plant operations and maintenance	595,452	777,343	674,514	579,458	568,263	593,387	477,245	618,216	866,171	978,026
Pupil transportation	708,178	622,851	600,061	569,725	515,508	607,421	658,207	574,329	689,934	753,879
Unallocated benefits	1,760,297	1,662,381	2,047,465	1,847,270	2,074,585	2,215,322	2,225,155	2,270,983		
Interest on long-term debt	176,769	172,977	166,902	159,553	148,878	190,231	121,024	112,280	47,631	73,393
Unallocated depreciation and amortization	168,619	177,177	180,422	180,685	180,949	180,949		64,579		
Transfer to Charter Schools										63,206
Total governmental activities expenses	\$ 12,052,797	\$ 12,699,193	\$ 13,280,565	\$ 12,425,944	\$ 12,962,364	\$ 13,488,262	\$ 13,565,392	\$ 13,599,559	\$ 14,158,811	\$ 15,862,607
Business-type activities:										
Food service	\$ 241,622	\$ 234,964	\$ 239,599	\$ 232,719	\$ 239,217	\$ 253,108	\$ 296,546	\$ 277,458	\$ 308,599	\$ 372,932
Child Care	351,988	255,056	240,722	224,632	285,001	217,025	247,470	190,596	230,393	256,338
Total business-type activities expense	\$ 593,610	\$ 490,020	\$ 480,321	\$ 457,351	\$ 524,218	\$ 470,133	\$ 544,016	\$ 468,054	\$ 538,992	\$ 629,270
Total district expenses	\$ 12,646,407	\$ 13,189,213	\$ 13,760,886	\$ 12,883,295	\$ 13,486,582	\$ 13,958,395	\$ 14,109,408	\$ 14,067,613	\$ 14,697,803	\$ 16,491,877

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 931,190	\$ 521,308	\$ 731,502	\$ 559,408	\$ 507,152	\$ 580,252	\$ 6,276,126	\$ 6,350,229	\$ 6,518,989	\$ 578,734
Total governmental activities program revenues	<u>931,190</u>	<u>521,308</u>	<u>731,502</u>	<u>559,408</u>	<u>507,152</u>	<u>580,252</u>	<u>6,276,126</u>	<u>6,350,229</u>	<u>6,518,989</u>	<u>578,734</u>
Business-type activities:										
Charges for services										
Food service	\$ 99,815	\$ 99,078	\$ 100,109	\$ 101,962	\$ 108,086	\$ 106,938	\$ 104,490	\$ 100,582	\$ 98,317	\$ 103,485
Child care	277,309	286,561	263,688	236,799	261,739	260,579	212,435	212,758	255,906	272,712
Operating grants and contributions	100,951	123,274	134,293	133,310	149,060	161,599	182,971	203,141	226,549	242,136
Total business type activities program revenues	<u>478,075</u>	<u>508,913</u>	<u>498,090</u>	<u>472,071</u>	<u>518,885</u>	<u>529,116</u>	<u>499,896</u>	<u>516,481</u>	<u>580,772</u>	<u>618,333</u>
Total district program revenues	<u>\$ 1,409,265</u>	<u>\$ 1,030,221</u>	<u>\$ 1,229,592</u>	<u>\$ 1,031,479</u>	<u>\$ 1,026,037</u>	<u>\$ 1,109,368</u>	<u>\$ 6,776,022</u>	<u>\$ 6,866,710</u>	<u>\$ 7,099,761</u>	<u>\$ 1,197,067</u>
Net (Expense)/Revenue										
Governmental activities	\$ (11,121,607)	\$ (12,177,885)	\$ (12,549,063)	\$ (11,866,536)	\$ (12,455,212)	\$ (12,908,010)	\$ (7,289,266)	\$ (7,249,330)	\$ (7,639,822)	\$ (15,283,873)
Business-type activities	(115,535)	18,893	17,769	14,720	(5,333)	58,983	(44,120)	48,427	41,780	(10,937)
Total district-wide net expense	<u>\$ (11,237,142)</u>	<u>\$ (12,158,992)</u>	<u>\$ (12,531,294)</u>	<u>\$ (11,851,816)</u>	<u>\$ (12,460,545)</u>	<u>\$ (12,849,027)</u>	<u>\$ (7,333,386)</u>	<u>\$ (7,200,903)</u>	<u>\$ (7,598,042)</u>	<u>\$ (15,294,810)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,375,527	\$ 6,547,012	\$ 6,625,544	\$ 6,650,854	\$ 6,655,854	\$ 7,122,271	\$ 7,264,716	\$ 7,410,010	\$ 7,780,511	\$ 8,052,828
Taxes levied for debt service	211,947	257,181	277,249	338,559	336,889	334,633	340,215	338,592	306,396	319,469
Federal and state aid not restricted	4,314,309	5,178,937	5,655,260	5,195,130	5,595,815	5,748,562				8,078,161
Federal and state aid restricted							131,381	130,288	184,859	
Miscellaneous income	108,474	49,374	28,330	24,988	19,714	21,782	20,310	10,613	13,318	65,104
Special item								(436,828)	(1,494,160)	4,331
Transfers to Charter School								(6,703)		
Total governmental activities	<u>\$ 11,010,257</u>	<u>\$ 12,032,504</u>	<u>\$ 12,586,383</u>	<u>\$ 12,209,531</u>	<u>\$ 12,608,272</u>	<u>\$ 13,227,248</u>	<u>\$ 7,756,622</u>	<u>\$ 7,445,972</u>	<u>\$ 6,790,924</u>	<u>\$ 16,519,893</u>
Business-type activities:										
Special and extraordinary revenue										\$ 13,339
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,339</u>
Total district-wide	<u>\$ 11,010,257</u>	<u>\$ 12,032,504</u>	<u>\$ 12,586,383</u>	<u>\$ 12,209,531</u>	<u>\$ 12,608,272</u>	<u>\$ 13,227,248</u>	<u>\$ 7,756,622</u>	<u>\$ 7,445,972</u>	<u>\$ 6,790,924</u>	<u>\$ 16,533,232</u>
Change in Net Position										
Governmental activities	\$ (111,350)	\$ (145,381)	\$ 37,320	\$ 342,995	\$ 153,060	\$ 319,238	\$ 467,356	\$ 196,642	\$ (648,898)	\$ 1,236,020
Business-type activities	(115,535)	18,893	17,769	14,720	(5,333)	58,983	(44,120)	48,427	41,780	2,402
Total district	<u>\$ (226,885)</u>	<u>\$ (126,488)</u>	<u>\$ 55,089</u>	<u>\$ 357,715</u>	<u>\$ 147,727</u>	<u>\$ 378,221</u>	<u>\$ 423,236</u>	<u>\$ 245,069</u>	<u>\$ (807,118)</u>	<u>\$ 1,238,422</u>

Source: CAFR Exhibit A-2.

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 127,271	\$ 14,420	\$ 159,206	\$ 288,869	\$ 463,086					
Unreserved	(13,806)	(216,569)	(270,215)	(184,151)	(321,535)					
Total general fund	\$ 113,465	\$ (202,149)	\$ (111,009)	\$ 104,718	\$ 141,551	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund	1,702	1,702								
Debt service fund	1		1,702	4,793	1,293					
	\$ 1,703	\$ 1,702	\$ 1,702	\$ 4,793	\$ 1,293	\$ -	\$ -	\$ -	\$ -	\$ -
Governmental Funds										
Restricted for:										
Excess surplus - prior year - designated for subsequent year expenditures						38,328	38,328			-
Excess surplus Capital reserve account						275,000	425,602	550,858	744,457	558,146
Capital reserve - designated for subsequent year's expenditures									210,000	510,000
Maintenance reserve account						125,815	130,815	180,815	255,815	255,815
Emergency reserve account						75,000	75,041	75,055	75,040	5,041
Emergency reserve - designated for subsequent year's expenditures										70,000
Tuition reserve account										100,000
Committed for:										
Year-end encumbrances General Fund						22,929		11,514	31,001	74,084
Assigned to:										
General fund - designated for subsequent year expenditures							145,342	130,117	78,720	26,850
Debt service fund								3,106	3,107	1
Unassigned:										
General fund						(231,013)	(611,669)	(483,864)	(345,221)	-
Capital projects fund									(275,814)	(275,814)
Special revenue fund						(7,104)	(7,552)	(6,770)		(4,948)
Total governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,955	\$ 195,907	\$ 460,831	\$ 777,105	\$ 1,753,632

Source: CAFR Exhibit B-1.

Note GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (See Notes to financial statements - Note 2G 15(a-c). Prior years have not been restated above and are not required to be.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 6,587,474	\$ 6,804,193	\$6,902,793	\$6,989,413	\$6,992,743	\$7,456,904	\$7,604,931	\$7,748,602	\$8,086,907	\$8,372,297
Miscellaneous	154,982	93,453	44,720	24,988	19,714	21,782	20,311	10,613		79,824
Local sources								1,301	15,818	
State sources	4,803,275	5,235,255	5,009,991	5,278,371	5,525,957	5,883,033	5,969,144	6,108,328	6,262,703	6,545,693
Federal sources	395,716	420,911	1,360,381	476,167	577,010	445,781	438,362	395,011	438,645	444,107
Total revenue	11,941,447	12,553,812	13,317,885	12,768,939	13,115,424	13,807,500	14,032,748	14,263,855	14,804,073	15,441,921
Expenditures										
Instruction										
Regular Instruction	2,679,353	2,607,726	2,133,697	2,577,808	2,682,995	2,728,794	2,351,574	2,416,989	2,381,257	2,959,841
Special education instruction	519,343	599,092	718,481	709,802	656,054	728,018	1,052,582	1,042,056	1,309,299	950,936
Other special instruction		308,279	990,484	182,999	308,792	126,954	117,880	96,921	151,800	32,225
Other instruction	91,343					2,441	1,068	1,260	20,462	116,178
Adult/continuing education		19,304	18,304							
Support Services:										
Tuition	3,928,424	4,194,975	4,090,032	4,241,104	4,366,918	4,607,925	4,846,564	4,735,534	4,543,802	4,498,634
Student & inst. related services	745,544	790,897	856,067	613,510	6,465,153	688,154	809,813	805,018	830,799	757,363
General administration	257,245	311,339	320,945	321,461	321,679	233,519	354,760	328,136	583,023	328,059
School administrative services	422,230	454,852	482,191	442,569	491,230	320,808	228,169	318,254	303,407	648,494
Central services						204,521	239,246	218,001		
Admin. information technology						59,819	78,501	73,748		
Plant operations and maintenance	595,452	777,343	674,514	579,458	568,263	590,919	477,245	594,784	629,897	588,543
Pupil transportation	708,178	622,851	600,061	569,725	515,508	607,421	658,207	574,330	501,734	453,660
Employee benefits	1,840,473	1,654,356	2,037,940	1,845,070	2,055,261	2,244,051	2,188,258	2,279,444	2,194,286	2,411,413
Charter Schools										
Capital outlay	120,647	16,524	20,927	2,062		40,368	3,804	62,162	590,534	210,142
Debt service:										
Principal	138,168	209,112	245,000	305,000	320,000	330,000	345,000	390,000	360,000	370,000
Interest and other charges	176,769	172,977	166,902	159,553	148,878	137,678	126,128	123,272	87,500	76,700
Total expenditures	12,223,169	12,739,627	13,355,545	12,550,121	18,900,731	13,651,390	13,878,599	14,059,909	14,487,800	14,465,394
Excess (Deficiency) of revenues over (under) expenditures	(281,722)	(185,815)	(37,660)	218,818	(5,785,307)	156,110	154,149	203,946	316,273	976,527

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing sources (uses)										
Refunding bonds issued								2,964,621		
Payments to escrow agent								(2,896,940)		
Transfers out								(6,703)		
Total other financing sources (uses)	-	-	-	-	-	-	-	60,978	-	-
Net change in fund balances	<u>\$ (281,722)</u>	<u>\$ (185,815)</u>	<u>\$ (37,660)</u>	<u>\$ 218,818</u>	<u>\$ (5,785,307)</u>	<u>\$ 156,110</u>	<u>\$ 154,149</u>	<u>\$ 264,924</u>	<u>\$ 316,273</u>	<u>\$ 976,527</u>
Debt service as a percentage of noncapital expenditures	2.60%	3.00%	3.09%	3.70%	2.48%	3.44%	3.40%	3.67%	3.22%	3.13%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2008		\$ 108,474	\$ 108,474
2009		49,374	49,374
2010		28,330	28,330
2011		24,988	24,988
2012		19,714	19,714
2013		21,782	21,782
2014	\$ 4,750	15,561	20,311
2015		10,613	10,613
2016		13,318	13,318
2017		65,104	65,104

Source: District records

REVENUE CAPACITY

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax Exempt Property	Business Personal Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008	\$ 3,985,600	\$ 193,928,600	\$ 32,211,000	\$ 925,000	\$ 8,290,100	\$ 239,340,300	\$ 26,219,900	\$ 1,067,795	\$ 266,627,995	\$ 556,757,979	2.830
2009	3,054,300	194,032,900	33,608,900	925,000	8,290,100	239,911,200	26,217,700	1,148,541	267,277,441	556,841,356	2.863
2010	2,839,900	193,906,800	31,713,900	925,000	8,290,100	237,675,700	26,429,600	1,226,753	265,332,053	533,264,404	2.925
2011	2,834,700	194,158,300	31,966,400	700,000	8,290,100	237,949,500	26,413,300	1,355,556	265,718,356	523,721,323	2.925
2012	2,786,800	194,102,700	31,589,700	700,000	8,290,100	237,469,300	26,303,300	1,688,303	265,460,903	521,760,481	3.100
2013	2,786,800	193,483,300	30,898,800	700,000	7,621,600	235,490,500	26,505,300	1,374,244	263,370,044	500,052,840	3.119
2014	2,654,900	193,459,300	30,498,200	700,000	7,621,600	234,934,000	26,860,000	1,414,323	263,208,323	453,969,523	3.212
2015	2,687,700	193,403,600	29,658,700	700,000	7,536,600	233,986,600	26,849,600	1,172,044	262,008,244	443,277,283	3.439
2016	3,023,800	193,514,500	29,560,600	700,000	7,536,600	234,335,500	26,650,000	1,254,520	262,240,020	435,230,039	3.554
2017	3,233,800	193,530,500	29,388,000	700,000	7,536,600	234,388,900	26,852,600	1,235,395	262,476,895	443,026,923	3.559

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100 of assessed valuation

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Borough of Jamesburg School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Borough of Jamesburg	Fire District	County of Middlesex	
2008	\$ 2.830	-	\$ 2.830	\$ 1.315	\$ 0.165	\$ 0.665	\$ 4.975
2009	2.863	-	2.863	1.423	0.164	0.699	5.149
2010	2.825	-	2.825	1.448	0.166	0.665	5.104
2011	2.925	-	2.925	1.447	0.166	0.737	5.275
2012	3.119	-	3.119	1.497	0.165	0.746	5.527
2013	3.212	-	3.212	1.539	0.177	0.730	5.658
2014	3.281	-	3.281	1.588	0.187	0.729	5.785
2015	3.439	-	3.439	1.669	0.097	0.750	5.955
2016	3.419	\$ 0.135	3.554	1.748	0.197	0.724	6.223
2017	3.421	0.138	3.559	1.761	0.197	0.751	6.268

Source: Municipal Tax Collector

Note:

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

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

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

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND SEVEN (7) YEARS AGO
 (UNAUDITED)**

Taxpayer	2017			Taxpayer	2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tall Tree Apartments	\$ 1,800,000	1	0.77%	Bell Atlantic	\$ 2,742,769	1	1.15%
Verizon	1,534,088	2	0.65%	Tall Tree Apartments	1,800,000	2	0.75%
7310 13th Ave, LLC	1,494,000	3	0.64%	CVS	1,750,000	3	0.73%
Colletti Terrace LLC	1,375,000	4	0.59%	333 Forsgate Associates LLC	1,250,000	4	0.52%
CVS	1,250,000	5	0.53%	Molineux	1,200,000	5	0.50%
QuickChek	1,190,000	6	0.47%	Jamesburg Holding	1,100,000	6	0.46%
333 Forsgate Associates LLC	1,100,000	7	0.46%	Maglies, Robert	1,000,000	7	0.42%
Septak, Katheryn A	1,071,600	8	0.43%	24 Forge	925,000	8	0.39%
Maglies, Robert	1,000,000	9	0.42%	TD Bank	874,000	9	0.37%
Lake Realty Partners LLC	984,400	10		Abreu	825,000	10	0.35%
	<u>\$ 12,799,088</u>		<u>4.96%</u>		<u>\$ 13,466,769</u>		<u>5.64%</u>
Total Assessed Value	<u>\$ 234,388,900</u>				<u>\$ 237,949,500</u>		

Source: Municipal Tax Assessor

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 6,587,474	\$ 6,587,474	100.00%	-
2009	6,804,193	6,804,193	100.00%	
2010	6,902,794	6,902,794	100.00%	
2011	6,989,413	6,989,413	100.00%	
2012	7,456,904	7,456,904	100.00%	
2013	7,456,904	7,456,904	100.00%	
2014	7,264,716	7,264,716	100.00%	
2015	7,748,602	7,748,602	100.00%	
2016	8,086,907	8,086,907	100.00%	
2017	8,372,297	8,372,297	100.00%	

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

Note:

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

DEBT CAPACITY

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Total District		
2008	\$ 4,594,112	\$ 4,594,112	3.27%	763
2009	4,385,000	4,385,000	3.12%	728
2010	4,140,000	4,140,000	2.95%	688
2011	3,835,000	3,835,000	2.26%	648
2012	3,515,000	3,515,000	2.07%	593
2013	3,185,000	3,185,000	1.88%	539
2014	2,840,000	2,840,000	1.67%	479
2015	2,370,000	2,370,000	1.40%	401
2016	2,010,000	2,010,000	1.19%	341
2017	1,640,000	1,640,000	0.97%	278

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

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

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2008	\$ 4,594,112	\$ -	\$ 4,594,112	1.72%	763
2009	4,385,000	-	4,385,000	1.64%	728
2010	4,140,000	-	4,140,000	1.56%	687
2011	3,835,000	-	3,835,000	1.44%	648
2012	3,515,000	-	3,515,000	1.32%	594
2013	3,185,000	-	3,185,000	1.21%	538
2014	2,840,000	-	2,840,000	1.08%	480
2015	2,370,000	-	2,370,000	0.90%	401
2016	2,010,000	-	2,010,000	0.77%	340
2017	1,640,000	-	1,640,000	0.62%	277

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

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

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

Deductions are allowable for resources that are restricted to repaying the principal of debt

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Jamesburg	None	100%	
County of Middlesex	\$ 525,985,481	0.4278%	\$ 2,250,166
Other debt			<u>None</u>
Subtotal, overlapping debt			2,250,166
Borough of Jamesburg District Direct Debt:			
Issued and outstanding - Bonds	\$ 1,640,000	100%	
Authorized but not Issued - Bonds and Notes	<u>None</u>	100%	<u>1,640,000</u>
Total direct and overlapping debt			<u>\$ 3,890,166</u>

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

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 Jamesburg Borough. 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.

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN (10) FISCAL YEARS
 (UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis
2016	\$ 441,817,596
2015	433,439,918
2014	<u>443,956,540</u>
	<u>\$ 1,319,214,054</u>
Average equalized valuation of taxable property	\$ 439,738,018
Debt limit (4% of average equalization value)	17,589,521 ^a
Total Net Debt Applicable to Limit	<u>1,640,000</u>
Legal debt margin	<u>\$ 15,949,521</u>

Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 20,311,042	\$ 21,765,808	\$ 21,962,475	\$ 21,517,694	\$ 21,049,949	\$ 19,831,969	\$ 18,850,133	\$ 17,717,626	\$ 17,414,643	\$ 17,589,521
Total net debt applicable to limit	<u>4,594,112</u>	<u>4,385,000</u>	<u>4,140,000</u>	<u>3,835,000</u>	<u>3,515,000</u>	<u>3,185,000</u>	<u>2,840,000</u>	<u>2,370,000</u>	<u>2,010,000</u>	<u>1,640,000</u>
Legal debt margin	<u>\$ 15,716,930</u>	<u>\$ 17,380,808</u>	<u>\$ 17,822,475</u>	<u>\$ 17,682,694</u>	<u>\$ 17,534,949</u>	<u>\$ 16,646,969</u>	<u>\$ 16,010,133</u>	<u>\$ 15,347,626</u>	<u>\$ 15,404,643</u>	<u>\$ 15,949,521</u>
Total net debt applicable to the limit as a percentage of debt limit	22.62%	20.15%	18.85%	17.82%	16.70%	16.06%	15.07%	13.38%	11.54%	9.32%

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2008	6,025	140,533,125	23,325	4.10%
2009	6,025	140,533,125	23,325	5.50%
2010	6,025	140,533,125	23,325	8.60%
2011	5,915	169,571,220	28,668	8.60%
2012	5,915	169,571,220	28,668	8.30%
2013	5,915	169,571,220	28,668	8.50%
2014	5,915	169,571,220	28,668	10.50%
2015	5,915	169,571,220	28,668	5.40%
2016	5,915	169,571,220	28,668	5.40%
2017	5,915	169,571,220	28,668	5.30%

Source:

^a Population information provided by 2000 US Census for 2008-2010 and the 2010 census for 2011-2017.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census for 2008 to 2010 and the 2010 Census for 2011-2017 published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development (Middlesex County Rate)

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN (10) YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
		Not Available			Not Available	
	<u> </u>		<u> </u>	<u> </u>		<u> </u>
	<u> </u>		<u> </u>	<u> </u>		<u> </u>
	<u> </u>		<u> </u>	<u> </u>		<u> </u>

Source: Middlesex County Economic Development Corporation and other sources

OPERATING INFORMATION

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	44.0	45.0	43.0	39.0	41.0	41.0	41.4	40.1	42.9	37.0
Special education	20.0	22.0	24.0	21.0	24.0	24.0	23.0	11.5	10.0	17.5
Other instruction										4.0
Support Services:										
Student & instruction related services	9.0	9.0	9.0	7.0	6.0	6.0	7.0	6.0	5.3	1.8
General administration	2.0	2.0	2.0	2.0	2.5	2.5	1.0	1.5	2.3	1.6
School administrative services	3.0	3.0	3.0	3.0	2.5	2.5	5.8	5.3	5.3	4.2
Business and other support services										
Central services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.4
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Plant operations and maintenance	6.0	6.0	6.0	6.0	7.0	7.0	6.0	7.0	7.0	7.1
Food service							1.5	1.5	1.5	0.9
Child care					6.0	6.0	6.0	6.0	6.0	4.0
Total	87.00	90.00	90.00	81.00	92.00	92.00	94.70	80.90	82.30	80.52

Source: District Personnel Records

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ^a</u>	<u>Cost Per Pupil ^d</u>	<u>Percentage Change</u>	<u>Teaching Staff ^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ^c</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2008	629	10,977,042	17,452	N/A	64.00	9.8:1	626.8	587	1.15%	93.70%
2009	620	11,835,830	19,090	9.39%	67.00	9.2:1	619.7	586	-1.13%	94.56%
2010	621	12,192,214	19,633	2.85%	63.00	10.5:1	661.1	628	6.68%	94.99%
2011	660	11,524,098	17,461	-11.07%	60.00	10.4:1	656.0	619	-0.77%	94.36%
2012	637	12,106,061	19,005	8.84%	65.00	9.8:1	638.5	617	-2.67%	96.63%
2013	665	12,610,399	18,963	-0.22%	64.40	10.0:1	643.2	626	0.74%	97.31%
2014	667	13,334,616	19,992	5.43%	64.40	10.0:1	643.2	626	0.00%	97.31%
2015	663	13,484,473	20,339	1.73%	51.88	12.8:1	663.0	634	3.08%	95.66%
2016	668	13,449,766	20,134	-1.00%	55.50	11.8:1	656.1	640	-1.04%	97.58%
2017	686	13,808,552	20,129	-0.03%	58.50	11.5:1	675.6	655	2.97%	96.95%

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).
- d Cost per Pupil calculated using Total Expenditures ÷ Operating Expenditures. This is not intended to represent the statutory calculation of cost per pupil.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>District Building</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Elementary</u>										
John F. Kennedy School										
Square Feet	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	67,723
Capacity (Students)	497	497	497	497	497	497	497	497	497	497
Enrollment	446	434	406	462	464	486	481	492	491	511
<u>Middle School</u>										
Grace M. Breckwedel School										
Square Feet	29,749	29,749	29,749	29,749	29,749	29,749	29,749	29,749	29,749	31,115
Capacity (Students)	224	224	224	224	224	224	224	224	224	224
Enrollment	183	185	215	198	175	181	177	177	185	175

Number of Schools at June 30, 2017
 Elementary = 1
 Middle School = 1

Source: District records

BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST NINE (9) FISCAL YEARS
(UNAUDITED)

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

* School Facilities Project # (s)	John F. Kennedy	Grace M. Breckwedel	Total
2009	\$ 46,701	\$ 31,113	\$ 77,814
2010	38,500	28,500	67,000
2011	116,808	50,060	166,868
2012	75,740	36,026	111,766
2013	31,660	10,629	42,289
2014	15,423	8,606	24,029
2015	51,642	35,729	87,371
2016	72,014	55,989	128,003
2017	45,474	44,426	89,900
Total School Facilities	\$ 493,962	\$ 301,078	\$ 795,040

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

Source: District records

BOARD OF EDUCATION
JAMESBURG BOROUGH SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property	\$ 450,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability	15,000,000	N/A
Comprehensive Automobile Liability	15,000,000	
Auto Physical Damage		1,000
Comprehensive Crime Liability	100,000	500
Computers and Scheduled Equipment:		
Data Processing - Hardware/Software	480,000	
Workers Compensation	2,000,000	5,000
School Leaders Errors and Omissions	16,000,000	5,000.00
Public Official Bonds:		
Board Secretary	250,000	
Treasurer	250,000	

All policies are with the New Jersey School Boards Association Insurance Group, unless otherwise noted above.

Source: District records

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1
Sheet 1 of 2

**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**

Honorable President and Members
of the Board of Education
Borough of Jamesburg Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, 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 Borough of Jamesburg Board of Education, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Borough of Jamesburg Board of Education's basic financial statements, and have issued our report thereon dated December 13, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jamesburg Borough 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 Jamesburg Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore material weaknesses or significant deficiencies may exist that may not have been identified. 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.

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 (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Borough of Jamesburg School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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. We noted certain immaterial matters which disclosed in the Auditor's Management Report.

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 13, 2017

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Exhibit K-2
Sheet 1 of 3

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE
FOR MAJOR STATE PROGRAMS AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY NJOMB 15-08**

The Honorable President and Members
of the Board of Education
Borough of Jamesburg Board of Education
County of Middlesex, New Jersey

Report on Compliance for Major State Programs

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

Management's Responsibility

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

Auditor's Responsibility

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

INDEPENDENT AUDITORS REPORT ON COMPLIANCE
FOR MAJOR STATE PROGRAMS AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY NJOMB 15-08 (CONTINUED)

We believe that our audit provides a reasonable basis for our opinion on compliance for each state program. However, our audit does not provide a legal determination of Borough of Jamesburg Board of Education's compliance.

Opinion on Major State Programs

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

Report on Internal Control over Compliance

Management of the Borough of Jamesburg Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Jamesburg Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each state program and to test and report on internal control over compliance in accordance with New Jersey State Aid/Grant Compliance Supplement, 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 Borough of Jamesburg Board of Education's internal control over compliance.

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

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

INDEPENDENT AUDITORS REPORT ON COMPLIANCE
FOR MAJOR STATE PROGRAMS AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY NJOMB 15-08 (CONTINUED)

Purpose of Report

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

December 13, 2017
Freehold, New Jersey

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period		Award Amount	Balance, June 30, 2016			Balance, June 30, 2017			
			From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary (Expenditures)	Deferred Revenue	(Accounts Receivable)	Due to Grantor
General Fund:												
Medical Assistance Program	93.778	1705NJ5MAP	7/1/2016	6/30/2017	\$ 15,919.50			\$ 11,653.76	\$ (15,919.50)		\$ (4,265.74)	
								\$ 11,653.76	\$ (15,919.50)		\$ (4,265.74)	
Enterprise Fund:												
U.S. Department of Agriculture												
Passed - Through NJS Department of Education:												
Food Distribution Program	10.555	171NJ304N1099	7/1/2016	6/30/2017	\$ 19,073.33			\$ 19,073.33	\$ (17,990.43)	\$ 1,082.90		
Food Distribution Program	10.555	16161NJ304N1099	7/1/2015	6/30/2016	1,036.35	\$ 1,036.35			(1,036.35)			
School Breakfast Program	10.553	171NJ304N1099	7/1/2016	6/30/2017	50,878.77			46,848.53	(50,878.77)		\$ (4,030.24)	
School Breakfast Program	10.553	16161NJ304N1099	7/1/2015	6/30/2016	9,310.50	(9,310.50)		9,310.50				
National School Lunch Program	10.555	171NJ304N1099	7/1/2016	6/30/2017	164,075.76			153,065.84	(164,075.76)		(11,009.92)	
National School Lunch Program	10.555	16161NJ304N1099	7/1/2015	6/30/2016	27,022.64	(27,022.64)		27,022.64				
Healthy Hunger Free Kids Program	10.555	171NJ304N1099	7/1/2016	6/30/2017	4,413.96			4,114.86	(4,413.96)		(299.10)	
Healthy Hunger Free Kids Program	10.555	16161NJ304N1099	7/1/2015	6/30/2016	763.56	(763.56)		763.56				
Total Enterprise Fund						\$ (36,060.35)		\$ 260,199.26	\$ (238,395.27)	\$ 1,082.90	\$ (15,339.26)	
Total						\$ (36,060.35)		\$ 271,853.02	\$ (254,314.77)	\$ 1,082.90	\$ (19,605.00)	

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period		Award Amount	Balance, June 30, 2016			Balance, June 30, 2017			
			From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary (Expenditures)	Deferred Revenue	(Accounts Receivable)	Due to Grantor
Special Revenue Fund												
U.S. Department of Education												
Passed - Through NJS Department of Education:												
Title I	84.010A	S010A150030	7/1/2015	6/30/2016	\$ 50,506.00	\$ (50,506.00)		\$ 50,506.00				
Title I	84.010A	S010A160030	7/1/2016	6/30/2017	202,967.00			158,221.00	\$ (201,060.86)		\$ (42,839.86)	
Title II, Part A	84.367A	S367A160029	7/1/2016	6/30/2017	31,724.00			4,505.00	(16,191.99)		(11,686.99)	
Title III, Part A	84.365A	S365A150030	7/1/2015	6/30/2016	3,817.00	(3,817.00)		3,817.00				
Title III, Part A	84.365A	S365A160030	7/1/2016	6/30/2017	28,836.00			17,434.00	(21,508.46)		(4,074.46)	
I.D.E.A. Part B	84.027A	H027A150100	7/1/2015	6/30/2016	30,490.00	(30,490.00)		30,490.00				
I.D.E.A. Part B	84.027A	H027A160100	7/1/2016	6/30/2017	183,803.00			140,938.00	(183,803.00)		(42,865.00)	
I.D.E.A. Preschool	84.173A	H173A150114	7/1/2015	6/30/2016	2,524.00	(2,524.00)		2,524.00				
I.D.E.A. Preschool	84.173A	H173A160114	7/1/2016	6/30/2017	5,623.00			5,623.00	(5,623.00)			
						\$ (87,337.00)		\$ 414,058.00	\$ (428,187.31)		\$ (101,466.31)	\$
Total Special Revenue Fund						\$ (87,337.00)		\$ 414,058.00	\$ (428,187.31)		\$ (101,466.31)	
Total Federal Financial Assistance						\$ (123,397.35)		\$ 685,911.02	\$ (682,502.08)	\$ 1,082.90	\$ (121,071.31)	

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/ Program Title	Grant or State Project Number	Grant Period		Award Amount	June 30, 2016		Cash Received	Budgetary (Expenditures)	Balance, June 30, 2017		MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
		From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor			Deferred Revenue (Accounts Receivable)	Due to Grantor		
State Department of Education:												
General Fund:												
Categorical Special Education Aid	17-495-034-5120-089	7/1/2016	6/30/2017	\$ 554,153.00			\$ 554,153.00	\$ (554,153.00)			\$ (55,166.00)	\$ (554,153.00)
Equalization Aid	17-495-034-5120-078	7/1/2016	6/30/2017	4,207,435.00			4,207,435.00	(4,207,435.00)			(418,850.00)	(4,207,435.00)
Categorical Security Aid	17-495-034-5120-084	7/1/2016	6/30/2017	101,794.00			101,794.00	(101,794.00)			(10,133.40)	(101,794.00)
Categorical Transportation Aid	17-495-034-5120-014	7/1/2016	6/30/2017	21,181.00			21,181.00	(21,181.00)			(2,108.00)	(21,181.00)
Underadequacy Aid	17-495-034-5120-096	7/1/2016	6/30/2017	166,255.00			166,255.00	(166,255.00)			(16,551.00)	(166,255.00)
PARCC Readiness Aid	17-495-034-5120-098	7/1/2016	6/30/2017	9,480.00			9,480.00	(9,480.00)			(944.00)	(9,480.00)
Per Pupil Growth Aid	17-495-034-5120-097	7/1/2016	6/30/2017	9,480.00			9,480.00	(9,480.00)			(944.00)	(9,480.00)
Professional Learning												
Community Aid	17-495-034-5120-101	7/1/2016	6/30/2017	9,000.00			9,000.00	(9,000.00)			(896.00)	(9,000.00)
Extraordinary Aid	17-495-034-5120-044	7/1/2016	6/30/2017	162,478.00				(162,478.00)	\$ (162,478.00)			(162,478.00)
Extraordinary Aid	16-495-034-5120-044	7/1/2015	6/30/2016	135,777.00	\$ (135,777.00)		135,777.00					
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/2016	6/30/2017	9,057.00				(9,057.00)	(9,057.00)			(9,057.00)
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/2015	6/30/2016	6,873.00	(6,873.00)		6,873.00					
Reimbursed T.P.A.F. Social Security												
Contributions (Non Budgeted)	17-495-034-5094-002	7/1/2016	6/30/2017	265,620.50			252,260.22	(265,620.50)	(13,360.28)			(265,620.50)
Reimbursed T.P.A.F. Social Security												
Contributions (Non Budgeted)	16-495-034-5094-002	7/1/2015	6/30/2016	265,607.43	(26,061.94)		26,061.94					
On-Behalf Teachers' Pension and Annuity Fund	17-495-034-5094-002	7/1/2016	6/30/2017	394,488.00			394,488.00	(394,488.00)				(394,488.00)
On Behalf - TPAF												
Post Retirement Medical	17-495-034-5094-001	7/1/2016	6/30/2017	328,699.00			328,699.00	(328,699.00)				(328,699.00)
On Behalf - TPAF												
Non-contributory Insurance	17-495-034-5094-004	7/1/2016	6/30/2017	640.00			640.00	(640.00)				(640.00)
Total General Fund							\$ 6,223,577.16	\$ (6,239,760.50)	\$ (184,895.28)		\$ (505,592.40)	\$ (6,239,760.50)

See Accompanying Notes to Schedules of Financial Assistance.

**BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/ Program Title	Grant or State Project Number	Grant Period		Award Amount	June 30, 2016		Cash Received	Budgetary (Expenditures)	Balance, June 30, 2017		MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
		From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor			Deferred Revenue (Accounts Receivable)	Due to Grantor		
State Department of Education (Continued):												
Special Revenue Fund:												
Other:												
Preschool Education Aid	17-495-034-5120-086	7/1/2016	6/30/2017	\$ 49,476.00			\$ 44,528.40	\$ (49,476.00)	\$ (4,947.60)			\$ (49,476.00)
Total Special Revenue Fund							\$ 44,528.40	\$ (49,476.00)	\$ (4,947.60)			\$ (49,476.00)
Capital Projects Fund:												
EDA Funding-JFK School												
HVAC Upgrades	2370-080-14-1003-G04			\$ 186,505.00							\$ (186,505.00)	
EDA Funding-JFK School Roof	2370-080-14-1004-G04			89,309.00							(89,309.00)	
Total Capital Projects Fund											\$ (275,814.00)	
Debt Service Fund:												
Debt Service Support	17-495-034-5120-075	7/1/2016	6/30/2017	\$ 124,125.00			\$ 124,125.00	(124,125.00)				\$ (124,125.00)
Total Debt Service Fund							\$ 124,125.00	(124,125.00)				\$ (124,125.00)
Enterprise Fund:												
National School Lunch Program												
(State Share)	16-100-010-3350-023	7/1/2015	6/30/2016	\$ 3,758.96	\$ (637.07)		\$ 637.07					
National School Lunch Program												
(State Share)	17-100-010-3350-023	7/1/2016	6/30/2017	3,693.60			3,443.92	(3,693.60)	(249.68)			(3,693.60)
NJ Agricultural Equipment Grant	17-100-010-3350-023	7/1/2016	6/30/2017	3,053.89			3,053.89	(3,053.89)				(3,053.89)
Total Enterprise Fund					\$ (637.07)		\$ 7,134.88	(6,747.49)	(249.68)			(6,747.49)
Total State Financial Assistance					\$ (169,349.01)		\$ 6,399,365.44	(6,420,108.99)	(190,092.56)	-	\$ (781,406.40)	(6,420,108.99)
Less On-behalf TPAF:												
Pension	17-495-034-5094-002								\$ 394,488.00			
Post-Retirement Medical	17-495-034-5094-001								328,699.00			
Non Contributory Insurance	17-495-034-5094-004								640.00			
Total for State Assistance Major Program									\$ (5,696,281.99)			

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2017

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Borough of Jamesburg School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules or expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two (2) state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) 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.

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2017

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$137,278.60 for the General Fund and a decrease of \$4,947.60 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 15,919.50	\$ 6,377,039.10	\$ 6,392,958.60
Special Revenue Fund	428,187.31	44,528.40	472,715.71
Debt Service Fund		124,125.00	124,125.00
Food Service Fund	<u>238,441.82</u>	<u>3,693.60</u>	<u>242,135.42</u>
	<u>\$ 682,548.63</u>	<u>\$ 6,549,386.10</u>	<u>\$ 7,231,934.73</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans outstanding payable to federal or state entities at June 30, 2017.

6. OTHER

The amount reported as TPAF Pension Contributions and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share social security contributions for TPAF members for the year ended June 30, 2017.

The State of New Jersey also makes TPAF post-retirement medical, pension contribution and disability expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% di minimus indirect cost rate.

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
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, dated
December 13, 2017

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no
2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards – NOT APPLICABLE

For the fiscal year ended June 30, 2017, the District was determined to expend less than \$750,000 in federal awards and is therefore exempt from the federal single audit requirements for 2017.

Internal control over major programs:

1. Material weakness(es) identified? _____ yes _____ no
2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of *Uniform Guidance*? _____ yes _____ no

Identification of major programs: **NOT APPLICABLE**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
None	None

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

Auditee qualified as low-risk auditee? **NOT APPLICABLE** _____ yes _____ no

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

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

No federal or state award findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

FOR THE YEAR ENDED JUNE 30, 2016:

There were no findings for the year ended June 30, 2016.