

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT

Columbus, New Jersey

County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT

COLUMBUS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

**Northern Burlington County Regional School District
Finance Department**

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INTRODUCTORY SECTION

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Northern Burlington County Regional School District

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October 11, 2017

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Northern Burlington County Regional School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Northern Burlington County Regional School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

The Northern Burlington County Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14 as amended by GASB Statement No. 39. The Northern Burlington County Regional Board of Education and its two schools constitute the district's reporting entity.

The district continues to maintain a high quality of education. The district provides a full range of educational programs and services appropriate to grade levels 7 through 12. These include regular, vocational, programs for the very able students (gifted and talented), as well as those for students with disabilities both in and out of district. The district educates students from Chesterfield Township, Mansfield Township, North Hanover Township, Springfield Township and the Joint Military Base McGuire, Dix, Lakehurst.

Supervising district wide goals is a district superintendent, an assistant superintendent for academics, a school business administrator/board secretary, three district-wide curriculum directors, a director of special services and an athletic director. The Northern Burlington County Regional High School and Middle School each have its own principal. The High School has three assistant principals and the middle school has one assistant principal.

- Northern Burlington County Regional Middle School: Grades 7 & 8: The middle school is a grade 7 to 8 school of 833 students. There are two administrators and a staff of approximately 90 teachers and support employees. The school is a state-of-the-art facility built in 2003 and is 144,000 square feet in size. The school is located on 180 Mansfield Road East, in Columbus where it shares a campus with the high school.
- Northern Burlington County Regional High School: Grades 9 through 12: The high school is a grade 9 through 12 school of 1337 students. There are four administrators and a staff of approximately 140 teachers and support employees. The original school building was built in 1960, has multiple dwellings, is 215,545 square feet in size and is well maintained. The high school is located on 160 Mansfield Road East, in Columbus where it shares a campus with the middle school.

The Regional Board of Education is comprised of nine members, each elected to three year terms. Based on the 2010 US Census the regional school boards seats are allocated as follows: Chesterfield has two seats, Mansfield has three seats, North Hanover has three seats, and Springfield has one seat.

The Regional Board of Education traditionally meets on the second Monday of each month for a work-session meeting and the third Monday of each month for a regular meeting. During its meetings and work-sessions the board determines district goals and priorities and conducts other business. Board meetings are open to the public and begin at 7:30 PM. All work-session and regular meeting agendas and minutes are posted on the district's e-governance webpage at www.nburlington.com.

The Parent Teacher Student Connection (PTSC) is active in the district and provides community support for a variety of programs and activities for the students.

Each district school follows district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality. All curricula in the district have been aligned to the New Jersey Core Curriculum Content Standards (NJCCCS) and the Common Core State Standards (CCSS). The following briefly describes new programs and or enhancements to existing programs that ensure the implementation of the standards:

Mathematics

All mathematics teachers improved their understanding of the PARCC evidence statements that describe the knowledge and skills each assessment item elicits from students. Teachers will analyze PARCC results and identify correlations with the district's math curricula and modify curriculum to ensure assessments are measuring students' depth of knowledge for each standard. Mathematics content teams continually seek resources to improve active student engagement with the content and to advance skill proficiency, and have determined that use of an electronic device to take assessments has yielded favorable results. Chrome books have been added to facilitate instructional practices in Algebra II and Calculus courses at the high school level, and Geometry & Probability courses at the middle school level. All levels of Pre-Calculus were re-designed for this year following the multi-year revision of Algebra I, Geometry and Algebra II. All required and elective math courses will be aligned to the new NJSLs, approved at the August 2017 BOE meeting, and the curricula will be fully implemented in September 2017.

Science

This year marks the first year of full curriculum implementation of the 2014 Next Generation Science Standards (NGSS)/New Jersey Student Learning Standards (NJSLs) for Science courses, including high school science electives. The entire department continues to develop units that incorporate the instructional shifts required by these standards, while the middle school seeks coordinated resources to support the integration of the standards. Chrome books have been incorporated in the high school Physics program and textbooks and online services will replace several existing resources that reflect the major redesign of science domains in grades 7 and 8 science courses. The Regional Curriculum Program Committee (RCPC) comprised of members from our district and the four sending elementary districts will continue to refine the multi-year strategic plan, focusing on instructional methodologies to improve student learning. Science teacher leaders on the committee will collaboratively develop lessons and demonstrate effective ways to implement the NJSLs to other science teachers in the district and the four sending elementary districts. All science courses, with the exception of one high school elective course,

were approved at the August 2016 BOE meeting and the curriculums were implemented in September 2016. The elective course is scheduled for a revision of curriculum and alignment to standards in summer 2017, with subsequent approval at the August 2017 BOE meeting and a September 2017 implementation of revised curriculum.

English Language Arts

The English Language Arts/Literacy program focuses instruction on the inclusion of oral and written expressions, detailed aspects of genres, and characteristics of various types of literary and informational texts aligned to the New Jersey Student Learning Standards, adopted May 2016. The district's benchmark assessment system has enabled teachers to design and implement activities and assessments to generate evidence of student understanding of enduring concepts and essential skills. Further, students are expected to demonstrate application of those concepts and skills throughout the curricula in grades 7-12. The content and skills in each unit build upon one another so all standards are addressed in a coherent and logical way across the grade spans. Specifically, the courses include common vocabulary and grammar instruction, and integrate art, music, media, civics and social studies that are on grade level. Digital learning tools and resources are accessible in the classroom for students to work within the school day or in any location other times of the day. Every language arts teacher use Google Classroom, Google Apps for Education (GAFE), and chrome books on a daily basis. All district English courses, with the exception of a few high school elective courses, were approved at the August 2016 BOE meeting and the curriculums were implemented in September 2016. The elective courses are scheduled for a revision of curriculum and alignment to standards in summer 2017, with subsequent approved at the August 2017 BOE meeting and a September 2017 implementation of curriculum.

Social Studies

Revisions to the social studies curricula reflect data obtained and analyzed from common assessments for each course, particularly in the benchmarking system used to assess evidence of essential skills. Course curricula were modified to provide teachers with a more appropriate timelines to include modern day issues and more current social phenomena. The district social studies program continued to focus on the incorporation of source documents and the shared responsibility of implementing the 2016 New Jersey Student Learning Standards. Activities include interactive notebooks and daily use of Google Classroom, Google Apps for Education, and chrome books. All district social studies courses, with the exception of a few high school elective courses, were approved at the August 2016 BOE meeting and the curriculums were implemented in September 2016. The elective courses are scheduled for a revision of curriculum and alignment to standards in summer 2017, with anticipated approval at the August 2017 BOE meeting and a September 2017 implementation of curriculum.

Visual and Performing Arts

The district continues to reference the NJDOE adoption of the National Arts Standards from the National Coalition of Core Arts Standards (NCCAS). Lessons and activities have been revised to ensure students are prepared for graduation and to facilitate maximization of opportunities in fine art, music, and theatre beyond graduation. Instructional resources, including material goods and various technologies have been implemented to support student success. Northern Burlington students continue to perform very well in co-curricular competitions, such as New Jersey Drama Forensics League (NJDFL), Teen Arts Festivals, and All State Band and Chorus. Revisions to the VPA curriculums were approves at the August 2012 BOE meeting and implemented in

September 2012. The district curriculums are aligned to the NJCCCS 2009, as there were no revisions to the VPA state standards in 2014.

21st Century Life and Careers

Applied Technology, Business, and Agriscience curriculums have been improved to incorporate new resources and materials in real world learning activities for students to practice essential life skills in analysis, development, design and problem solving. Printed and digital textbooks are now in use in Agriscience horticulture, mechanics and select Business courses. Accounting, Marketing, and Entrepreneurship courses have increased student participation in the co-curricular activities to include DECA (Distributive Education Clubs of America) and FLBA (Future Business Leaders of America). All Child Development sections are now supported by experienced upperclassmen modeling and facilitating instructional strategies with first year Child Development students. At the same time new educational technology is being infused in the program. Curriculum revision plans include aligning Agriculture mechanics courses and Business Education courses to 2014 NJ Student Learning Standard 9. The district curriculums in this area will be aligned to the NJSLS during the summer 2017, approved at the August 2017 BOE meeting and implemented in September 2017.

Comprehensive Health and Physical Education

All district health and physical education courses measure and monitor students' development of knowledge and skills that influence life-long healthy behaviors within the context of self, family, school, and the local and global community. Students are introduced to, and begin to develop an understanding of national and international public health and safety issues. Other units include wellness, driver's education, first aid/CPR, sex education, teen dating violence, fitness, nutrition, drug/alcohol abuse and family life. Physical fitness is promoted through participation in a variety of athletic games, competitions, and Fitness gram. Team-building skills are strongly emphasized through adventure education (outdoor ropes course and rock climbing) and advanced leadership skills are offered to students in grade 12 through the courses Peer Leadership and Lifetime Information for Everyone (LIFE). Teachers will receive training on the ropes course and rock climbing, and also engage in peer observation for the purpose of learning instructional strategies in other content areas. Courses were approved at the August 2014 BOE meeting and the curriculums were implemented in September 2014.

World Languages

The World Language department uses locally developed assessments to measure student progress in the three modes of communication: interpersonal (conversational skills) interpretive (reading and listening comprehension) and presentational (writing and speaking skills). The World Language teachers collaborate on the selection of authentic materials that encourage active learning and support the development of conceptual understanding. World language teachers meet regularly to ensure there is consistency between the same courses taught in both the middle school and high school. The curricula for the middle school world language courses will be revised and aligned to the NJSLS this summer with an August 2017 BOE approval date and a September 2017 implementation of curriculums. High school world language courses, with the exception of the higher levels of Chinese, were BOE approved at the August 2016 BOE meeting and implemented in September 2016. These high school courses will follow the same process as the middle school world language courses for BOE approval and implementation of curriculums.

Technology

All courses at Northern have integrated Standard 8.1, the use of digital tools, primarily Google Classroom, to access, manage, evaluate, and synthesize information in order to solve problems individually, collaborate, create, and communicate knowledge. The addition of a Business Education teacher with career experience elevates our program to lead students toward successful business careers. Courses have been aligned to NJSLs 2014 and offer greater access to more students in the areas of Accounting, Business Concepts and Law, Applications, and Marketing in the high school. Learning activities will emphasize professional collaboration. In addition, teachers are members of state professional associations and participate in professional development seminars that focus on current careers and workplace skills. Applied Technology courses address NJSLs 8.2 and continue learning through the incorporation of additional design and problem solving resources. Curriculums were approved at the August 2015 BOE meeting and implemented in September 2015.

ECONOMIC CONDITION AND OUTLOOK

The district completed the 2016-2017 fiscal year with an average daily enrollment of 2,089 students which is an increase of 65 students over the previous year's average daily enrollment. The table presents the annual pupil enrollment, as of October 15, for the current and previous nine school years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	2,131	2.85%
2015-2016	2,072	-3.54%
2014-2015	2,148	6.81%
2013-2014	2,011	0.00%
2012-2013	2,011	1.26%
2011-2012	1,986	4.31%
2010-2011	1,904	3.70%
2009-2010	1,836	0.77%
2008-2009	1,822	-1.41%
2007-2008	1,848	-2.27%

Enrollment projections are determined by a demographer using the cohort survival ratios and 5 years of historical data.

**Projected Grade 7-12 Enrollments for 2017-18 to 2021-22
Using Cohort-Survival Ratios and 6 years of Historical Data**

Year	7	8	9	10	11	12	SE	7 - 8 Total	9 - 12 Total	7 - 12 Total
2017-18	430	410	346	350	307	321	18	851	1331	2182
2018-19	380	429	394	329	339	305	18	820	1374	2194
2019-20	410	379	413	374	319	336	18	799	1450	2249
2020-21	394	408	365	392	363	316	18	812	1444	2256
2021-22	367	393	393	346	380	360	18	770	1487	2257

Although the housing development in Mansfield Township has slowed, Chesterfield Township continues to build new homes and grow. Housing on Joint Military Base McGuire, Dix, Lakehurst is near capacity.

We recognize that the State is in a financial crisis and want to assure our residents that the Northern Burlington County Regional School District is doing its part to maintain a responsible budget. The district's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing.

Maintaining our School System

For several years now, the Northern Burlington County Regional School Board has and its administration, faculty and community, has been working on a strategic plan to guide the course of programs and progress in the district. In cooperation with the Middle States Association, the district has successfully completed the Excellence By Design Protocols as outlined by the Middle States Accreditation Process. This initiative began in March of 2015 and will continue through the summer of 2017 and the fall of 2018 as the approved goals and actions plans are implemented and monitored for success. This is a self-assessment protocol that has culminated in the attainment of certification from the MSA.

Northern Burlington is also working hard to manage aging facilities. In September of 2015 a building referendum for approximately \$63 million was defeated at the polls. This has left the Board of Education seeking alternative strategies to address the significant facility needs. The FY'17 spending plan did appropriate revenues to address some of these more pressing concerns like the expansion of the parking facilities on campus. The FY'18 spending plan will also address some of the more pressing facility needs.

The Board remains committed to continue its practice of presenting budgets within the tax levy caps. With a history of shortage in State Aid support that simply does not adequately fund this increase in the student population; the Board of Education continues to offer spending plans with modest increases in local property tax increases. As a result of the inadequate State Aid, the NB Board of Education will use increased fund balance appropriations to support the 2017-2018 spending plan.

Academic priorities for FY'18 once again find focus ...in September 2017 Northern Burlington will introduce its first Air force Junior ROTC program.

In addition, this budget considers the need to incrementally enhance school and campus safety and security. As previously mentioned, this spending plan does anticipate additional student enrollment. Subsequently, an increase in teaching staff and teacher aides will be necessary to meet the needs of our growing student population. Moreover, this budget does maintain the staffing of a school resource officer for the Middle School and the High School. It should also be noted that the IPSC aid will once again be distributed to both the agriscience program (approximately 25%) and the general education programs (approximately 75%) throughout the district.

Finally, the Board of Education continues to support the administration's efforts to decrease out of district special education placement costs and increase tuition revenue opportunities within the district. For FY '18, the district anticipates the need to hire one additional teacher to support this effort. It should be noted that when this administration identifies the ability to service students 'in house' these placements are oftentimes challenged by the parents. As a result, increased legal fees are realized and ultimately, the legal decision most often does not support this effort. Instead, the district is forced to pay higher tuition rates and increase services beyond what the professionals in this district have determined to be quite appropriate for the needs of the child. Until this process is improved, the district's ability to better control these costs will not be realized.

Raising Standards and Expanding Opportunities

The Board of Education once again is pleased to have developed a spending plan that will raise academic standards and expand opportunities for all students. To accomplish this, programs are continually assessed and curriculum revised.

Academic Priorities include:

- In preparation for the state's adoption of the Next Generation Science Standards (NGSS), teams of teachers are intensely focusing on understanding the three dimensions of the standards and examining how curriculum and instruction will change to support the shifts. The shifts include an understanding of Science and Engineering Practices, Crosscutting Concepts, and Disciplinary Core Ideas.
- The incorporation of locally designed benchmark assessments to enable teachers in all departments to assess the identified power standards and provide students with opportunities to demonstrate their understanding of critical content standards.
- Instructional technologies such as chrome books, interactive white boards, and Google Docs for Education software are sustained and expanded.
- The middle school and high school English Language Arts program will focus instruction on the inclusion of oral and written expressions, detailed aspects of genres, and the characteristics of various kinds of literary and informational texts that are aligned to the Common Core State Standards (CCSS).
- In response to the College Board's revision of the national social studies curricula, teachers in the social studies department anticipate significant revisions to local curricula beginning summer 2015 and continuing in the summer of 2017.
- Pre-engineering course offerings continue to expand. Contemporary course names and activities include: Industrial Design, Architecture, Material Design, Tools & Machine, and Construction.

Curriculum revisions reflect Standards for Technological Literacy delineated by the International Technology and Engineering Educators Association (ITEEA) and will compliment this evolution. The implementation of locally developed benchmark assessments will continue to assess students' learning of critical content standards and enduring understandings for each course.

Building Professionalism

Each summer the Central Administration coordinates and presents an "Administrative Retreat." This is a carefully crafted professional development program that is designed to build capacity in critical areas of the administrative team. The retreat focus for the summer of 2017 will include a comprehensive review of administrative job responsibilities. This spring, there has been a significant turnover in administration as the Assistant Superintendent, a director, and an assistant principal has been replaced. It will be important to bring the entire administrative team together to discuss roles and responsibilities for FY'18.

It should also be noted that the Northern Burlington County Regional School District administrators and faculty are proud to implement its locally developed teacher assessment and principal assessment tools. Both tools have been approved by the Department of Education. Clearly, the need for staff training and resource materials needed for the implementation of EE4NJ is evidenced in the state guidelines and this spending plan provides for the necessary resources to successfully implement and monitor this process. Moreover, it is anticipated that the administrative evaluation tool will be revised to reflect the more recent *Professional Standards for Educational Leaders*.

Northern Burlington County Regional District's locally developed teaching practice evaluation instrument was approved by the New Jersey Department of Education. Presently teachers and administrators are receiving training on the instrument and process.

Protecting our Investments (Capital and Maintenance Projects/Capital Reserve)

The school district held a special election for the Building Excellence project that proposed connecting the old junior high school building to the original high school building creating a closed campus, updating 56 year old mechanical systems such as boilers, HVAC, electric, plumbing, etc., replace sections of roofs on each school building, and expand the high school parking lot. The election was soundly defeated by the regional school communities. Members of the School Administration in conjunction with School Board Members hosted "focus group" meetings to determine what the school community will support relative to renovating and expanding their 56 year old high school facilities.

In the interim, costly repairs to aging electrical equipment are being completed through the current general fund budget. An outdated Federal Pacific electrical panel was repaired enough to get by long enough to replace the panel with equipment from companies that are still in business. Likewise, to alleviate students parking on surrounding roads without sidewalks, the Fiscal Year 2107 General Fund budget included a lease purchase capital project to increase the school's parking lot by approximately 250 parking spaces.

Through a comprehensive maintenance plan the district continues to remodel high school classrooms each summer that includes the removal of asbestos floor tile, installation of vinyl composition floor tile, removal of antiquated electrical and audio-visual components and wiring, removal of slate blackboards and bulletin boards, patching, parching, and painting of rooms, electrostatic painting of all Nesbitt and

Herman-Nelson unit ventilator covers and metal shelving along with the installation of SMARTBOARDS, new casework, the installation of new teacher station power and audio visual terminals.

Further, each summer the building and grounds staff continues to paint areas that need restoring. This past year the painting project included the middle school hallway walls and four bathrooms. In the high school, the building and grounds staff painted over 6 classrooms, 6 lavatories, the boy's & girl's locker rooms, east main office, CST offices, and the school nurse's suite.

For safety purposes, ADA compliant room numbering signs were installed on all doors throughout the high school west and east school buildings. The room signage now ties into the new fire suppression system installed several years ago. Likewise, for safety and security purposes, numbering signs were installed on all exterior doors throughout the district's two schools so that first responders can more easily identify access to the school buildings.

The strategic plan for the replacement of analog security cameras and expansion of digital security cameras continued to be supported through the use of federal impact aid funds. The school district installed close to 30 security cameras in the high school and middle school. The majority of these cameras replaced old analog security cameras at the high school that outlived their useful life.

The Board remains optimistic that the school community will support the renovation of outdated mechanical systems, and improve the core facilities of the high school. The Board will continue to communicate the needs of the high school with the community and work towards a suitable building plan.

Planning for the Future

This administration and Board of Education fully understand the dynamics of strategic thinking and have established a collaborative decision-making process that incorporates a deliberate approach to strategic planning initiatives. Resources are evaluated, needs assessed, and progress measured. Key decisions are examined in scenario-based discussions and final goals are established after consideration from all stakeholders.

During the 2017-2018 school year, the Board of Education and its administration will continue to strive for excellence through the maintenance of the strategic plan that will guide instruction, facilities, and technology decision-making for the next five years. This process has included the crossover of the district's strategic planning process from the accreditation for growth (AFG) model to the Excellence By Design (ExBD) model as well as a rethinking of technologies to improve instruction and a reimagining of facilities for the year 2020.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations

related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

As part of the School 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.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. 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 referred in N.J.A.C. 6A:23. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the New Jersey Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the School Board is to ensure that the District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund

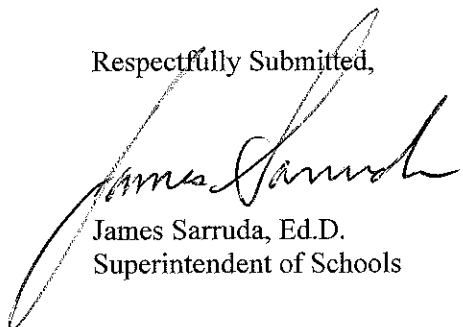
supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

AWARDS AND ACKNOWLEDGEMENTS


The Northern Burlington County Regional School District Board of Education has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal fiscal controls are well effective and consistently implemented. The School District plans to continue its sound fiscal management practices to meet the challenges of the future. Correspondingly, we are pleased to report that the School District was awarded the Certificate of Excellence (COE) in Financial Reporting for the fiscal year ended June 30, 2016 from the Association of School Business Officials International (ASBO). For many years, the Association of School Business Officials has offered a Certificate of Excellence in Financial Reporting Program and this program has been the "gold standard" for school districts wanting to demonstrate superior accounting practices and reporting procedures to the communities they serve. Northern Burlington earned this honor.

We would like to express our appreciation to the members of the Board of Education 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,

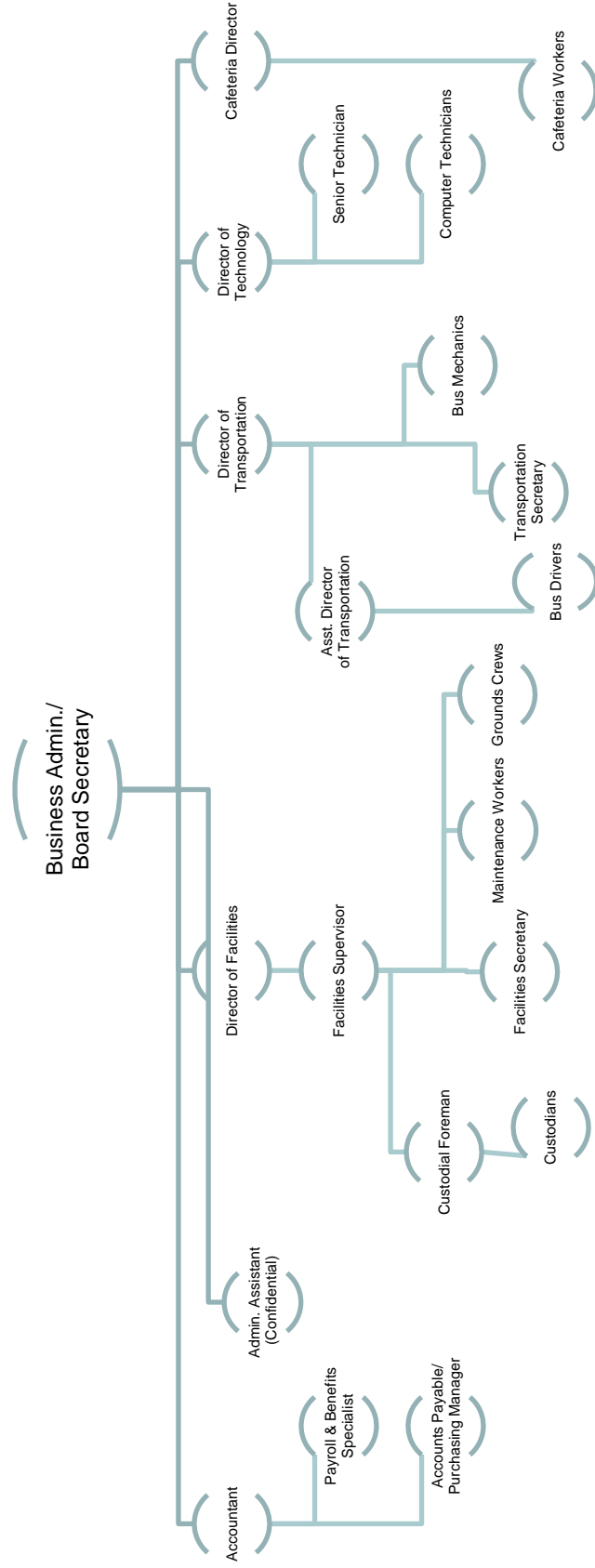


James Sarruda, Ed.D.
Superintendent of Schools



Richard Kaz, Jr.
School Business Administrator/
Board Secretary

Northern Burlington County Regional School District Business Office



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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Kevin Zimmer, President	2019
F. Gerald Spence, Vice President	2018
Cathryn Browning	2017
Michael Crawford	2019
Megan Riffle	2019
Edmund Nowak	2017
Marcial Mojena	2018
Paul Narwid	2018
Matthew Varava	2017
Lt. Col. Timothy Motley, McGuire-Dix-Lakehurst Joint Military Base Liaison	

OTHER OFFICIALS

Dr. James Sarruda, Superintendent

Richard Kaz, Board Secretary/Business Administrator

Joseph Monzo, Treasurer

Stephen J. Mushinski, Esquire, Solicitor

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECT

Fraytak Veisz Hopkins Duthie, P.C.
Trenton, New Jersey

ENGINEER

Van Cleef Engineering, Inc.
Robbinsville, New Jersey

AUDIT FIRM

Holman Frenia Allison, P.C.
Kevin P. Frenia, PSA, CPA, RMA
Medford, New Jersey

ATTORNEY

Stephen J. Mushinski, Esq.
Parkey McCay
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

TD Bank

Lumberton, New Jersey

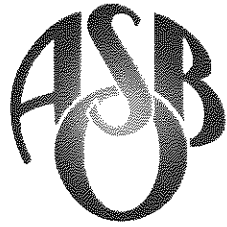
BBT

Lumberton, New Jersey

ABCO Federal Credit Union

Rancocas, New Jersey

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**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

**Northern Burlington County
Regional School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in cursive script, appearing to read 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in cursive script, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION

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

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194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 11, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The Discussion and Analysis (MD&A) of Northern Burlington County Regional School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017 fiscal year are as follows:

-  Northern Burlington formally reserved \$1,333,423 of unanticipated Federal Impact Aid and withdrew \$63,902 for spending bringing the total reserve to \$7,537,638 at fiscal year-end.
-  Northern Burlington formally transferred \$408,115 into a capital reserve account to fund future capital projects bringing the total balance in the capital reserve to \$2,914,832 at fiscal year-end.
-  The overall General Fund fund balance (budgetary basis) increased \$2,189,047 from the prior fiscal year to \$16,212,985 at June 30, 2017.
-  At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$2,042,035. Chapter 73, Public Law of 2004 ("S1701") limits the amount of unassigned fund balance to 2% of the adjusted general fund expenditures plus certain allowable adjustments. Total general fund expenditures were \$33,671,848 (less on-behalf TPAF and capital lease expenditures) and the allowable adjustments totaled \$1,368,598.
-  The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$850,458. The difference between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$1,191,577 which was recognized as revenue on a budgetary basis but not on a GAAP basis.
-  The School District's Adult School, Technology Fund and Food Service Fund each increased there net position in the amount of \$22,253, \$31,172 and \$2,135 respectively.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Northern Burlington County Regional School District as a financial whole, an entire operating entity. Required supplementary information and other supplementary information proceed to provide an increasingly detailed look at specific financial activities.

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing of service that can be provided by the governmental along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Using this Comprehensive Annual Financial Report (CAFR) (continued)

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Northern Burlington County Regional School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

- ◆ Governmental Activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities and pupil transportation.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The Food Service, Regional Transportation Program, Adult School and Technology enterprise funds are reported as business activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Project Fund, and Debt Service Fund.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Governmental Funds

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

Proprietary Funds

The School District maintains four proprietary fund types, enterprise funds. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in the School District's middle and high schools. The transportation services enterprise fund provides for the operation of a transportation system that provides transportation services to three school districts within the regional system. Likewise, the technology fund provides for shared technology services such as computer technicians and Internet access to three school districts within the regional system. The adult school provides educational programs to adults. The proprietary funds have been included within the business-type activities in the government-wide financial statements.

Fiduciary funds

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

The School District uses trust and agency funds to account for resources held for payroll transactions, student activities, retirement trust, and unemployment trust fund.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in 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 (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The School District as a Whole (continued)

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

Table 1 provides a summary of the School District's net position for fiscal year 2017 compared to fiscal year 2016.

**Table 1
Summary of Net Position**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 16,040,964	\$ 14,309,967	\$ 1,730,997	12.1%
Capital Assets, Net	34,481,182	33,530,151	951,031	2.8%
Total Assets	<u>50,522,146</u>	<u>47,840,118</u>	<u>2,682,028</u>	5.6%
Deferred Outflow of Resources	<u>4,711,400</u>	2,089,960	2,621,440	125.4%
Current and other Liabilities	816,112	582,263	233,849	40.2%
Noncurrent Liabilities	<u>31,706,738</u>	<u>28,967,934</u>	<u>2,738,804</u>	9.5%
Total Liabilities	<u>32,522,850</u>	<u>29,550,197</u>	<u>2,972,653</u>	10.1%
Deferred Inflow of Resources	<u>696,867</u>	576,426	120,441	20.9%
Net Position:				
Net Investment in Capital Assets	20,268,183	18,753,832	1,514,351	8.1%
Restricted	3,958,781	3,343,264	615,517	18.4%
Unrestricted (Deficit)	<u>(2,213,135)</u>	<u>(2,293,641)</u>	80,506	-3.5%
Total Net Position	<u>\$ 22,013,829</u>	<u>\$ 19,803,455</u>	<u>\$ 2,210,374</u>	11.2%

The School District's combined net position was \$22,013,829 on June 30, 2017. This was an increase of \$2,210,374 or 11.16% from the prior year. Below are explanations for the large fluctuations from prior to current year:

- The District's largest component of net position is the \$20,268,183 of net investment in capital assets. The increase of 8.1% is primarily due to the pay down of debt related to capital assets in the amount of \$2,811,000.
- The increase in noncurrent liabilities is primarily due to the net increase of \$2,880,025 in net pension liability.
- Deferred Outflows increased 125.4%, primarily due to the increase in deferred outflows related to pensions in the amount of \$2,692,280.
- Although the School District's overall financial performance increased from the prior year, the primary reason for the decrease of \$80,506 in unrestricted (deficit) in net position is the large increase in net pension liability as mentioned above.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The School District as a Whole (continued)

Table 2 provides a summary of the School District's changes in net position for fiscal year 2017 compared to fiscal year 2016.

**Table 2
Summary of Changes in Net Position**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 1,735,954	\$ 1,870,456	\$ (134,502)	-7.2%
Operating Grants & Contributions	4,336,278	3,918,518	417,760	10.7%
General Revenues:				
Property Taxes	21,893,615	20,741,862	1,151,753	5.6%
Federal & State Aid	15,791,291	15,621,068	170,223	1.1%
Other General Revenues	501,085	422,131	78,954	18.7%
Special Items:				
Gain/(Loss) on Fixed Asset Appraisal	115,897		115,897	100.0%
Total Revenues	<u>44,374,120</u>	<u>42,574,035</u>	<u>1,800,085</u>	<u>4.2%</u>
Function/Program Expenditures:				
Regular Instruction	15,609,532	14,633,020	976,512	6.7%
Special Education Instruction	3,156,549	3,872,050	(715,501)	-18.5%
Other Instruction	2,314,690	2,216,005	98,685	4.5%
Tuition	2,467,936	2,172,335	295,601	13.6%
Student & Instruction Related Services	5,118,253	4,184,265	933,988	22.3%
General Administrative	1,883,179	1,777,544	105,635	5.9%
School Administrative Services	1,408,038	1,417,908	(9,870)	-0.7%
Central Services	611,997	618,947	(6,950)	-1.1%
Administrative Info. Technology	74,448	75,627	(1,179)	-1.6%
Plant Operations & Maintenance	3,892,840	4,243,056	(350,216)	-8.3%
Pupil Transportation	3,041,971	2,938,805	103,166	3.5%
Interest & Other Charges	791,183	767,328	23,855	3.1%
Food Service	784,501	768,310	16,191	2.1%
Regional Transportation	702,410	615,884	86,526	14.0%
Adult Schools	60,351	68,410	(8,059)	-11.8%
Technology	245,868	285,312	(39,444)	-13.8%
Total Expenditures	<u>42,163,746</u>	<u>40,654,805</u>	<u>1,508,941</u>	<u>3.7%</u>
Change In Net Position	2,210,374	1,919,230	291,144	15.2%
Net Position - Beginning	19,803,455	17,884,225	1,919,230	10.7%
Net Position - Ending	<u>\$ 22,013,829</u>	<u>\$ 19,803,455</u>	<u>\$ 2,210,374</u>	<u>11.2%</u>

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The School District as a Whole (continued)

Below are explanations for the large fluctuations from prior to current year:

- The School District's regular and instruction increased by \$976,512. The primary reason for the increase is due to the always increasing TPAF salaries and wages and on-behalf benefits for teachers.
- The School District's student and instruction related services increased by 933,988 from the prior year. The primary reason for the increase was due to the increase of salaries and additional professional services related to social worker services
- The School District's tuition increased \$295,601 from the prior fiscal year. The primary reason was due to the increase in tuition rates from the prior fiscal year. The School District's number of sent students did not increase from the prior fiscal year.

Financial Analysis of the Government's Funds

All governmental funds (i.e., general fund, special revenue fund, capital project fund and debt service fund) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$42,330,092 and expenditures were \$42,821,511. The net change in fund balance for the year was an increase of \$1,971,799. As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Table 3 provides a summary of the governmental funds revenues for fiscal year 2017 compared to fiscal year 2016.

**Table 3
Summary of Governmental Funds Revenues**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Local sources:				
Local Tax Levy	\$ 21,893,615	\$ 20,741,862	\$ 1,151,753	5.6%
Tuition	138,365	209,665	(71,300)	-34.0%
Transportation	146,470	185,381	(38,911)	-21.0%
Miscellaneous	225,733	236,750	(11,017)	-4.7%
Federal Sources	2,976,372	2,832,464	143,908	5.1%
State Sources	16,949,537	16,498,252	(451,285)	-2.7%
Total Revenues	<u>\$ 42,330,092</u>	<u>\$ 40,704,374</u>	<u>\$ 723,148</u>	1.8%

Revenues increased by \$723,148 or 1.8% over the prior year. Below are explanations for the large fluctuations from prior to current year:

- The tax levy increase \$1,151,753 or 5.6% from the prior year was based on the tax rates struck by the townships.
- The decrease in tuition is related to two less students received by the District during fiscal year 2017

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Analysis of the Government's Funds (continued)

Table 4 is summary of governmental fund expenditures for fiscal year 2017 compared to fiscal year 2016.

**Table 4
Summary of Governmental Funds Expenditures**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Instruction:				
Regular Instruction	\$ 9,573,928	\$ 9,329,900	\$ 244,028	2.62%
Special Education Instruction	2,066,403	2,577,439	(511,036)	-19.83%
Other Instruction	1,669,641	1,696,415	(26,774)	-1.58%
Support Services and Undistributed Costs:				
Tuition	2,328,426	1,458,106	870,320	59.69%
Student & Instruction Related Services	4,182,828	3,982,496	200,332	5.03%
General Administrative Services	601,135	607,860	(6,725)	-1.11%
School Administrative Services	1,125,354	1,112,390	12,964	1.17%
Central Services	472,884	475,929	(3,045)	-0.64%
Administrative Info. Technology	58,139	57,589	550	0.96%
Plant Operations and Maintenance	2,995,136	3,069,040	(73,904)	-2.41%
Pupil Transportation	2,074,314	2,134,701	(60,387)	-2.83%
Employee Benefits	9,698,743	9,160,079	538,664	5.88%
Capital Outlay	2,430,778	645,899	1,784,879	276.34%
Debt Service	3,543,802	2,784,697	759,105	27.26%
Total Expenditures	<u>\$ 42,821,511</u>	<u>\$ 39,092,540</u>	<u>\$ 3,728,971</u>	9.54%

Governmental fund expenditures increased \$3,728,971 over the prior year or 9.54%. Below are explanations for the large fluctuations from prior to current year:

- This increase in capital outlay is primarily attributed to the capital outlay expenditure in the amount of \$2,200,000.
- The increase in debt service is due to an additional principal payment of \$447,793 for capital leases entered into the current fiscal year and bond issuance costs related to the refunding of debt in the amount of \$100,669.
- As previously mentioned, the increase in tuition is caused by an increase of tuition rates from the prior fiscal year.

General Fund Budgeting Highlights

Final budgeted revenues was \$33,840,390, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded estimated revenues by \$1,857,956.

Final budgeted appropriations was \$36,381,974, which was an increase of \$990,528 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$2,710,126.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

General Fund Budgeting Highlights (continued)

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$16,212,985 at June 30, 2017, an increase of \$2,189,047 from the prior year.

Proprietary Funds

Table 5 is summary of combined proprietary fund revenues and expenses for fiscal year 2017 compared to fiscal year 2016.

**Table 5
Summary of Proprietary Funds Revenues and Expenses**

	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Operating Revenues:				
Charges for service:				
Daily Sales - Reimbursable Programs	\$ 294,037	265,617	28,420	10.70%
Daily Sales - Nonreimbursable Programs	301,483	303,303	(1,820)	-0.60%
Transportation Fees	780,772	736,575	44,197	6.00%
Other Fees	359,662	355,296	4,366	1.23%
Total Operating Revenues	<u>1,735,954</u>	<u>1,660,791</u>	75,163	4.53%
Operating Expenses	<u>1,793,130</u>	<u>1,731,674</u>	61,456	3.55%
Operating Income/(Loss)	<u>(57,176)</u>	<u>(70,883)</u>	13,707	-19.34%
Nonoperating Revenues/(Expenses)	<u>28,567</u>	<u>152,628</u>	(124,061)	-81.28%
Change in Net Position	(28,609)	81,745	(110,354)	-135.00%
Net Position - Beginning	<u>559,636</u>	<u>477,891</u>	81,745	17.11%
Net Position - Ending	<u>\$ 531,027</u>	<u>\$ 559,636</u>	(28,609)	-5.11%

The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Food Service Enterprise Fund's net position increased by \$2,135 to \$235,543. In fiscal year 2016 the net position of the food service fund increased by 9,480. The food services program continues to be self-sustaining.

The Regional Transportation Enterprise Fund's net position decreased by \$84,169 to \$79,004. The primary cause of the decrease was the transfer of \$162,549 to the School District general fund for the purchase of school buses.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Proprietary Funds (continued)

The Adult School Fund' net position increased by \$22,253 to \$177,092. Revenues and expenditures remained fairly consistent from the prior year.

The Technology Fund's net position increased 31,172 to \$39,253. Revenues from the prior year remained consistent. The primary reason for the increase in net position is due to the reduction of \$31,114 in salaries and wages and employee benefits from the prior fiscal year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$34,481,182 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. Overall, the capital assets increased by \$951,031 from fiscal year 2016 to fiscal year 2017. The primary reason for the increase is due to the capital lease addition of \$2,200,000 for various capital improvements including the construction of and renovations to the School District's High School complex parking facilities. Table 6 shows combining 2017 balances compared to 2016.

**Table 6
Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 640,900	\$ 640,900	-	0.0%
Land Improvements	4,378,848	2,498,486	1,880,362	75.3%
Building and Improvements	27,783,542	28,638,947	(855,405)	-3.0%
Equipment	1,677,892	1,751,818	(73,926)	-4.2%
	<u>\$ 34,481,182</u>	<u>\$ 33,530,151</u>	<u>\$ 951,031</u>	<u>2.8%</u>

Combined depreciation expense for the year was \$1,595,644. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

At the end of the current fiscal year, the School District had total bonded debt outstanding of \$11,520,000 which is a decrease of \$2,811,000 from the prior year. During the year, the School District issued Refunding Bonds in the amount of \$9,155,000 to refund the outstanding balance of the 2006 bonds in the amount of \$9,865,000. Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

The other largest component of the School District's long-term debt is the net pension liability related to PERS. During fiscal year 2017 the net pension liability increased \$2,880,025 to \$14,118,804. The \$14,118,804 is the net pension liability as of the June 30, 2016 measurement date. More information on Pensions can be found in Note 8 of this report.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Debt Administration (continued)

At December 31, 2016, the School District's overall legal debt limit was \$94,954,116. The School District's net debt applicable to the limit was \$14,392,152 or 15.16% of the debt limit. More information can be found in the Statistical Section of this report (J-13).

For the Future

The Northern Burlington County Regional School District's Board of Education and its administration continue to implement financial strategies that establish and maintain a responsible fiscal position. Together, the Board of Education and its administration have developed a spending plan as outlined in the approved 2017-2018 budget that will not only support the continued success and growth of all the academic programs but also provide for the necessary resources to raise student performance standards and insure the continued success of all students.

Historically, the financial trends in New Jersey have resulted in the Northern Burlington County Regional School District experiencing state aid totals that are not reflective of the district's enrollment increases. This has resulted in difficult economic times since the primary sources of public school funding is state aid and property tax revenue. Over the years, significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy have significantly restricted the necessary revenues and subsequently the growth of school programs. Although the district did receive an adjustment to the state aid totals for FY'18, the adjustment is significantly below the totals necessary to recover all the lost aid over the last fifteen (15) years. This continued shortfall in funding will continue to result in significant constraints on the District's programs and services. The Board of Education and this administration will stand ready to manage any new funding formula being considered with the hopes that the formula will be implemented and the traditional approach of 'funding freezes' will no longer be implemented.

The Board of Education has a long history of effectively implementing the practice of shared services or purchasing cooperatives in an effort to efficiently manage the limited revenues and reduce expenses. For example, the business of the district demonstrates significant gains in a wide variety of shared services which include the sharing of services with Northern's constituent elementary school districts in the area of busing, transportation routing, fuel, instructional assistants and technology services including E-rate services. Furthermore, Northern continues to participate in reverse energy auctions to procure competitive natural gas and electric supply pricing. The District belongs to a handful of purchasing cooperatives recognizing efficiency and cost savings on technology, paper, office supplies, capital assets and equipment. Further, the District is self-insured through a Joint Insurance Fund for workers' compensation insurance, legal liability insurance, property and auto insurance. For Fiscal Year 2018, the District renewed its' shared services agreement with the Mansfield Township Police Department for vehicle maintenance of their police vehicles. Further, the District maintains its shared service agreements with Hainesport Township Elementary School District for Technology services.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

For the Future (continued)

Also, the school district upgraded its infrastructure by rewiring the entire high school for digital security cameras. The district continues to upgrade the wiring in the middle school for digital security cameras. Fifteen digital security cameras were installed. While it appears the Fiscal Year 2018 budget cannot afford any capital improvements the Board of Education is desirous of upgrading security cameras on the school campus and expanding coverage. A strategic plan for the replacement of analog security cameras and expansion of digital security cameras has been developed.

After a failed \$65 million referendum in September of 2015, the Northern Burlington Board of Education will present a special referendum to its community during Fiscal Year 2018, with the intent of addressing the critical facility needs in the high school. This is a \$39.7 million project that will provide renovations to the core facilities including HVAC, electrical, and roofing upgrades. New instructional spaces will include a media center and an expanded cafeteria. In addition, renovated applied technology labs, science labs, and agriscience classrooms will complete the project.

Finally, it should be noted that the Board of Education has recently completed a high school parking lot expansion project that included a new bus access road to separate school bus traffic from student, teacher, and parent traffic. This project was completed during the summer of 2016 and demonstrates the school Board's commitment to continue maintenance and upkeep of its facilities.

Requests for Information

This financial report is designed to provide a general overview of the Northern Burlington County Regional School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary at the Northern Burlington County Regional High School, located at 160 Mansfield East, Columbus, New Jersey 08022.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash & Cash Equivalents	\$ 12,210,007	\$ 349,650	\$ 12,559,657
Receivables, Net (Note 4)	491,143	58,852	549,995
Inventory		16,480	16,480
Restricted Cash & Cash Equivalents	2,914,832		2,914,832
Capital Assets, Net (Note 5)			
Non-depreciable	640,900		640,900
Depreciable	33,716,656	123,626	33,840,282
	<hr/>		
Total Assets	49,973,538	548,608	50,522,146
<hr/>			
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	4,441,635	-	4,441,635
Related to Loss on Debt Refunding	237,902		237,902
	<hr/>		
Total Deferred Outflow of Resources	4,679,537	-	4,679,537
<hr/>			
LIABILITIES:			
Accounts Payable	95,797	-	95,797
Due to Other Governments	485,542		485,542
Unearned Revenue	15,378	17,581	32,959
Accrued Interest	169,951		169,951
Noncurrent Liabilities (Note 7):			
Due within one year	1,610,554		1,610,554
Due in more than one year	30,096,184		30,096,184
	<hr/>		
Total Liabilities	32,473,406	17,581	32,490,987
<hr/>			
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	696,867	-	696,867
	<hr/>		
Total Deferred Inflow of Resources	696,867	-	696,867
<hr/>			
NET POSITION:			
Net Investment in Capital Assets	20,144,557	123,626	20,268,183
Restricted for:			
Capital Projects	3,387,446		3,387,446
Debt Service	2		2
Excess Surplus	163,932		163,932
Unrestricted (Deficit)	(2,213,135)	407,401	(1,805,734)
	<hr/>		
Total Net Position	\$ 21,482,802	\$ 531,027	\$ 22,013,829
	<hr/> <hr/>		

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION					PRIOR YEAR
	EXPENSES	PROGRAM REVENUES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	15,609,532	\$ 2,784,251		(12,825,281)		\$ (2,743,053)
Special Education Instruction	3,156,549	538,825		(2,597,724)		(1,172,147)
Other Instruction	2,314,690	332,317		(1,982,373)		(160,167)
Support Services:						
Tuition	-	400,892		(2,067,044)		(297,399)
Student & Instruction Related Services	2,467,936	67,816		(5,050,437)		(993,650)
General Administrative	5,118,253	-		(1,883,179)		(295,143)
School Administrative Services	1,883,179	-		(1,408,038)		(153,292)
Central Services	1,408,038	-		(611,997)		(242,149)
Administrative Info., Technology	611,997	-		(74,448)		(74,448)
Plant Operations & Maintenance	74,448	-		(3,892,840)		(650,118)
Pupil Transportation	3,892,840	-		(3,041,971)		(543,668)
Unallocated Benefits	3,041,971	-		-		(1,426,537)
On Behalf TPAF Pension and Social Security Contributions	-	-		-		-
Special Schools	-	-		-		(21,657)
Transfer to Charter Schools	-	-		-		-
Interest & Other Charges	791,183	-		(791,183)		(320,677)
Unallocated Depreciation	-	-		-		(212,783)
Total Governmental Activities	40,370,616	-	4,144,101	(36,226,515)	-	(9,232,440)
Business-Type Activities:						
Food Service	784,501	595,520	192,177		3,196	3,196
Regional Transportation	702,410	780,790			78,380	78,380
Adult Schools	60,351	82,604			22,253	22,253
Technology	245,868	277,040			31,172	31,172
Total Business-Type Activities	1,793,130	1,735,954	192,177	-	135,001	135,001
Total Primary Government	\$ 42,163,746	\$ 1,735,954	\$ 4,336,278	(36,226,515)	135,001	(36,091,514)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				20,053,384		20,053,384
Property Taxes, Levied for Debt Service				1,840,231		1,840,231
Federal & State Aid Restricted				664,663		664,663
Federal & State Aid Not Restricted				15,126,628		15,126,628
Tuition Charges				138,365		138,365
Transportation				146,470		146,470
Miscellaneous				216,250		216,250
Transfers				(162,549)		-
Special Items:						
Gain/(Loss) on Capital Asset Appraisal				116,958	(1,061)	115,897
Total General Revenues, Transfers and Special Items				38,465,498	(163,610)	38,301,888
Change In Net Position				2,238,983	(28,609)	2,210,374
Net Position - Beginning				19,243,819	559,636	19,803,455
Net Position - Ending				\$ 21,482,802	\$ 531,027	\$ 22,013,829

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

B. Fund Financial Statements

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Governmental Funds

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 11,829,617		\$ 472,614	\$ 2	\$ 12,302,233
Receivables, Net:					
Due from Other Governments:					
State	335,397				335,397
Federal		\$ 124,909			124,909
Other Receivables	30,837				30,837
Restricted Cash & Cash Equivalents	2,914,832				2,914,832
	<hr/>				
Total Assets	<u>\$ 15,110,683</u>	<u>\$ 124,909</u>	<u>\$ 472,614</u>	<u>\$ 2</u>	<u>\$ 15,708,208</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit		92,226			92,226
Due to Other Governments		10,783			10,783
Accounts Payable	89,275	6,522			95,797
Unearned Revenue		15,378			15,378
	<hr/>				
Total Liabilities	89,275	124,909	-	-	214,184
Fund Balances:					
Restricted for:					
Capital Reserve	2,914,832				2,914,832
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	163,932				163,932
Capital Projects			472,614		472,614
Debt Service				2	2
Committed to:					
Reserve for Impact Aid	7,537,638				7,537,638
Reserve for Legal Remediation	395,500				395,500
Assigned to:					
Designated for Subsequent Year's Expenditures	1,676,981				1,676,981
Year-end Encumbrances	1,482,067				1,482,067
Unassigned	850,458				850,458
	<hr/>				
Total Fund Balances	<u>\$ 15,021,408</u>	<u>-</u>	<u>472,614</u>	<u>2</u>	<u>15,494,024</u>
	<hr/>				
Total Liabilities & Fund Balances	<u>\$ 15,110,683</u>	<u>\$ 124,909</u>	<u>\$ 472,614</u>	<u>\$ 2</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$57,783,787 and the accumulated depreciation is \$23,426,231					
					34,357,556
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.					
Deferred Outflows related to pensions					4,441,635
Deferred Inflows related to pensions					(696,867)
Deferred Outflow related to the loss on bond refunding of debt					237,902
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					
					(169,951)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position					
					(474,759)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds					
					<u>(31,706,738)</u>
Net Position of Governmental Activities					<u>\$ 21,482,802</u>

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED 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>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 20,053,384			\$ 1,840,231	\$ 21,893,615
Tuition Charges	138,365				138,365
Transportation	146,470				146,470
Miscellaneous	216,250	\$ 9,483			225,733
Total Local Sources	20,554,469	9,483	-	1,840,231	22,404,183
State Sources	16,266,608	18,266		664,663	16,949,537
Federal Sources	2,429,769	546,603		-	2,976,372
Total Revenues	39,250,846	574,352	-	2,504,894	42,330,092
Expenditures:					
Instruction:					
Regular Instruction	9,573,928				9,573,928
Special Education Instruction	1,964,802	101,601			2,066,403
Other Instruction	1,669,641				1,669,641
Support Services:					
Tuition	1,936,211	392,215			2,328,426
Student & Instruction Related Services	4,115,012	67,816			4,182,828
General Administrative	601,135				601,135
School Administrative Services	1,125,354				1,125,354
Central Services	472,884				472,884
Administrative Info. Technology	58,139				58,139
Plant Operations & Maintenance	2,995,136				2,995,136
Pupil Transportation	2,074,314				2,074,314
Employee Benefits	6,124,951	4,043			6,128,994
On Behalf TPAF Pension and Social Security Contributions	3,569,749				3,569,749
Capital Outlay	2,422,101	8,677			2,430,778
Debt Service:					
Principal	598,927			2,101,000	2,699,927
Interest & Other Charges	139,313			704,562	843,875
Total Expenditures	39,441,597	574,352	-	2,805,562	42,821,511
Excess/(Deficiency) of Revenues over Expenditures	(190,751)	-	-	(300,668)	(491,419)
Other Financing Sources (Uses):					
Transfers in	162,549			200,000	362,549
Transfers out			\$ (200,000)		(200,000)
Proceeds of refunding bonds				9,963,061	9,963,061
Payment to refunding bond escrow agent				(9,862,392)	(9,862,392)
Capital Lease (non-budgeted)	2,200,000				2,200,000
Total Other Financing Sources (Uses)	2,362,549	-	(200,000)	300,669	2,463,218
Net changes in fund balances	2,171,798	-	(200,000)	1	1,971,799
Fund Balance, July 1	12,849,610	-	672,614	1	13,522,225
Fund Balance, June 30	\$ 15,021,408	\$ -	\$ 472,614	\$ 2	\$ 15,494,024

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2)		1,971,799
Amounts reported for governmental activities in the statement of activities (A-2) are different because		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
	Depreciation Expense (1,572,543) Gain/(Loss) on Capital Asset Appraisal 116,958 Capital Outlays 2,430,778 <hr style="width: 100%;"/>	975,193
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		(814,808)
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		2,699,927
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.	Proceeds of long-term debt (9,963,061) Refunding Escrow Deposits 9,862,392 Capital lease proceeds (2,200,000) <hr style="width: 100%;"/>	(2,300,669)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:	Amortization of premium on bonds 23,354 Amortization of loss on bond refunding (7,080) <hr style="width: 100%;"/>	16,274
Repayment of annual other postemployment benefits is an expenditure in the governmental funds, but the repayment of benefits decreases long-term liabilities in the statement of net position and is not reported in the statement of activities.		(277,407)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		36,418
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).		(67,744)
Change in Net Position of Governmental Activities	<hr style="width: 100%;"/>	<u>\$ 2,238,983</u>

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Proprietary Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND	
Current Assets:					
Cash & Cash Equivalents	\$ 122,386	\$ 35,875	\$ 161,846	\$ 29,543	\$ 349,650
Accounts Receivable:					
State	259	-	-	-	259
Federal	5,754	-	-	-	5,754
Other	-	43,129	-	9,710	52,839
Inventories	16,480	-	-	-	16,480
Total Current Assets	144,879	79,004	161,846	39,253	424,982
Noncurrent Assets:					
Capital Assets:					
Depreciable:					
Equipment	456,464	-	15,246	-	471,710
Less: Accumulated Depreciation	(348,084)	-	-	-	(348,084)
Total Noncurrent Assets	108,380	-	15,246	-	123,626
Total Assets	253,259	79,004	177,092	39,253	548,608
Current Liabilities:					
Unearned Revenue	17,581	-	-	-	17,581
Total Current Liabilities	17,581	-	-	-	17,581
NET POSITION					
Investment in Capital Assets	108,380	-	15,246	-	123,626
Unrestricted	127,298	79,004	161,846	39,253	407,401
Total Net Position	\$ 235,678	\$ 79,004	\$ 177,092	\$ 39,253	\$ 531,027

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND	TOTAL
Operating Revenues:					
Charges for service:					
Daily Sales - Reimbursable Programs	\$ 294,037	\$ -	\$ -	\$ -	\$ 294,037
Daily Sales - Nonreimbursable Programs	301,483	-	-	-	301,483
Transportation Fees		780,772			780,772
Other Fees		18	82,604	277,040	359,662
Total Operating Revenues	595,520	780,790	82,604	277,040	1,735,954
Operating Expenses:					
Salaries & Wages	317,793	234,010	53,986	164,584	770,373
Employee Benefits	12,667	117,392	-	54,823	184,882
Supplies and Materials	26,038	89,608	1,445	-	117,091
Depreciation	23,101	-	-	-	23,101
Management Fee	45,262	-	-	-	45,262
Contracted Services	-	249,599	-	-	249,599
Repairs and Maintenance	12,278				12,278
Miscellaneous	15,454	11,801	4,920	26,461	58,636
Cost of Sales-reimbursable programs	185,759				185,759
Cost of Sales-non-resimbursable programs	146,149	-	-	-	146,149
Total Operating Expenses	784,501	702,410	60,351	245,868	1,793,130
Operating Income/(Loss)	(188,981)	78,380	22,253	31,172	(57,176)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	6,139	-	-	-	6,139
Federal Sources:					
National School Lunch Program	124,479	-	-	-	124,479
Healthy Hunger-Free Kids Act	8,536				8,536
Food Distribution Program	53,023	-	-	-	53,023
Transfer to General Fund	-	(162,549)			(162,549)
Gain/(Loss) on Fixed Asset Appraisal	(1,061)	-			(1,061)
Total Nonoperating Revenues/(Expenses)	191,116	(162,549)	-	-	28,567
Change in Net Position	2,135	(84,169)	22,253	31,172	(28,609)
Net Position - Beginning	233,543	163,173	154,839	8,081	559,636
Net Position - Ending	\$ 235,678	79,004	\$ 177,092	\$ 39,253	\$ 531,027

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND	TOTAL
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 596,949	\$ 796,113	\$ 82,604	\$ 282,478	\$ 1,758,144
Payments to Employees	(317,793)	(234,010)	(53,986)	(164,584)	(770,373)
Payments for Employee Benefits	(12,667)	(117,392)	-	(54,823)	(184,882)
Payments to Suppliers	(376,821)	(351,633)	(9,573)	(27,268)	(765,295)
Net Cash Provided By (Used in) Operating Activities	(110,332)	93,078	19,045	35,803	37,594
Cash Flows From Noncapital Financing Activities:					
Transfers out to Other Funds	-	(162,549)	-	-	(162,549)
Cash Received From State & Federal Reimbursements	139,154	-	-	-	139,154
Net Cash Provided by (used for) Noncapital Financing Activities	139,154	(162,549)	-	-	(23,395)
Net Increase/(Decrease) in Cash & Cash Equivalents Cash and Cash Equivalents, July 1	28,822 93,564	(69,471) 105,346	19,045 142,801	35,803 (6,260)	14,199 335,451
Cash & Cash Equivalents, June 30	\$ 122,386	\$ 35,875	\$ 161,846	\$ 29,543	\$ 349,650

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

Operating Income/(Loss)	\$ (188,981)	\$ 78,380	\$ 22,253	\$ 31,172	\$ (57,176)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided By (Used In) Operating Activities:	-	-	-	-	-
Depreciation	23,101	-	-	-	23,101
Food Distribution Program	53,023	-	-	-	53,023
Increase/(Decrease) in Unearned Revenue	674	-	-	-	674
Increase/(Decrease) in Accounts Payable	-	(625)	(3,208)	(807)	(4,640)
Increase/(Decrease) in Interfund Payable	-	-	-	-	-
(Increase)/Decrease in Inventory	1,096	-	-	-	1,096
(Increase)/Decrease in Accounts Receivable	755	15,323	-	5,438	21,516
Total Adjustments	78,649	14,698	(3,208)	4,631	94,770
Net Cash Provided By (Used In) Operating Activities	\$ (110,332)	\$ 93,078	\$ 19,045	\$ 35,803	\$ 37,594

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Fiduciary Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>	<u>TOTAL</u>
Cash & Cash Equivalents	\$ 180,805	\$ 343,961	\$ 524,766
Total Assets	<u>180,805</u>	<u>343,961</u>	<u>524,766</u>
 LIABILITIES 			
Payroll Deductions & Withholdings	-	17,082	17,082
Accounts Payable	6,214	-	6,214
Due to Student Groups	-	326,879	326,879
Total Liabilities	<u>6,214</u>	<u>343,961</u>	<u>350,175</u>
 NET POSITION 			
Held in Trust For:			
Unemployment Claims	42,814	-	42,814
Retirement Claims	131,777	-	131,777
Total Net Position	<u>\$ 174,591</u>	<u>\$ -</u>	<u>\$ 174,591</u>

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

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

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS:	
Contributions:	
Deductions From Employees' Salaries	<u>\$ 50,691</u>
Total Contributions	<u>50,691</u>
Total Additions	<u>50,691</u>
DEDUCTIONS:	
Unemployment Claims	<u>71,614</u>
Total Deductions	<u>71,614</u>
Change in Net Position	(20,923)
Net Position - Beginning of Year	<u>195,514</u>
Net Position - End of Year	<u><u>\$ 174,591</u></u>

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Northern Burlington County Regional School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Northern Burlington County Regional School District is a Type II School District located in the County of Burlington, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades seven through twelfth. The School District has an approximate enrollment at June 30, 2017 of 2,131 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

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

Component Units

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

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

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially 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 financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

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

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

The School District reports the following major proprietary funds:

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

Regional Transportation Program – This fund accounts for the revenues and expenses pertaining to the School District’s transportation services provided to other districts.

Adult School – This fund accounts for the revenues and expenses pertaining to the School District’s adult education evening school program.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

C. Proprietary Fund Financial Statements

Technology Fund – This fund accounts for the revenues and expenses pertaining to the School District’s adult education evening school program.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports the following fiduciary funds:

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

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

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

Agency Funds - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

Budgets/Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control (continued)

formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

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

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

Cash, 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued)

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

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

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

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

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

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Pensions

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

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

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

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

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

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017 (continued)**

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District’s bank balance of \$16,982,819 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	16,342,687
Uninsured and Uncollateralized		640,132
	\$	16,982,819

Investments

The School District had no investments at June 30, 2017.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$10,000 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3. Reserve Accounts (continued)

Capital Reserve (continued)

Beginning Balance, July 1, 2016	\$	2,506,717
Increased by:		
Deposits approved by Board		408,115
Ending Balance, June 30, 2017	\$	2,914,832

Federal Impact Aid Reserve

General Fund

The School District receives a large portion of its annual operating revenue from Federal Impact Aid. As permitted by P.L.2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the Board of Education by board resolution for the amount of federal impact aid funds received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The federal impact aid general reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Transfers to the impact aid reserves shall not exceed the total amount of federal impact aid received, by federally designated category, i.e. general fund or capital, in the fiscal year. The board, at its discretion, may use the funds in the reserve accounts to finance the School District's general fund, in a manner consistent with federal law. The total amount of funds on deposit in the reserve account shall not be limited.

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

Beginning Balance, July 1, 2016	\$	6,268,117
Increased by:		
Deposits approved by Board		1,333,423
		7,601,540
Decreased by:		
Withdrawals		(63,902)
Ending Balance, June 30, 2017	\$	7,537,638

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 4. Accounts Receivable (continued)

Description	Governmental Funds			Proprietary Funds			
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Tranportation Fund	Technology Fund	Total Business-Type Activities
Federal Awards		\$ 124,909	\$ 124,909	\$ 5,754			\$ 5,754
State Awards	\$ 335,397		335,397	259			259
Tuition	9,841		9,841				-
Other	20,996		20,996		\$ 43,129	\$ 9,710	52,839
Total	\$ 366,234	\$ 124,909	\$ 491,143	\$ 6,013	\$ 43,129	\$ 9,710	\$ 58,852

Note 5. Capital Assets

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

	Balance July 1, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 640,900	\$ -	\$ -	\$ 640,900
Total Capital Assets not being depreciated	640,900	-	-	640,900
Capital Assets being depreciated:				
Land Improvements	5,567,527	2,200,000		7,767,527
Buildings and Improvements	42,150,309			42,150,309
Equipment	6,933,056	230,778	61,217	7,225,051
Total Capital Assets being depreciated	54,650,892	2,430,778	61,217	57,142,887
Less: Accumulated Depreciation:				
Land Improvements	(3,069,041)	(319,638)		(3,388,679)
Buildings and Improvements	(13,511,362)	(855,405)		(14,366,767)
Equipment	(5,329,026)	(397,500)	55,741	(5,670,785)
Total Accumulated Depreciation	(21,909,429)	(1,572,543)	55,741	(23,426,231)
Total Capital Assets being depreciated, net	32,741,463	858,235	116,958	33,716,656
Total Governmental Activities Capital Assets, net	\$ 33,382,363	\$ 858,235	\$ 116,958	\$ 34,357,556

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 477,016	\$ -	\$ (5,306)	\$ 471,710
	<u>477,016</u>	<u>-</u>	<u>(5,306)</u>	<u>471,710</u>
Less: Accumulated Depreciation:				
Equipment	(329,228)	(23,101)	4,245	(348,084)
	<u>(329,228)</u>	<u>(23,101)</u>	<u>4,245</u>	<u>(348,084)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 147,788</u>	<u>\$ (23,101)</u>	<u>\$ (1,061)</u>	<u>\$ 123,626</u>

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities:	
Regular Instruction	\$ 140,229
Student and Instruction Related Services	125,849
General Administration	1,138,868
Plant Operations and Maintenance	43,758
Pupil Transportation	<u>123,839</u>
Total Depreciation Expense	<u>\$ 1,572,543</u>

Note 6. Interfund Receivables, Payables and Transfers

There were no individual fund receivables/payables balances at June 30, 2017.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 162,549	
Capital Projects Fund		\$ 200,000
Debt Service Fund	200,000	
Regional Transportation Fund		<u>162,549</u>
	<u>\$ 362,549</u>	<u>\$ 362,549</u>

The purpose of the interfund transfer from the capital projects fund to the debt service fund was to use the remaining unspent proceeds from capital projects to be used for current and future debt service payments related to the completed capital projects.

The purpose of the interfund transfer from the regional transportation fund to the general fund was to purchase buses in the general fund.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 14,331,000	\$ 9,155,000	\$ 11,966,000	\$ 11,520,000	\$ 975,000
Capital Leases	545,121	2,200,000	598,927	2,146,194	579,503
Unamortized Bond Premiums	61,152	808,061	84,506	784,707	56,051
Compensated Absences	1,221,490	114,457	46,713	1,289,234	
Net Pension Liability	11,238,779	5,781,613	2,901,588	14,118,804	
OPEB Liability	1,570,392	307,333	29,926	1,847,799	
	<u>\$ 28,967,934</u>	<u>\$ 18,366,464</u>	<u>\$ 15,627,660</u>	<u>\$ 31,706,738</u>	<u>\$ 1,610,554</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, unamortized bond premiums, capital leases, other post-employment benefits (OPEB) liability and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On Jun 17, 2009, the School District issued \$2,731,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.500% to 4.500% and mature on July 15, 2024.

The 2006 Refunding Bonds were issued on November 2, 2006 to refund the callable portion of the outstanding 2002 Bond Issue. On January 26, 2017, the School District issued \$9,155,000 of Refunding Bonds to refund the callable portion of the outstanding 2006 Refunding Bonds in the amount of \$9,865,000. The 2017 Refunding Bonds generated \$1,042,172 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$858,647, or a net annual present value savings of 8.703978%. The Refunding Bonds were issued at interest rates varying from 2.000% to 5.000% and mature on March 1, 2031.

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations (continued)

Bonds Payable (continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 975,000	\$ 885,753	\$ 1,860,753
2019	940,000	406,888	1,346,888
2020	940,000	380,050	1,320,050
2021	935,000	342,575	1,277,575
2022	925,000	304,925	1,229,925
2023-2027	4,125,000	974,725	5,099,725
2028-2031	2,680,000	233,600	2,913,600
	<u>\$ 11,520,000</u>	<u>\$ 3,528,516</u>	<u>\$ 15,048,516</u>

Capital Lease Payable

On August 29, 2012, the School District entered into a lease purchase agreement in the amount of \$270,000 for school buses. The lease obligation was issued at interest rate of 1.82% and matures on 8/29/2017.

On April 1, 2015, the School District entered into a lease purchase agreement in the amount of \$250,000 for school buses. The lease obligation was issued at interest rate of 1.999% and matures on 8/1/2019.

On May 4, 2016, the School District entered into a lease purchase agreement in the amount of \$235,000 for school buses. The lease obligation was issued at interest rate of 1.833% and matures on 8/1/2020.

On June 24, 2016, the School District entered into a lease purchase agreement in the amount of \$2,200,000 for various capital improvements including the construction of and renovations to the School District's High School complex parking facilities. The lease obligation was issued at interest rate of 1.430% and matures on 9/1/2020.

The future minimum lease payments for these leases is as follows:

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations (continued)

Capital Lease Payable (continued)

Fiscal Year Ending <u>June 30,</u>		
2018	\$	612,025
2019		555,118
2020		555,117
2021		<u>502,766</u>
Total Minimum Lease Payments		2,225,026
Less: Amount Representing Interest		<u>(78,832)</u>
Present Value of Minimum Lease Payments		<u>\$ 2,146,194</u>

Amortization of the leased equipment and land improvement under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

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

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued)

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

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

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$14,118,804 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .04767%, which was a decrease of .00239% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$1,238,287 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 262,567	\$ -
Changes of Assumptions	2,924,662	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	538,363	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	241,284	696,867
School District contributions subsequent to measurement date	474,759	
	\$ 4,441,635	\$ 696,867

\$474,759 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending
June 30,**

2018	\$	744,207
2019		744,206
2020		878,486
2021		740,008
2022		163,102
	\$	3,270,009

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

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

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

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

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	At 1% Decrease <u>(2.98%)</u>	At Current Discount Rate <u>(3.98%)</u>	At 1% Increase <u>(4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 17,300,947	\$ 14,118,804	\$ 11,491,670

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

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
 School District's portion	 0.04767%	 0.05007%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. 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.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

The following represents the membership tiers for TPAF:

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

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

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$97,603,969. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .12407%, which was a decrease of .00409% from its proportion measured as of June 30, 2015.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

For the fiscal year ended June 30, 2017, the School District recognized \$7,333,580 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

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

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

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued)

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

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>\$ 116,560,951</u>	<u>\$ 97,603,969</u>	<u>\$ 82,123,147</u>
	<u>\$ 116,560,951</u>	<u>\$ 97,603,969</u>	<u>\$ 82,123,147</u>

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

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2017, employee contributions totaled \$11,339.32, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$ 6,185.63.

Note 9. State Post-Retirement Medical Benefits

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

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017 (continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,423,526, \$1,186,121 and \$3,392, respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 50,691	\$ 71,614	\$ 42,814
2015-2016	29,534	56,174	63,737
2014-2015	29,508	10,728	90,377

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

Joint Insurance Pool – The School District also participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIP JIF) and public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability	General & Automobile Liability Workers' Compensation Excess Liability Comprehensive Crime Coverage
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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 12. Contingencies

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

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

Economic Dependency – The School 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 School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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
Waddell & Reed
AXA Equitable
Van Guard
Siracusa
CitiStreet

Note 14. Compensated Absences

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 14. Compensated Absences (continued)

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$1,289,234 and \$0, respectively.

Note 15. Tax Abatements

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

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

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to year end encumbrances in the amount of \$1,482,067.

Note 17. Post-Employment Benefits Other Than Pension Benefits

Plan Description

The Northern Burlington County Regional School District provides a medical bridge benefit payable to those retirees who are not eligible for the State Employees Health Benefits Plan (SEHBP) until the participant becomes eligible for Medicare. In order to be eligible for SEHBP a participant must have at least 25 years of service.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 17. Post-Employment Benefits Other Than Pension Benefits (continued)

Plan Description (continued)

Departments Summary of Eligibility within Labor Agreements

<u>Department</u>	<u>Minimum Years of Continous Service</u>	<u>Maximim Years of Retiree Coverage</u>
Teachers*	15	5
Administrators	15	5
Child Study Team	15	5
Custodians	15	4
Transportation	20	3
Secretarial	15	5

* While the other Labor Agreements specify only single coverage is available, the Teachers does not specify that only single coverage is available, we have assumed Member only benefits are available upon retirement.

Benefits

The following are the monthly insurance premiums paid on behalf of the participant by the plan for the current and prior year fiscal year:

	<u>6/30/2016</u>	<u>6/30/2017</u>
Medical		
Single	\$ 715.06	\$ 809.92
Member & Spouse	\$ 1,430.14	\$ 1,619.84
Family	\$ 1,966.42	\$ 2,316.37
Parent & Child	\$ 1,251.36	\$ 1,506.45
Presrciption Drug		
Single	\$ 187.27	\$ 180.13
Member & Spouse	\$ 374.54	\$ 360.26
Family	\$ 514.99	\$ 515.17
Parent & Child	\$ 327.72	\$ 335.04
Dental		
Single	\$ 32.58	\$ 29.65
Member & Spouse	\$ 65.16	\$ 59.30
Family	\$ 87.59	\$ 79.71
Parent & Child	\$ 63.56	\$ 57.84
Total Premiums by Group		
Single	\$ 934.91	\$ 1,019.70
Member & Spouse	\$ 1,869.84	\$ 2,039.40
Family	\$ 2,569.00	\$ 2,911.25
Parent & Child	\$ 1,642.64	\$ 1,899.33

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 17. Post-Employment Benefits Other Than Pension Benefits (continued)

Summary of Valuation Results

	<u>6/30/2015</u>	<u>6/30/2017</u>
<u>Annually Required Contributions (ARC)</u>		
Amortization of Unfunded Accrued Actuarial Liability (UAAL)	\$ 77,571	\$ 77,743
Normal Cost	194,881	229,085
	\$ 272,452	\$ 306,828
<u>Discount Rate</u>	3.75%	3.25%
 <u>Actuarial Accrued Liability</u>		
Retired participants and beneficiaries	\$ 44,419	\$ 12,001
Active Participants:		
Fully eligible to receive benefits	33,592	111,344
Not yet eligible to receive benefits	2,169,617	2,292,723
Subtotal active	2,203,209	2,404,067
Subtotal postretirement benefits	\$ 2,247,628	\$ 2,416,068
<u>Market Value of Assets</u>	\$ -	\$ -
<u>Unfunded actuarial liability</u>	\$ 2,247,628	\$ 2,416,068

Benefit Payment Comparison

	<u>6/30/2015</u>	<u>6/30/2017</u>
Annually Required Contributions (ARC)	\$ 272,452	\$ 306,828
Pay-as-you-go retiree medical cost	(37,136)	(32,907)
	\$ 235,316	\$ 273,921
Net Increase (Decrease)	\$ 235,316	\$ 273,921

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 17. Post-Employment Benefits Other Than Pension Benefits (continued)

Required Supplementary Information

A. Net OPEB Obligation

	<u>6/30/2015</u>		<u>6/30/2016</u>		<u>6/30/2017</u>
Annually Required Contributions (ARC)	\$ 272,452	\$	283,937	\$	306,828
Interest on the Net OPEB Obligation	40,319		49,369		50,953
Adjustment to the ARC	(37,107)		(42,294)		(50,448)
	<hr/>				
Annual OPEB Cost	275,664		291,012		307,333
Pay-as-you-go contributions (Existing Retirees)	(34,323)		(39,747)		(27,315)
	<hr/>				
Increase/(Decrease) in Net OPEB Obligation	241,341		251,265		280,018
Net OPEB Obligations, July 1	1,075,175		1,316,516		1,567,781
	<hr/>				
Net OPEB Obligations, June 30	\$ 1,316,516	\$	1,567,781	\$	1,847,799
	<hr/>				

B. Schedule

	<u>6/30/2017</u>		<u>6/30/2016</u>		<u>6/30/2016</u>
Annual OPEB Cost	\$ 275,664	\$	291,012	\$	307,333
Contribution Made	(34,323)		(39,747)		(27,315)
	<hr/>				
Remaining AOC	\$ 241,341	\$	251,265	\$	280,018
	<hr/>				
Percentage of Annual OPEB cost contributed	12.45%		13.66%		8.89%

C. Funding Progress

	<u>6/30/2017</u>		<u>6/30/2016</u>		<u>6/30/2016</u>
Actuarial Date	6/30/2017		6/30/2016		6/30/2016
Actuarial Accrued Liability (AAL)	\$ 2,247,628	\$	2,499,137	\$	2,416,068
Actuarial Value of Plan Assets	-		-		-
	<hr/>				
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,247,628	\$	2,499,137	\$	2,416,068
	<hr/>				
Funded Ratio	0.00%		0.00%		0.00%
Covered Payroll (Active Plan Members)	18,785,199		18,972,969		20,054,000
UAAL as a Percentage of Covered Payroll	11.96%		13.17%		12.05%

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 17. Post-Employment Benefits Other Than Pension Benefits (continued)

Actuarial Methods and Assumptions

Valuation date:	June 30, 2017
Measurement date:	June 30, 2017
Actuarial method:	Projected unit credit
Actuarial assumptions:	
Discount rate	3.25%
Mortality	Sex distinct RP-2014 tables with sex distinct Improvement Scale BB from the year 2014.
Turnover	In accordance with The U.S. Office of Personnel

<u>Age</u>	<u>Rate</u>
20	70.4%
40	15.9%
50	0.0%

Spouse coverage	74% with covered spouses
Spouse's age	Males are 3 years older than females
Retirement rates	100% when first eligible but not before age 55 and one more year of service.
Disability rates	No disabilities were assumed before retirement.

Inflation:

Medical Trend											
	<table> <thead> <tr> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Trend</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2018</td> <td style="text-align: center;">6.0%</td> </tr> <tr> <td style="text-align: center;">2019</td> <td style="text-align: center;">5.5%</td> </tr> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">5.0%</td> </tr> <tr> <td style="text-align: center;">2021+</td> <td style="text-align: center;">4.5%</td> </tr> </tbody> </table>	<u>Year</u>	<u>Trend</u>	2018	6.0%	2019	5.5%	2020	5.0%	2021+	4.5%
<u>Year</u>	<u>Trend</u>										
2018	6.0%										
2019	5.5%										
2020	5.0%										
2021+	4.5%										

Contribution Trend No trend

Administrative expenses:	2.0% of net costs
ARC Amortization Period:	30 years, as a level percent of payroll
Salary Scale	3.5% per year

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 17. Post-Employment Benefits Other Than Pension Benefits (continued)

Actuarial Methods and Assumptions (continued)

Other:	For Labor agreements that did not specify only single benefits are provided we have assumed Member only benefits are available upon retirement.
Changes since prior valuation:	Changed the percent married assumption from 66% to 74%. The discount rate has changed from 3.75% to 3.25%

Justification of Assumptions

Demographic: The demographic rates utilized are standard tables that approximate recent historical demographic experience, and adjusted to reflect anticipated future experience and professional judgment. A comparison of actual vs. expected decrements, and aggregate liability gain/loss analysis were used to validate the demographic assumptions.

Administrative

Expense and Employment: The Administrative Expense and Employment assumptions approximate recent historical experience, and adjusted to reflect anticipated future experience and professional judgment. When appropriate we include the expectations of Trustees and co-professionals for these assumptions.

Investment Return: The investment return assumption is a long-term estimate that is based on historical experience, future market expectations, and professional judgment. We have utilized the investment manager's capital market expectations, and have compared those expectations with a broader market survey.

Note 18. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$0.

Note 19. Fund Balances

General Fund – Of the \$15,021,408 General Fund fund balance at June 30, 2017, \$2,914,832 has been restricted for the Capital Reserve Account; \$163,932 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$7,537,638 has been committed to future use of Federal Impact aid reserves; \$395,500 has been committed for a future ground water remediation project; \$1,482,067 has been assigned to year-end encumbrances; \$1,676,981 has been assigned and included as anticipated revenue for the year ending June 30, 2018; and \$850,458 has been unassigned.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 19. Fund Balances (continued)

Capital Projects Fund – Of the \$472,614 Capital Projects Fund fund balance at June 30, 2017, \$472,614 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$2 Debt Service Fund fund balance at June 30, 2017, \$2 is restricted for future debt service payments.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$2,213,135 at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Revenues:						
Local Tax Levy	10-1210	20,053,384	-	20,053,384	20,053,384	-
Tuition	10-1300	79,314	-	79,314	138,365	59,051
Transportation	10-1420-1440	100,000	-	100,000	146,470	46,470
Interest on Capital Reserve Funds	10-1XXX	2,100	-	2,100	7,605	5,505
Miscellaneous Revenues	10-1XXX	83,000	-	83,000	208,645	125,645
Total Local Sources		20,317,798	-	20,317,798	20,554,469	236,671
Federal Sources:						
Impact Aid	10-4100	1,075,000	-	1,075,000	2,276,240	1,201,240
DoD Impact Aid Supplemental Program	10-4XXX	-	-	-	132,182	132,182
Medicaid Reimbursement	10-4200	27,082	-	27,082	21,347	(5,735)
Total Federal Sources		1,102,082	-	1,102,082	2,429,769	1,327,687
State Sources:						
Categorical Special Education Aid	10-3132	1,088,835	-	1,088,835	1,088,835	-
Equalization Aid	10-3176	10,112,152	-	10,112,152	10,112,152	-
Categorical Security Aid	10-3177	154,488	-	154,488	154,488	-
School Choice Aid	10-3116	415,100	-	415,100	415,100	-
Categorical Transportation Aid	10-3121	576,863	-	576,863	576,863	-
Adjustment Aid	10-3197	8,302	-	8,302	8,302	-
PARCC Readiness Aid	10-3XXX	21,780	-	21,780	21,780	-
Per Pupil Growth Aid	10-3XXX	21,780	-	21,780	21,780	-
Professional Learning Community Aid	10-3183	21,210	-	21,210	21,210	-
Extraordinary Aid	10-3XXX	-	-	-	273,418	273,418
Non-Public Transportation Aid	10-3XXX	-	-	-	20,180	20,180
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,423,526	1,423,526
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,186,121	1,186,121
On-Behalf TPAF Long Term Disability Insurance		-	-	-	3,392	3,392
Reimbursed TPAF Social Security Contribution		-	-	-	956,710	956,710
Total State Sources		12,420,510	-	12,420,510	16,283,857	3,863,347
Total Revenues		33,840,390	-	33,840,390	39,268,095	5,427,705
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	3,093,056	(187,362)	2,905,694	2,901,774	3,920
Grades 9 - 12	11-140-100-101	5,503,432	(98,354)	5,405,078	5,394,647	10,431
Home Instruction:						
Salaries of Teachers	11-150-100-101	40,000	(22,500)	17,500	8,199	9,301
Purchased Professional -						
Educational Services	11-150-100-320	19,000	38,421	57,421	35,787	21,634
Other Purchased Services	11-150-100-500	1,700	-	1,700	256	1,444
Regular Programs - Undistributed Instruction:						
Purchased Professional -						
Educational Services	11-190-100-320	231,525	63,650	295,175	267,121	28,054
Purchased Technical Services	11-190-100-340	139,507	(4,299)	135,208	122,305	12,903
Other Purchased Services	11-190-100-500	63,515	(3,840)	59,675	48,309	11,366
General Supplies	11-190-100-610	662,633	128,826	791,459	674,041	117,418
Textbooks	11-190-100-640	103,712	11,547	115,259	110,446	4,813
Other Objects	11-190-100-890	27,465	(10,780)	16,685	11,043	5,642
Total Regular Programs		9,885,545	(84,691)	9,800,854	9,573,928	226,926

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Special Education:						
Instruction:						
Salaries of Teachers	11-204-100-101	89,236	(9,867)	79,369	67,692	11,677
Other Purchased Services	11-204-100-500	100	-	100		100
General Supplies	11-204-100-610	11,850	(11,850)	-		-
Textbooks	11-204-100-640	4,798	(4,361)	437		437
Other Objectst	11-204-100-800	900	-	900		900
Total Instruction		106,884	(26,078)	80,806	67,692	13,114
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	218,197	(49,423)	168,774	168,109	665
Purchased Professional - Educational Services	11-212-100-320	13,000	30,402	43,402	33,653	9,749
Other Purchased Services	11-212-100-500	200	-	200		200
General Supplies	11-212-100-610	11,900	-	11,900	11,900	-
Textbooks	11-212-100-640	400	-	400		400
Other	11-212-100-800	1,800	-	1,800	876	924
Total Multiple Disabilities		245,497	(19,021)	226,476	214,538	11,938
Resource Room:						
Salaries of Teachers	11-213-100-101	1,510,161	(5,361)	1,504,800	1,489,424	15,376
Purchased Services	11-213-100-320	183,836	43,000	226,836	190,655	36,181
Other Purchased Services	11-213-100-500	350	-	350	44	306
General Supplies	11-213-100-610	2,750	-	2,750	1,026	1,724
Textbooks	11-213-100-640	1,000	-	1,000		1,000
Other Objects	11-213-100-800	5,399	(1,600)	3,799	1,423	2,376
Total Resource Room		1,703,496	36,039	1,739,535	1,682,572	56,963
Total Special Education		2,055,877	(9,060)	2,046,817	1,964,802	82,015
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	40,261	(31,110)	9,151	9,151	-
General Supplies	11-230-100-610	3,950	(3,450)	500	-	500
Total Basic Skills/Remedial		44,211	(34,560)	9,651	9,151	500
Vocational Programs- Local - Instruction:						
Salaries of Teachers	11-300-100-101	373,684	(13,426)	360,258	359,502	756
Other Salaries for Instruction	11-300-100-106	11,700	-	11,700	11,265	435
Purchased Professional - Educational Services	11-300-100-320	7,000	19,000	26,000	20,513	5,487
Purchased Professional - Technical Services	11-300-100-340	2,500	(2,500)	-		-
Other Purchased Services	11-300-100-500	13,700	(537)	13,163	12,030	1,133
General Supplies	11-300-100-610	47,730	(4,048)	43,682	43,368	314
Textbooks	11-300-100-640	-	4,897	4,897	4,897	-
Other Objects	11-300-100-800	1,280	1,000	2,280	1,059	1,221
Total Vocational Programs - Local Instruction		457,594	4,386	461,980	452,634	9,346
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	349,285	(13,666)	335,619	331,099	4,520
Purchased Services	11-401-100-500	11,225	(7,337)	3,888	3,888	-
Supplies and Materials	11-401-100-600	41,650	(5,209)	36,441	34,180	2,261
Other Objects	11-401-100-930	250	-	250	-	250
Transfers to Cover Deficit	11-401-100-930	3,000	1,050	4,050	4,050	-
Total School Sponsored Cocurricular Activities		405,410	(25,162)	380,248	373,217	7,031

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	647,269	(16,161)	631,108	631,108	-
Supplies and Materials	11-402-100-600	132,196	62,902	195,098	138,541	56,557
Transfers to Cover Deficit (Agency Funds)	11-402-100-930	64,600	-	64,600	64,600	-
Total School Sponsored Athletics Instruction		844,065	46,741	890,806	834,249	56,557
Community Services Programs/Operations:						
Other Objects	11-800-330-800	-	390	390	390	-
Total Community Services Programs/Operations		-	390	390	390	-
Total Instruction		13,692,702	(101,956)	13,590,746	13,208,371	382,375
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	120,064	(35,578)	84,486	84,358	128
Tuition to Other LEAs Within the State - Special	11-000-100-562	120,064	(77,924)	42,140	42,112	28
Tuition to County Vocational School District - Regular	11-000-100-563	71,456	(25,984)	45,472	45,472	-
Tuition to County Vocational School District - Special	11-000-100-564	36,980	(996)	35,984	35,984	-
Tuition to CSSD & Regional Day School	11-000-100-565	290,311	79,917	370,228	355,756	14,472
Tuition to Private School for the Handicapped - State	11-000-100-566	976,139	116,559	1,092,698	1,084,188	8,510
Tuition to Private School Other LEAs Outside State	11-000-100-567	259,716	(8,181)	251,535	251,535	-
Tuition - State Facilities	11-100-100-568	65,000	(28,194)	36,806	36,806	-
Total Undistributed Expenditures - Instruction		1,939,730	19,619	1,959,349	1,936,211	23,138
Attendance & Social Work Services:						
Salaries	11-000-211-100	79,726	409	80,135	79,635	500
Purchased Professional & Technical Services	11-000-211-300	162,370	-	162,370	162,370	-
Total Attendance & Social Work Services		242,096	409	242,505	242,005	500
Health Services:						
Salaries	11-000-213-100	373,423	440	373,863	366,970	6,893
Purchased Professional & Technical Services	11-000-213-300	20,476	(683)	19,793	19,776	17
Other Purchased Services	11-000-213-500	300	(300)	-	-	-
Supplies and Materials	11-000-213-600	11,578	1,320	12,898	12,887	11
Other Objects	11-000-213-800	550	(142)	408	397	11
Total Health Services		406,327	635	406,962	400,030	6,932
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	65,489	1,497	66,986	66,986	-
Purchased Services	11-000-216-320	125,000	(2,500)	122,500	121,048	1,452
Travel	11-000-216-580	-	175	175	-	175
Supplies and Materials	11-000-216-600	775	(175)	600	457	143
Other Objects	11-000-216-800	300	-	300	287	13
Total Other Support Services - Students - Related Services		191,564	(1,003)	190,561	188,778	1,783
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	150,077	(22,223)	127,854	126,708	1,146
Purchased Services	11-000-217-320	643,246	79,824	723,070	674,153	48,917
Total Other Support Services - Students - Extra Services		793,323	57,601	850,924	800,861	50,063

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	599,082	6,675	605,757	599,457	6,300
Salaries of Secretarial & Clerical Assistants	11-000-218-105	165,407	2,551	167,958	165,568	2,390
Purchased Professional - Educational Services	11-000-218-320	4,400	-	4,400	625	3,775
Other Purchased Professional & Technical Services	11-000-218-390	30,250	(1,068)	29,182	21,231	7,951
Other Purchased Services	11-000-218-500	2,075	-	2,075	-	2,075
Supplies and Materials	11-000-218-600	7,784	(4,737)	3,047	2,765	282
Other Objects	11-000-218-800	2,660	(2,185)	475	325	150
Total Other Support Services - Students - Regular		811,658	1,236	812,894	789,971	22,923
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	516,858	909	517,767	516,183	1,584
Salaries of Secretarial & Clerical Assistants	11-000-219-105	107,772	240	108,012	107,641	371
Purchased Professional - Educational Services	11-000-219-320	19,700	(3,600)	16,100	3,070	13,030
Other Purchased Professional & Technical Services	11-000-219-390	540	189	729	574	155
Miscellaneous Purchased Services	11-000-219-592	3,000	(189)	2,811	1,883	928
Supplies and Materials	11-000-219-600	8,598	-	8,598	7,830	768
Other Objects	11-000-219-800	3,900	55	3,955	2,269	1,686
Total Other Support Services - Students - Special Services		660,368	(2,396)	657,972	639,450	18,522
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	285,850	10,844	296,694	292,514	4,180
Salaries of Other Professional Staff	11-000-221-104	46,000	(7,383)	38,617	24,635	13,982
Salaries of Secretarial & Clerical Assistants	11-000-221-105	80,172	(3,254)	76,918	76,296	622
Other Salaries	11-000-221-110	132,603	3,083	135,686	134,086	1,600
Purchased Professional - Educational Services	11-000-221-320	100	600	700	689	11
Other Purchased Services	11-000-221-500	1,045	(371)	674	78	596
Supplies and Materials	11-000-221-600	9,600	(8,488)	1,112	1,034	78
Other Objects	11-000-221-800	12,800	(5,866)	6,934	6,933	1
Total Improvement of Instruction Services/Other Support Services Instructional Staff		568,170	(10,835)	557,335	536,265	21,070
Educational Media Services/School Library:						
Salaries	11-000-222-100	148,117	4,478	152,595	152,300	295
Purchased Professional & Technical Services	11-000-222-300	22,050	148	22,198	16,935	5,263
Other Purchased Services	11-000-222-500	600	(50)	550	223	327
Supplies and Materials	11-000-222-600	39,878	1,734	41,612	32,889	8,723
Other Objects	11-000-222-800	1,110	(698)	412	312	100
Total Educational Media Services/School Library		211,755	5,612	217,367	202,659	14,708
Support Services Instructional Staff Training Service:						
Salaries of Supervisors of Instruction	11-000-223-102	239,857	10,854	250,711	246,608	4,103
Salaries of Other Professional Staff	11-000-223-104	14,250	3,746	17,996	12,978	5,018
Salaries of Secretarial & Clerical Assistants	11-000-223-105	45,559	(668)	44,891	43,841	1,050
Purchased Professional - Educational Services	11-000-223-320	7,600	(6,000)	1,600	756	844
Other Purchased Services	11-000-223-500	7,500	(2,246)	5,254	4,519	735
Supplies and Materials	11-000-223-600	7,355	(3,000)	4,355	1,794	2,561
Other Objects	11-000-223-800	15,973	(11,476)	4,497	4,497	-
Total Support Services Instructional Staff Training Services		338,094	(8,790)	329,304	314,993	14,311
Support Services General Administration:						
Salaries	11-000-230-100	337,952	-	337,952	260,530	77,422
Legal Services	11-000-230-331	32,500	4,278	36,778	20,214	16,564
Audit Services	11-000-230-332	30,000	22,900	52,900	24,215	28,685
Architectural/Engineering Services	11-000-230-334	-	155,109	155,109	101,237	53,872

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Other Purchased Professional Services	11-000-230-339	88,640	(30,000)	58,640	34,260	24,380
Purchased Technical Services	11-000-230-340	3,000	-	3,000	-	3,000
Communications/Telephone	11-000-230-530	82,260	(1,320)	80,940	59,058	21,882
BOE Other Purchased Professional Services	11-000-230-585	28,100	(4,289)	23,811	18,508	5,303
Other Purchased Services	11-000-230-590	62,177	5,528	67,705	49,172	18,533
General Supplies	11-000-230-610	3,050	369	3,419	2,554	865
Miscellaneous Expenditures	11-000-230-890	3,940	(5)	3,935	3,043	892
BOE Membership Dues & Fees	11-000-230-895	28,150	194	28,344	28,344	-
Total Support Services General Administration		699,769	152,764	852,533	601,135	251,398
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	631,547	2,453	634,000	625,312	8,688
Salaries of Other Professional Staff	11-000-240-104	284,976	(5,014)	279,962	259,005	20,957
Salaries of Secretarial & Clerical Assistants	11-000-240-105	215,239	(2,977)	212,262	208,868	3,394
Purchased Technical Services	11-000-240-300	3,660	-	3,660	2,797	863
Other Purchased Services	11-000-240-500	8,215	-	8,215	3,863	4,352
Supplies and Materials	11-000-240-600	10,030	4,833	14,863	9,342	5,521
Other Objects	11-000-240-800	20,375	-	20,375	16,167	4,208
Total Support Services School Administration		1,174,042	(705)	1,173,337	1,125,354	47,983
Central Services:						
Salaries	11-000-251-100	443,186	2,243	445,429	443,042	2,387
Purchased Professional Services	11-000-251-330	32,721	720	33,441	8,495	24,946
Miscellaneous Purchased Services	11-000-251-592	13,700	(650)	13,050	8,395	4,655
Supplies & Materials	11-000-251-600	8,100	(2,242)	5,858	4,296	1,562
Interest on Lease Purchase Agreements	11-000-251-832	14,333	-	14,333	6,030	8,303
Miscellaneous Expenditures	11-000-251-890	2,190	650	2,840	2,626	214
Total Central Services		514,230	721	514,951	472,884	42,067
Administrative Information Technology:						
Salaries	11-000-252-100	58,447	-	58,447	57,854	593
Other Purchased Services	11-000-252-500	1,350	(1,065)	285	285	-
Total Administrative Information Technology		59,797	(1,065)	58,732	58,139	593
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	233,177	(1)	233,176	232,091	1,085
Cleaning, Repair & Maintenance Services	11-000-261-420	255,010	15,511	270,521	209,673	60,848
General Supplies	11-000-261-610	61,200	40,052	101,252	80,739	20,513
Other Objects	11-000-261-800	2,850	-	2,850	917	1,933
Total Allowance Maintenance for School Facilities		552,237	55,562	607,799	523,420	84,379
Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,206,941	(51,660)	1,155,281	1,127,178	28,103
Purchased Professional & Technical Services	11-000-262-300	22,800	(16,267)	6,533	5,303	1,230
Cleaning, Repair & Maintenance Services	11-000-262-420	162,080	27,039	189,119	167,666	21,453
Other Purchased Property Services	11-000-262-490	298,916	(34,535)	264,381	227,719	36,662
Insurance	11-000-262-520	117,091	-	117,091	117,091	-
Miscellaneous Purchased Services	11-000-262-590	6,174	1,250	7,424	7,424	-
General Supplies	11-000-262-610	127,150	5,420	132,570	129,941	2,629
Energy (Natural Gas)	11-000-262-621	157,500	(23,256)	134,244	94,511	39,733
Energy (Electricity)	11-000-262-622	727,650	(80,653)	646,997	501,470	145,527
Other Objects	11-000-262-800	2,810	(200)	2,610	2,480	130

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Total Operation & Maintenance of Plant Services		2,829,112	(172,862)	2,656,250	2,380,783	275,467
Care & Upkeep of Grounds						
Cleaning, Repair & Maintenance Services	11-000-263-420	67,300	17,893	85,193	54,023	31,170
General Supplies	11-000-263-610	59,800	(26,172)	33,628	33,264	364
Total Care & Upkeep of Grounds		127,100	(8,279)	118,821	87,287	31,534
Security						
Cleaning, Repair & Maintenance Services	11-000-266-420	5,000	(1,349)	3,651	3,646	5
Total Security		5,000	(1,349)	3,651	3,646	5
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	641,383	46,663	688,046	685,059	2,987
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	139,022	24,296	163,318	163,318	-
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	151,614	(28,248)	123,366	117,656	5,710
Purchased Professional & Technical Services	11-000-270-390	12,026	200	12,226	12,106	120
Cleaning, Repair & Maintenance Services	11-000-270-420	27,438	(833)	26,605	26,481	124
Lease Purchase Payments - School Buses	11-000-270-443	161,674	54,307	215,981	158,168	57,813
Contracted Services (Other Than Between School) - Vendors	11-000-270-511	414,125	(5,806)	408,319	408,319	-
Contracted Services Between Home & School - Vendors	11-000-270-512	4,000	(92)	3,908	3,745	163
Contracted Services (Special Education Students) - Vendors	11-000-270-514	288,683	8,063	296,746	296,725	21
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	73,000	299	73,299	73,299	-
Aid in Lieu of Payments - Nonpublic	11-000-270-503	75,140	(6,667)	68,473	63,179	5,294
Miscellaneous Purchased Services - Transportation	11-000-270-593	21,502	1,319	22,821	22,821	-
General Supplies	11-000-263-610	-	6,114	6,114	5,707	407
Transportation Supplies	11-000-270-615	187,968	(1,259)	186,709	181,069	5,640
Other Objects	11-000-270-800	6,261	1,643	7,904	7,796	108
Total Student Transportation Services		2,203,836	99,999	2,303,835	2,225,448	78,387
Instruction - Regular Programs:						
Health Benefits	11-100-100-270	2,492,719	(58,510)	2,434,209	2,228,739	205,470
Total Regular Programs		2,492,719	(58,510)	2,434,209	2,228,739	205,470
Special Education:						
Health Benefits	11-200-100-270	553,985	14,684	568,669	458,529	110,140
Total Special Education		553,985	14,684	568,669	458,529	110,140
Vocational Programs- Local - Instruction:						
Health Benefits	11-300-100-270	62,032	(3,500)	58,532	48,043	10,489
Total Vocational Programs - Local Instruction		62,032	(3,500)	58,532	48,043	10,489
Attendance & Social Work Services:						
Health Benefits	11-000-211-270	38,966	(44)	38,922	37,328	1,594
Total Attendance & Social Work Services		38,966	(44)	38,922	37,328	1,594

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Health Services:						
Health Benefits	11-000-213-270	127,889	(10,119)	117,770	96,514	21,256
Total Health Services		127,889	(10,119)	117,770	96,514	21,256
Other Support Services - Students - Related Services:						
Health Benefits	11-000-216-270	5,276	-	5,276	5,251	25
Total Other Support Services - Students - Related Services		5,276	-	5,276	5,251	25
Other Support Services - Students - Extra Services:						
Health Benefits	11-000-217-270	25,488	859	26,347	25,748	599
Total Other Support Services - Students - Extra Services		25,488	859	26,347	25,748	599
Other Support Services - Students - Regular:						
Health Benefits	11-000-218-270	188,399	(20,666)	167,733	142,107	25,626
Total Other Support Services - Students - Regular		188,399	(20,666)	167,733	142,107	25,626
Other Support Services - Student - Special Services:						
Health Benefits	11-000-219-270	154,309	10,163	164,472	145,712	18,760
Total Other Support Services - Students - Special Services		154,309	10,163	164,472	145,712	18,760
Improvement of Instructional Services/Other Support Services - Instructional Staff:						
Health Benefits	11-000-221-270	71,319	65,636	136,955	122,745	14,210
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		71,319	65,636	136,955	122,745	14,210
Educational Media Services/School Library:						
Health Benefits	11-000-222-270	37,148	2,549	39,697	35,722	3,975
Total Educational Media Services/School Library		37,148	2,549	39,697	35,722	3,975
Instructional Staff Training Services:						
Health Benefits	11-000-223-270	40,836	7,258	48,094	42,962	5,132
Total Instructional Staff Training Services		40,836	7,258	48,094	42,962	5,132
Support Services General Administration:						
Health Benefits	11-000-230-270	39,076	7,018	46,094	36,722	9,372
Total Support Services General Administration		39,076	7,018	46,094	36,722	9,372
Support Services School Administration:						
Health Benefits	11-000-240-270	230,031	35,396	265,427	203,089	62,338
Total Support Services School Administration		230,031	35,396	265,427	203,089	62,338
Central Services:						
Health Benefits	11-000-251-270	137,752	(16,635)	121,117	104,517	16,600
Total Central Services		137,752	(16,635)	121,117	104,517	16,600
Administrative Information Technology:						
Health Benefits	11-000-252-270	14,958	2,201	17,159	12,100	5,059
Total Administrative Information Technology		14,958	2,201	17,159	12,100	5,059
Operation & Maintenance of Plant Services:						

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Health Benefits	11-000-260-270	629,230	13,183	642,413	633,888	8,525
Total Operation & Maintenance of Plant Services		629,230	13,183	642,413	633,888	8,525
Student Transportation Services:						
Health Benefits	11-000-270-270	724,907	(50,217)	674,690	671,859	2,831
Total Student Transportation Services		724,907	(50,217)	674,690	671,859	2,831
Total Allocated Benefits		5,574,320	(744)	5,573,576	5,051,575	522,001
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	473,097	(1,593)	471,504	397,038	74,466
Other Retirement Contributions - PERS	11-000-291-241	479,227	(37,561)	441,666	441,309	357
Unemployment Compensation	11-000-291-250	19,000	-	19,000	19,000	-
Worker's Compensation	11-000-291-260	174,034	-	174,034	174,034	-
Tuition Reimbursement	11-000-291-280	63,600	(21,605)	41,995	41,995	-
Total Unallocated Benefits - Employee Benefits		1,208,958	(60,759)	1,148,199	1,073,376	74,823
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,423,526	(1,423,526)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,186,121	(1,186,121)
On-Behalf TPAF Long Term Disability Insurance		-	-	-	3,392	(3,392)
Reimbursed TPAF Social Security Contribution		-	-	-	956,710	(956,710)
Total Undistributed Expenditures		21,111,486	125,371	21,236,857	23,224,019	(1,987,162)
Total Expenditures - Current Expense		34,804,188	23,415	34,827,603	36,432,390	(1,604,787)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
Grades 6 - 8	12-130-100-730	5,000	43,633	48,633	43,633	5,000
Grades 9 - 12	12-140-100-730	5,000	244,779	249,779	117,598	132,181
Special Education - Instruction:						
School Sponsored Other Instruction	12-400-100-730	-	5,702	5,702	5,702	-
Undistributed Expense -						
Care and Upkeep of Grounds	12-000-263-730	-	43,832	43,832	38,295	5,537
Student Transportation:						
Noninstructional Equipment	12-000-270-732	-	6,258	6,258	6,258	-
School Buses - Regular	12-000-270-733	-	162,549	162,549	-	162,549
Total Equipment		10,000	506,753	516,753	211,486	305,267
Facilities Acquisition & Construction Services:						
Other Purchased Professional & Technical Services	12-000-400-390		245,133	245,133	10,615	234,518
Construction Services	12-000-400-450		203,279	203,279		203,279
Lease Purchase Agreements - Principal	12-000-400-721	435,845	11,948	447,793	447,793	-
Assessment for Debt Service on SDA Funding	12-000-400-896	139,313	-	139,313	139,313	-
Capital Reserve - Transfer to Capital Projects	12-000-400-931	2,100	-	2,100		2,100
Total Facilities Acquisition & Construction Services		577,258	460,360	1,037,618	597,721	439,897
Assets Acquired Under Capital Leases (Nonbudgeted):						
Capital Leases		-	-	-	2,200,000	(2,200,000)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	2,200,000	(2,200,000)
Total Capital Outlay		587,258	967,113	1,554,371	3,009,207	(1,454,836)

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

ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	OVER/ (UNDER)
Total Expenditures	35,391,446	990,528	36,381,974	39,441,597	(3,059,623)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,551,056)	(990,528)	(2,541,584)	(173,502)	2,368,082
Other Financing Sources/(Uses):					
Transfer In/(Out):					
Transfer from Enterprise Funds	-	-	-	162,549	(162,549)
Capital Leases (Nonbudgeted)	-	-	-	2,200,000	(2,200,000)
Total Other Financing Sources/(Uses)	-	-	-	2,362,549	(2,362,549)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources	(1,551,056)	(990,528)	(2,541,584)	2,189,047	4,730,631
Fund Balances, July 1	14,023,938	-	14,023,938	14,023,938	-
Fund Balances, June 30	<u>\$ 12,472,882</u>	<u>\$ (990,528)</u>	<u>\$ 11,482,354</u>	<u>\$ 16,212,985</u>	<u>\$ 4,730,631</u>

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	\$ 1,067,163
Cancellation of Prior Year Encumbrances	(140,537)
Utilization of Reserve for Federal Impact Aid	<u>63,902</u>
Total	<u>\$ 990,528</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Capital Reserve		\$ 2,914,832
Excess Surplus Designated of Subsequent Year's Expenditures		163,932
Committed Fund Balance:		
Reserve for Impact Aid		7,537,638
Reserve for Legal Remediation		395,500
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures		1,676,981
Year-end Encumbrances		1,482,067
Unassigned Fund Balance		<u>2,042,035</u>
Subtotal		16,212,985
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis		<u>(1,191,577)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 15,021,408</u>

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

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u>
Revenues:					
State Sources	\$ 31,309	\$ (2,260)	\$ 29,049	\$ 18,266	\$ 10,783
Federal Sources	538,888	34,209	573,097	567,126	5,971
Local Sources	-	21,096	21,096	11,244	9,852
Total Revenues	<u>570,197</u>	<u>53,045</u>	<u>623,242</u>	<u>596,636</u>	<u>26,606</u>
Expenditures:					
Instruction:					
Salaries of Teachers	59,455	(21,283)	38,172	38,172	-
Purchase of Professional Educational Services	-	200	200	200	-
Tuition	421,394	(29,179)	392,215	392,215	-
General Supplies	31,251	46,299	77,550	65,128	12,422
Other Objects	-	6,565	6,565	6,500	65
Total Instruction	<u>512,100</u>	<u>2,602</u>	<u>514,702</u>	<u>502,215</u>	<u>12,487</u>
Support Services:					
Salaries	26,759	(798)	25,961	25,513	448
Purchase of Professional Education Services	31,338	23,839	55,177	42,944	12,233
Personal Services - Employee Benefits	-	4,938	4,938	4,872	66
Other Professional Services	-	13,552	13,552	12,180	1,372
Total Support Services	<u>58,097</u>	<u>41,531</u>	<u>99,628</u>	<u>85,509</u>	<u>14,119</u>
Capital Outlay:					
Instructional Equipment	-	8,912	8,912	8,912	-
Total Expenditures	<u>570,197</u>	<u>53,045</u>	<u>623,242</u>	<u>596,636</u>	<u>26,606</u>
Total Outflows	<u>570,197</u>	<u>53,045</u>	<u>623,242</u>	<u>596,636</u>	<u>26,606</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION - PART II
 BUDGETARY COMPARISON SCHEDULE
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II
 FOR FISCAL YEAR ENDED JUNE 30, 2017**

Note A - 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-Series)	\$ 39,268,095	\$ 596,636
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	827
Current Year	-	(23,111)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	1,174,328	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	<u>(1,191,577)</u>	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 39,250,846</u>	<u>\$ 574,352</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,441,597	\$ 596,636
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	827
Current Year	-	(23,111)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 39,441,597</u>	<u>\$ 574,352</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.04767%	0.05007%	0.04814%	0.05114%
School District's proportionate share of the net pension liability \$	14,118,804	\$ 11,238,779	\$ 9,012,847	\$ 9,774,214
School District's covered payroll	\$ 3,301,833	\$ 3,214,021	\$ 3,236,834	\$ 3,215,456
School District's proportionate share of the net pension liability as a percentage of its covered payroll	427.61%	349.68%	278.45%	303.98%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 474,759	\$ 423,503	\$ 430,432	\$ 396,847
Contributions in relation to the contractually required contribution	<u>(474,759)</u>	<u>(423,503)</u>	<u>(430,432)</u>	<u>(396,847)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 3,457,868	\$ 3,301,833	\$ 3,214,021	\$ 3,236,834
Contributions as a percentage of covered payroll	13.73%	12.83%	13.39%	12.26%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>\$ 97,603,969</u>	<u>\$ 81,005,999</u>	<u>\$ 66,811,725</u>	<u>\$ 60,973,040</u>
	<u>\$ 97,603,969</u>	<u>\$ 81,005,999</u>	<u>\$ 66,811,725</u>	<u>\$ 60,973,040</u>
School District's covered payroll	\$ 13,248,953	\$ 13,023,015	\$ 12,799,821	\$ 12,548,844
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

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

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OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	NO CHILD LEFT BEHIND		PERKINS GRANT	I.D.E.A. PART B - BASIC	STEM GRANT	NONPUBLIC				FOOD FOR ALL	TOTAL			
	TITLE I	TITLE II PART A				COMPENSATORY EDUCATION	SPEECH	INSTRUCTION	CLASSIFICATION			EXAM & TECHNOLOGY	TEXTBOOK	
Revenues:														
State Sources	\$ 97,226	\$ 24,633	\$ 42,733	\$ 394,700	\$ 7,834	\$ -	\$ 10,391	\$ 884	\$ 3,139	\$ 722	\$ 810	\$ 520	\$ 1,800	\$ 18,266
Federal Sources														567,126
Local Sources														11,244
Total Revenues	\$ 97,226	\$ 24,633	\$ 42,733	\$ 394,700	\$ 7,834	\$ -	\$ 10,391	\$ 884	\$ 3,139	\$ 722	\$ 810	\$ 520	\$ 1,800	\$ 596,636
Expenditures:														
Instruction:														
Salaries of Teachers	\$ 38,172													\$ 38,172
Purchase of Professional Educational Services				\$ 392,215	\$ 200									200
Tuition	17,126		\$ 36,308		6,232									392,215
General Supplies			6,425		75									65,128
Other Objects														6,500
Total Instruction	55,298	-	42,733	392,215	6,507	-	810	-	810	-	810	520	1,800	502,215
Support Services:														
Salaries	16,727	\$ 8,786												25,513
Purchase of Professional Educational Services	10,148	15,175		2,485										42,944
Personal Services - Employee Benefits	4,200	672												4,872
Other Professional Services	10,853				1,327									12,180
Total Support Services	41,928	24,633	-	2,485	1,327	-	10,391	884	3,139	722	-	-	-	85,509
Facilities Acquisition & Construction Services:														
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	8,912
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	8,912
Total Expenditures	\$ 97,226	\$ 24,633	\$ 42,733	\$ 394,700	\$ 7,834	\$ -	\$ 10,391	\$ 884	\$ 3,139	\$ 722	\$ 810	\$ 520	\$ 1,800	\$ 596,636

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F. Capital Projects Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

<u>PROJECT TITLE</u>	<u>APPROVAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE JUNE 30, 2017</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Renovations to High School	06/17/09	\$ 3,915,136	\$ 3,242,522	\$ 200,000	\$ 472,614
Total		\$ 3,915,136	\$ 3,242,522	\$ 200,000	\$ 472,614

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

Expenditures and Other Financing Uses:	
Transfer to Debt Service Fund	<u>\$ 200,000</u>
Total Expenditures and Other Financing Uses	<u> 200,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (200,000)</u>
Fund Balance - July 1	<u> 672,614</u>
Fund Balance - June 30	<u><u> \$ 472,614</u></u>

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

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 1,184,040		\$ 1,184,040	\$ 1,184,040
Bond Proceeds & Transfers	2,731,096		2,731,096	2,731,096
Total Revenues	3,915,136	-	3,915,136	3,915,136
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	284,547		284,547	284,547
Construction Services	2,957,879		2,957,879	3,630,589
Cancellation of Receivable	96		96	-
Transfer to Debt Service Fund		\$ 200,000	200,000	-
Total Expenditures and Other Financing Uses	3,242,522	200,000	3,442,522	3,915,136
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 672,614	\$ (200,000)	\$ 472,614	\$ -

ADDITIONAL PROJECT INFORMATION

Bond Authorization Date	6/17/2009
Bonds Authorized	\$2,731,000
Bonds Issued	\$2,731,000
Original Authorized Cost	\$3,800,323
Revised Authorized Cost	n/a
Percentage Increase Over Original Authorized Cost	n/a
Original Target Completion Date	n/a
Revised Target Completion Date	n/a

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G. Proprietary Funds

**These Statements are Presented as Exhibit B-4, Exhibit B-5 & Exhibit B-6.
Duplication as G-Exhibits is not required.**

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Enterprise Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND		
Current Assets:						
Cash & Cash Equivalents	\$ 122,386	\$ 35,875	\$ 161,846	\$ 29,543		\$ 349,650
Accounts Receivable:						
State	259					259
Federal	5,754					5,754
Other		43,129		9,710		52,839
Inventories	16,480					16,480
Total Current Assets	144,879	79,004	161,846	39,253		424,982
Noncurrent Assets:						
Capital Assets:						
Depreciable:						
Equipment	456,464		15,246			471,710
Less: Accumulated Depreciation	(348,084)					(348,084)
Total Noncurrent Assets	108,380	-	15,246	-		123,626
Total Assets	253,259	79,004	177,092	39,253		548,608
Current Liabilities:						
Unearned Revenue	17,581	-	-	-		17,581
Total Current Liabilities	17,581	-	-	-		17,581
NET POSITION						
Investment in Capital Assets	108,380	-	15,246	-		123,626
Unrestricted	127,298	79,004	161,846	39,253		407,401
Total Net Position	\$ 235,678	\$ 79,004	\$ 177,092	\$ 39,253		\$ 531,027

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND	TOTAL
Operating Revenues:					
Charges for service:					
Daily Sales - Reimbursable Programs	\$ 294,037	\$ -	\$ -	\$ -	294,037
Daily Sales - Nonreimbursable Programs	301,483	-	-	-	301,483
Transportation Fees	-	780,772	-	-	780,772
Other Fees	-	18	82,604	277,040	359,662
Total Operating Revenue	595,520	780,790	82,604	277,040	1,735,954
Operating Expenses:					
Salaries & Wages	317,793	234,010	53,986	164,584	770,373
Employee Benefits	12,667	117,392	-	54,823	184,882
Supplies and Materials	26,038	89,608	1,445	-	117,091
Depreciation	23,101	-	-	-	23,101
Management Fee	45,262	-	-	-	45,262
Contracted Services	-	249,599	-	-	249,599
Repairs and Maintenance	12,278	-	-	-	12,278
Miscellaneous	15,454	11,801	4,920	26,461	58,636
Cost of Sales-reimbursable programs	185,759	-	-	-	185,759
Cost of Sales-nonreimbursable programs	146,149	-	-	-	146,149
Total Operating Expenses	784,501	702,410	60,351	245,868	1,793,130
Operating Income/(Loss)	(188,981)	78,380	22,253	31,172	(57,176)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	6,139	-	-	-	6,139
Federal Sources:					
National School Lunch Program	124,479	-	-	-	124,479
Healthy Hunger-Free Kids Act	8,536	-	-	-	8,536
Food Distribution Program	53,023	-	-	-	53,023
Transfer to General Fund	-	(162,549)	-	-	(162,549)
Gain/(Loss) on Fixed Asset Appraisal	(1,061)	-	-	-	(1,061)
Total Nonoperating Revenues/(Expenses)	191,116	(162,549)	-	-	28,567
Change in Net Position	2,135	(84,169)	22,253	31,172	(28,609)
Net Position - Beginning	233,543	163,173	154,839	8,081	559,636
Net Position - Ending	\$ 235,678	79,004	\$ 177,092	\$ 39,253	\$ 531,027

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	FOOD SERVICE FUND	REGIONAL TRANSPORTATION PROGRAM	ADULT SCHOOL	TECHNOLOGY FUND	TOTAL
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 596,949	\$ 796,113	\$ 82,604	\$ 282,478	\$ 1,758,144
Payments to Employees	(317,793)	(234,010)	(53,986)	(164,584)	(770,373)
Payments for Employee Benefits	(12,667)	(117,392)	-	(54,823)	(184,882)
Payments to Suppliers	(376,821)	(351,633)	(9,573)	(27,268)	(765,295)
Net Cash Provided By (Used in) Operating Activities	(110,332)	93,078	19,045	35,803	37,594
Cash Flows From Noncapital Financing Activities:					
Transfers out to Other Funds		(162,549)			(162,549)
Cash Received From State & Federal Reimbursements	139,154	-	-	-	139,154
Net Cash Provided by (used for) Noncapital Financing Activities	139,154	(162,549)	-	-	(23,395)
Net Increase/(Decrease) in Cash & Cash Equivalents Cash and Cash Equivalents, July 1	28,822 93,564	(69,471) 105,346	19,045 142,801	35,803 (6,260)	14,199 335,451
Cash & Cash Equivalents, June 30	\$ 122,386	\$ 35,875	\$ 161,846	\$ 29,543	\$ 349,650
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES:					
Operating Income/(Loss)	(188,981)	78,380	22,253	31,172	(57,176)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided By (Used In) Operating Activities:					
Depreciation	23,101	-	-	-	23,101
Food Distribution Program	53,023	-	-	-	53,023
Increase/(Decrease) in Unearned Revenue	674	-	-	-	674
Increase/(Decrease) in Accounts Payable	-	(625)	(3,208)	(807)	(4,640)
Increase/(Decrease) in Interfund Payable	-	-	-	-	-
(Increase)/Decrease in Inventory	1,096	-	-	-	1,096
(Increase)/Decrease in Accounts Receivable	755	15,323	-	5,438	21,516
Total Adjustments	78,649	14,698	(3,208)	4,631	94,770
Net Cash Provided By (Used In) Operating Activities	\$ (110,332)	\$ 93,078	\$ 19,045	\$ 35,803	\$ 37,594

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE TRUST FUNDS		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	RETIREMENT TRUST	PAYROLL	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 49,028	\$ 131,777	\$ 17,082	\$ 326,879	\$ 524,766
Total Assets	49,028	131,777	17,082	326,879	524,766
LIABILITIES					
Payroll Deductions & Withholdings	-	-	17,082	-	17,082
Accounts Payable	6,214	-	-	-	6,214
Due to Student Groups	-	-	-	326,879	326,879
Total Liabilities	6,214	-	17,082	326,879	350,175
NET POSITION					
Held in Trust For:					
Unemployment Claims	42,814	-	-	-	42,814
Retirement Claims	-	131,777	-	-	131,777
Total Net Position	42,814	\$ 131,777	\$ -	\$ -	\$ 174,591

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	<u>UNEMPLOYMENT</u>		
	<u>COMPENSATION</u>	<u>RETIREMENT</u>	<u>TOTAL</u>
	<u>TRUST</u>	<u>TRUST</u>	
ADDITIONS:			
Contributions:			
Deductions From			
Employee's Salaries	\$ 50,691	\$ -	\$ 50,691
Total Contributions	50,691	-	50,691
Total Additions	50,691	-	50,691
DEDUCTIONS:			
Unemployment Claims	71,614	-	71,614
Total Deductions	71,614	-	71,614
Change in Net Position	(20,923)	-	(20,923)
Net Position - Beginning of Year	63,737	131,777	195,514
Net Position - End of Year	\$ 42,814	\$ 131,777	\$ 174,591

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR 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>
Due to Student Groups	\$ 338,010	\$ 1,015,393	\$ 1,026,524	\$ 326,879
Total	<u>\$ 338,010</u>	<u>\$ 1,015,393</u>	<u>\$ 1,026,524</u>	<u>\$ 326,879</u>

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, <u>2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, <u>2017</u>
Cash & Cash Equivalents	\$ 19,358	\$ 21,610,966	\$ 21,613,242	\$ 17,082
Total Assets	<u>\$ 19,358</u>	<u>\$ 21,610,966</u>	<u>\$ 21,613,242</u>	<u>\$ 17,082</u>
LIABILITIES				
Net Payroll Deductions & Withholdings	\$ 19,358	\$ 21,610,966	\$ 21,613,242	\$ 17,082
Total Liabilities	<u>\$ 19,358</u>	<u>\$ 21,610,966</u>	<u>\$ 21,613,242</u>	<u>\$ 17,082</u>

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I. Long-Term Debt

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>ANNUAL MATURITIES AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2016</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>DEFEASED</u>	<u>BALANCE JUNE 30, 2017</u>
School Refunding Bonds	10/1/2001	\$ 11,750,000	N/A	N/A	N/A	\$ 1,130,000	\$ -	1,130,000	\$ -	\$ -
School Refunding Bonds	11/2/2006	15,205,000	3/1/2018	\$ 785,000	5.000%	11,430,000		780,000	9,865,000	785,000
School District Bonds	6/17/2009	2,731,000	7/15/2017	190,000	3.500%	1,771,000		191,000		1,580,000
			7/15/2018	190,000	3.750%					
			7/15/2019	200,000	3.875%					
			7/15/2020	200,000	4.000%					
			7/15/2021	200,000	4.250%					
			7/15/2022	200,000	4.250%					
			7/15/2023	200,000	4.500%					
			7/15/2024	200,000	4.500%					
School Refunding Bonds - 201	1/26/2017	9,155,000	3/1/2019	530,000	2.000%		9,155,000			9,155,000
			3/1/2019	220,000	4.000%					
			3/1/2020	740,000	4.000%					
			3/1/2021	735,000	4.000%					
			3/1/2022	725,000	3.000%					
			3/1/2023	710,000	5.000%					
			3/1/2024	710,000	4.000%					
			3/1/2025	705,000	5.000%					
			3/1/2026	530,000	4.000%					
			3/1/2026	175,000	5.000%					
			3/1/2027	695,000	4.000%					
			3/1/2028	690,000	3.750%					
			3/1/2029	680,000	3.500%					
			3/1/2030	665,000	3.500%					
			3/1/2031	645,000	3.500%					
Total										
										\$ 14,331,000
										\$ 9,155,000
										\$ 2,101,000
										\$ 9,865,000
										\$ 11,520,000

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

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2016	ISSUED	RETIRED	BALANCE JUNE 30, 2017
			PRINCIPAL	INTEREST					
2013 Purchase of Buses	8/29/2012	5 Years	\$ 270,000	\$ 14,529	1.82%	\$ 110,778	\$ 54,889	\$ 55,889	
2015 Purchase of Buses	8/1/2015	5 Years	250,000	11,754	1.99%	199,343	48,366	150,977	
2016 Purchase of Buses	8/1/2016	5 Years	235,000	9,718	1.83%	235,000	47,879	187,121	
2016 Parking Lot & Bus Access	9/1/2016	5 Years	2,200,000	69,116	1.43%		2,200,000	1,752,207	
						\$ 545,121	\$ 2,200,000	\$ 598,927	\$ 2,146,194

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

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,840,230	\$ -	\$ 1,840,230	\$ 1,840,231	1
State Sources:					
Debt Service Aid Type II	664,663	-	664,663	664,663	-
Total Revenues	2,504,893	-	2,504,893	2,504,894	1
Expenditures:					
Regular Debt Service:					
Interest	603,893	-	603,893	603,893	-
Principal	2,101,000	-	2,101,000	2,101,000	-
Bond Issuance Costs (Nonbudgeted)				100,669	(100,669)
Total Expenditures	2,704,893	-	2,704,893	2,805,562	(100,669)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(200,000)	-	(200,000)	(300,668)	100,670
Other Financing Sources/(Uses):					
Transfers In/(Out):					
Transfer from Capital Projects Fund	200,000	-	200,000	200,000	-
Proceeds of refunding bonds		-		9,963,061	9,963,061
Payment to refunding bond escrow agent		-		(9,862,392)	(9,862,392)
Total Financing Sources/(Uses)	200,000	-	200,000	300,669	100,669
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	1	201,339
Fund Balance July 1	1	-	1	1	-
Fund Balance June 30	\$ 1	\$ -	\$ 1	\$ 2	\$ 201,339

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note the Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 20,144,557	\$ 19,188,176	\$ 18,425,737	\$ 17,957,455	\$ 16,274,942	\$ 14,206,320	\$ 12,927,726	\$ 12,125,692	\$ 11,229,091	\$ 11,916,606
Restricted	3,551,380	12,625,099	11,028,010	2,694,782	2,677,062	6,110,173	4,525,689	7,862,456	9,523,641	6,474,610
Unrestricted	(2,213,135)	(12,569,456)	(12,047,413)	4,354,449	4,761,520	385,937	833,241	(1,749,501)	(2,491,607)	916,859
Total Governmental Activities	\$ 21,482,802	\$ 19,243,819	\$ 17,406,334	\$ 25,006,686	\$ 23,713,524	\$ 20,702,430	\$ 18,286,656	\$ 18,238,647	\$ 18,261,125	\$ 19,308,075
Business-Type Activities:										
Net Investment in Capital Assets	\$ 123,626	\$ 147,788	\$ 139,860	\$ 170,424	\$ 130,252	\$ 141,222	\$ 24,434	\$ 33,480	\$ 29,806	\$ 38,854
Unrestricted	407,401	411,848	338,031	256,465	471,004	697,600	828,643	750,020	548,394	610,497
Total Business-Type Activities	\$ 531,027	\$ 559,636	\$ 477,891	\$ 426,889	\$ 601,256	\$ 838,822	\$ 853,077	\$ 783,500	\$ 578,200	\$ 649,351
Government-Wide:										
Net Investment in Capital Assets	\$ 20,268,183	\$ 19,335,964	\$ 18,565,597	\$ 18,127,879	\$ 16,405,194	\$ 14,347,542	\$ 12,952,160	\$ 12,159,172	\$ 11,258,897	\$ 11,955,460
Restricted	3,551,380	12,625,099	11,028,010	2,694,782	2,677,062	6,110,173	4,525,689	7,862,456	9,523,641	6,474,610
Unrestricted	(1,805,734)	(12,157,608)	(11,709,382)	4,610,914	5,232,524	1,083,537	1,661,884	(999,481)	(1,943,213)	1,527,356
Total District Net Position	\$ 22,013,829	\$ 19,803,455	\$ 17,884,225	\$ 25,433,575	\$ 24,314,780	\$ 21,541,252	\$ 19,139,733	\$ 19,022,147	\$ 18,839,325	\$ 19,957,426

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 12,825,281	\$ 9,286,087	\$ 9,486,398	\$ 8,727,051	\$ 8,520,223	\$ 8,499,224	\$ 8,326,740	\$ 8,213,138	\$ 9,219,218	\$ 8,819,284
Special Education	3,156,549	2,577,439	2,450,328	2,301,724	2,263,281	2,111,357	1,940,360	2,157,565	1,598,828	1,564,120
Other Instruction	2,314,690	1,696,415	1,624,878	1,760,588	1,730,460	1,665,663	1,559,318	1,782,647	1,597,094	1,505,369
Support Services:										
Tuition	2,467,936	1,458,106	1,442,300	1,309,562	1,156,994	1,040,201	927,092	539,348	1,001,125	917,919
Student & Instruction Related Services	5,118,253	3,982,496	3,984,626	3,716,110	3,716,110	3,259,385	3,212,310	3,340,263	3,404,210	3,048,686
General Administrative	1,883,179	1,141,378	1,062,572	1,141,784	1,101,914	1,055,122	1,045,767	1,083,668	1,052,726	1,035,740
School Administrative Services	1,408,038	1,112,390	1,112,411	177,495	996,378	1,029,322	1,095,064	1,291,712	1,210,498	1,246,588
Central Services	611,997	-	-	-	-	-	-	-	-	-
Administrative Info. Technology	74,448	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	3,892,840	3,409,752	3,132,914	3,204,197	2,897,805	3,026,494	2,914,623	3,377,381	3,369,244	3,495,796
Pupil Transportation	3,041,971	2,030,136	2,050,359	2,004,656	1,930,611	1,843,691	1,742,377	1,669,298	1,747,329	1,828,848
Unallocated Benefits	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	9,610	9,582	9,240	8,824
Interest & Other Charges	791,183	1,049,905	736,902	865,093	1,040,073	1,081,842	1,193,432	1,187,648	1,119,976	1,171,905
Unallocated Benefits	13,395,423	-	11,584,527	8,028,599	7,111,018	6,765,425	8,058,785	7,841,839	7,197,782	7,469,765
Transfer to Charter Schools	-	-	-	-	9,182	9,554	-	-	-	-
Amortization of Debt Refunding Costs	-	-	-	-	-	23,795	23,794	23,794	23,795	23,795
Compensated Absences	-	-	-	-	-	115,139	3,310	126,296	31,690	122,620
Unallocated Depreciation	-	1,520,464	1,474,410	103,796	1,406,229	1,419,971	1,403,418	1,306,379	1,285,162	1,428,312
Cancellation of Accounts Receivable	-	-	-	-	96	306,794	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	37,586,365	42,659,991	40,142,625	33,320,808	33,880,374	33,252,979	33,456,000	33,950,558	33,867,917	33,687,571
Business-Type Activities:										
Food Service	784,501	768,310	777,411	725,789	716,716	887,752	774,331	702,206	688,339	654,812
Regional Transportation	702,410	615,884	744,999	769,823	700,345	697,562	792,598	761,431	786,951	618,585
Evening Schools	60,351	68,410	52,073	45,490	66,772	50,432	50,168	60,093	61,565	63,036
Job Fair	-	-	-	-	-	-	-	-	6,606	6,451
Shared Services	-	-	-	-	49,228	-	20,454	32,604	-	-
Technologies	245,868	285,312	283,011	209,445	214,279	126,790	156,143	121,276	94,931	89,100
Total Business-Type Activities	1,793,130	1,737,916	1,857,494	1,750,547	1,747,340	1,762,536	1,793,694	1,677,610	1,638,392	1,431,984
Total District Expenses	\$ 39,379,495	\$ 44,397,907	\$ 42,000,119	\$ 35,071,355	\$ 35,627,714	\$ 35,015,515	\$ 35,249,694	\$ 35,628,168	\$ 35,506,309	\$ 35,119,555
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ 166,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants & Contributions	4,144,101	8,360,090	6,943,041	1,240,694	1,244,759	748,802	783,595	863,907	1,261,023	1,210,509
Total Governmental Activities Program										

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues	4,144,101	8,360,090	7,109,634	1,240,694	1,244,759	748,802	783,595	863,907	1,261,023	1,210,509
Business-Type Activities:										
Charges for Services:										
Food Service	595,520	568,920	575,582	570,318	577,473	621,854	569,428	578,874	573,286	538,810
Regional Transportation	780,790	736,575	784,531	755,527	750,717	741,687	889,123	887,159	958,087	880,530
Evening Schools	82,604	81,345	81,394	60,780	64,943	59,128	67,345	82,298	65,953	86,935
Job Fair	-	-	-	-	-	-	-	-	6,600	10,900
Shared Services	-	-	-	-	49,228	17	16,311	36,837	-	-
Regional Technologies	277,040	273,951	293,957	197,529	191,449	180,107	170,406	122,480	115,434	86,573
Operating Grants & Contributions	192,177	208,870	173,032	171,873	183,702	160,858	150,392	148,428	127,086	107,653
Total Business Type Activities Program Revenues	1,928,131	1,869,661	1,908,496	1,756,027	1,817,512	1,763,651	1,863,005	1,856,076	1,846,446	1,711,401
Total Program Revenues	\$ 6,072,232	\$ 10,229,751	\$ 9,018,130	\$ 2,996,721	\$ 3,062,271	\$ 2,512,453	\$ 2,646,600	\$ 2,719,983	\$ 3,107,469	\$ 2,921,910
Net (Expense)/Revenue:										
Governmental Activities	\$(33,442,264)	\$(34,299,901)	\$(33,032,991)	\$(34,280,114)	\$(32,635,615)	\$(32,504,177)	\$(32,672,405)	\$(33,086,651)	\$(32,606,894)	\$(32,477,062)
Business-Type Activities	135,001	131,745	51,002	5,480	70,172	1,115	69,311	178,466	208,054	279,417
Total Government-Wide	\$(33,307,263)	\$(34,168,156)	\$(32,981,989)	\$(34,274,634)	\$(32,565,443)	\$(32,503,062)	\$(32,603,094)	\$(32,908,185)	\$(32,398,840)	\$(32,197,645)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes	\$ 20,053,384	\$ 18,754,839	\$ 17,983,527	\$ 17,316,137	\$ 16,654,619	\$ 15,846,421	\$ 15,996,421	\$ 15,996,421	\$ 15,461,943	\$ 15,054,234
Property Taxes, Levied for Debt Service	1,840,231	1,987,023	2,010,173	2,008,648	2,007,523	2,015,105	2,072,399	1,777,183	1,772,714	1,730,229
Federal & State Aid Restricted	15,126,628	14,923,393	16,525,759	15,979,507	16,461,954	16,579,063	14,245,032	14,158,139	16,776,948	15,479,032
Federal & State Aid Not Restricted	664,663	-	-	-	-	-	-	-	-	-
Tuition Charges	138,365	-	-	-	-	162,316	171,924	138,606	176,098	93,847
Transportation	146,470	-	-	-	-	-	-	-	-	-
Miscellaneous	216,250	422,131	306,375	211,274	215,873	274,782	980,867	270,037	270,842	508,496
Transfers	162,549	50,000	-	179,847	306,740	42,264	-	-	321,126	136,400
Special Items:										
Gain/(Loss) on Capital Asset Appraisal	116,958	-	(1,618,981)	-	-	-	(746,229)	723,787	(2,209,674)	-
Total Governmental Activities	38,465,498	36,137,386	35,206,853	35,695,413	35,646,709	34,919,951	32,720,414	33,064,173	32,569,997	33,002,238
Business-Type Activities:										
Cancellation of Prior Year Receivable	-	-	-	-	(1,050)	(16,993)	-	-	-	-
Miscellaneous Income	-	-	-	-	52	1,623	266	26,834	41,921	36,127
Transfers	(162,549)	(50,000)	-	(179,847)	(306,740)	-	-	-	(321,126)	(136,400)

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Gain/(Loss) on Capital Asset Appraisal	(1,061)									
Total Business-Type Activities	(163,610)	(50,000)	-	(179,847)	(307,738)	(15,370)	266	26,834	(279,205)	(100,273)
Total District-Wide	\$ 38,301,888	\$ 36,087,386	\$ 35,206,853	\$ 35,515,566	\$ 35,338,971	\$ 34,904,581	\$ 32,720,680	\$ 33,091,007	\$ 32,290,792	\$ 32,901,965
Change in Net Position:										
Governmental Activities	\$ 5,023,234	\$ 1,837,485	\$ 2,173,862	\$ 1,415,299	\$ 3,011,094	\$ 2,415,774	\$ 48,009	\$ (22,478)	\$ (36,897)	\$ 525,176
Business-Type Activities	(28,609)	81,745	51,002	(174,367)	(237,566)	(14,255)	69,577	205,300	(71,151)	179,144
Total District	\$ 4,994,625	\$ 1,919,230	\$ 2,224,864	\$ 1,240,932	\$ 2,773,528	\$ 2,401,519	\$ 117,586	\$ 182,822	\$ (108,048)	\$ 704,320

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted	\$ 3,078,764	\$ 2,670,649	\$ 7,217,948	\$ 2,022,168	\$ 2,119,261	\$ 1,713,945	\$ 5,003,250	\$ 6,317,845	\$ 5,924,235	\$ 6,041,677
Committed	7,933,138	7,730,780	1,463,444	4,737,177	4,480,518	4,505,540	-	-	-	-
Assigned	3,159,048	1,551,056	1,674,004	1,705,552	1,524,784	1,403,663	-	-	-	-
Unassigned	850,458	897,125	597,381	314,689	562,416	651,280	1,471,354	113,849	1,967,503	1,439,375
Total General Fund	\$ 15,021,408	\$ 12,849,610	\$ 10,952,777	\$ 8,779,586	\$ 8,686,979	\$ 8,274,428	\$ 6,474,604	\$ 6,431,694	\$ 7,891,738	\$ 7,481,052
All Other Governmental Funds:										
Restricted										
Capital Projects Fund	\$ 472,614	\$ 672,614	\$ 672,614	\$ 672,614	\$ 557,801	\$ 557,897	\$ 1,108,715	\$ 1,148,731	\$ 2,099,920	\$ 776,144
Debt Service Fund	2	1	-	-	-	2	2	-	-	-
Total All Other Governmental Funds	\$ 472,616	\$ 672,615	\$ 672,614	\$ 672,614	\$ 557,801	\$ 557,899	\$ 1,108,717	\$ 1,148,731	\$ 2,099,920	\$ 776,144

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Taxes Local	\$ 21,893,615	\$ 20,741,862	\$ 19,993,700	\$ 19,324,785	\$ 18,662,142	\$ 17,861,526	\$ 18,068,820	\$ 17,773,604	\$ 17,234,657	\$ 16,784,463
Tuition Charges	138,365	209,665	166,593	175,667	196,020	162,316	171,924	138,606	176,098	93,847
Transportation	146,470	185,381	106,099	117,623	128,954	110,742	119,759	118,652	51,522	130,332
Miscellaneous	225,733	236,750	200,276	93,651	86,919	164,040	861,108	151,385	219,320	378,164
State Sources	16,949,537	16,498,252	16,022,536	15,802,307	15,728,728	14,655,690	13,655,756	11,394,499	15,337,095	14,953,670
Federal Sources	2,976,372	2,832,464	4,544,075	4,544,075	1,977,985	2,672,175	1,372,871	3,627,547	2,700,876	1,735,871
Total Revenue	42,330,092	40,704,374	41,033,279	40,058,108	36,780,748	35,626,489	34,250,238	33,204,293	35,719,568	34,076,347
Expenditures:										
Instruction:										
Regular Instruction	9,573,928	9,329,900	9,454,824	8,927,326	8,745,164	8,499,224	8,326,740	8,213,138	9,219,218	8,819,284
Special Education Instruction	2,066,403	2,577,439	2,450,328	2,301,724	2,263,281	2,111,357	1,940,360	2,157,565	1,598,828	1,564,120
Other Special Instruction	-	48,783	81,612	267,606	347,334	350,963	240,525	462,740	300,187	251,254
Other Instruction	1,669,641	1,647,632	1,543,266	1,492,982	1,383,126	1,314,700	1,318,793	1,319,907	1,296,907	1,254,115
Support Services:										
Tuition	2,328,426	1,458,106	1,442,300	1,309,562	1,156,994	1,040,201	927,092	539,348	1,001,125	917,919
Student & Instruction										
Related Services	4,182,828	3,982,496	3,984,626	3,696,263	3,716,110	3,259,385	3,212,310	3,340,263	3,404,210	3,048,686
General Administration Services	601,135	1,141,378	1,062,572	1,124,902	1,078,120	1,055,122	1,045,767	1,083,668	1,052,726	1,035,740
School Administrative Services	1,125,354	1,112,390	1,112,411	1,077,495	996,378	1,029,322	1,095,064	1,291,712	1,210,498	1,246,588
Central Services	472,884									
Administrative Info. Technology	58,139									
Plant Operations & Maintenance	2,995,136	3,069,040	3,132,914	3,204,197	2,897,805	3,026,494	2,914,623	3,377,381	3,369,244	3,495,796
Pupil Transportation	2,074,314	2,134,701	2,050,359	2,004,656	1,985,079	1,896,446	1,793,471	1,718,784	1,800,226	1,828,848
Employee Benefits	6,128,994	9,160,079	8,464,319	7,799,785	7,609,999	6,771,225	8,103,085	7,648,886	7,004,829	7,469,765
On Behalf TPAF Pension and Social Security Contributions	3,569,749									
Special Schools	-	-	-	-	-	-	9,610	9,582	9,240	8,824
Capital outlay	2,430,778	645,899	1,505,609	1,139,958	1,660,732	942,519	1,379,499	2,923,510	1,432,321	1,719,342
Debt service:										
Principal	2,699,927	2,080,000	2,020,000	1,935,000	1,850,000	1,765,000	1,625,000	1,445,000	1,375,000	1,305,000
Interest & Other Charges	843,875	704,697	804,948	892,898	975,635	1,041,441	1,157,816	1,073,351	1,130,951	1,185,626
Total Expenditures	42,821,511	39,092,540	38,110,088	37,174,354	36,665,757	34,103,399	35,089,755	36,604,835	35,205,510	35,150,907
Excess (Deficiency) of Revenues										

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Over/(Under) Expenditures	(491,419)	1,611,834	1,923,191	(242,427)	114,991	1,523,090	(839,517)	(3,400,542)	514,058	(1,074,560)
Other Financing Sources/(Uses):										
Cancellation of Accounts Receivable	-	-	-	-	(96)	(306,794)	-	-	-	-
Transfer to Charter School Capital Leases (Nonbudgeted)	-	-	-	-	(9,182)	(9,554)	-	-	-	-
Transfers in	2,200,000	235,000	250,000	270,000	-	-	-	-	-	260,700
Transfers Out	362,549	150,000	100,000	279,847	406,740	142,264	-	-	324,544	145,400
Bond Proceeds	(200,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	-	-	(3,418)	(9,000)
Refunding Escrow Deposits	9,963,061	-	-	-	-	-	-	-	2,731,000	-
Refunding Escrow Deposits	(9,862,392)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	2,463,218	285,000	250,000	449,847	297,462	(274,084)	-	-	3,052,126	397,100
Net Change in Fund Balances	\$ 1,971,799	\$ 1,896,834	\$ 2,173,191	\$ 207,420	\$ 412,453	\$ 1,249,006	\$ (839,517)	\$ (3,400,542)	\$ 3,566,184	\$ (677,460)
Debt Service as a Percentage of Noncapital Expenditures	8.8%	7.2%	7.7%	7.8%	8.1%	8.5%	8.3%	7.5%	7.4%	8.2%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	TRANSPORTATION FROM LEAS	SRECS REVENUE	SERVICE AND USE FEES	MISCELLANEOUS	TOTAL
2017	\$ 31,940	\$ 138,365	\$ 146,470	-	-	\$ 184,310	\$ 501,085
2016	31,940	209,665	106,099	61,936	23,892	117,412	550,944
2015	21,171	166,593	106,099	42,023	30,800	99,683	466,369
2014	25,890	175,667	117,623	-	14,792	52,969	386,941
2013	25,890	196,020	128,954	-	14,792	46,237	411,893
2012	38,711	162,316	110,742	-	22,394	102,935	437,098
2011	51,520	171,924	119,759	-	288,703	517,868	1,149,774
2010	87,913	138,606	118,652	-	-	62,722	407,893
2009	170,486	176,098	51,522	-	32,188	14,276	444,570
2008	325,152	93,847	130,332	-	30,579	22,433	602,343

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN CALENDAR YEARS

YEAR ENDED DECEMBER 31	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE (a)	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
<u>Chesterfield</u>												
2016	10,765,800	647,224,400	60,875,400	6,334,300	20,480,200	289,700	311,900	746,281,700	1,179,510	747,461,210	2.034	744,392,758
2015	12,749,620	627,626,300	61,010,200	6,343,900	21,435,700	249,800	311,900	729,727,420	1,197,383	730,924,803	1.938	729,679,569
2014	16,999,100	605,978,600	63,921,400	6,399,100	26,821,768	N/A	311,900	720,431,868	1,428,088	721,859,956	1.721	721,859,956
2013	16,999,100	605,978,600	63,921,400	6,399,100	26,821,768	N/A	311,900	720,431,868	1,428,088	721,859,956	1.721	721,859,956
2012	17,452,700	595,722,000	64,404,000	6,406,500	28,426,700	N/A	311,900	712,723,800	1,414,385	714,138,185	1.638	714,138,185
2011	28,535,250	646,753,950	74,048,800	6,365,000	29,487,200	N/A	336,700	785,526,900	1,473,969	787,000,869	1.432	787,000,869
2010	41,851,975	603,223,800	74,378,100	6,317,500	31,673,300	N/A	336,700	757,781,375	1,090,910	758,872,285	1.344	646,960,178
2009	61,646,900	565,065,600	55,031,700	6,407,900	32,209,000	N/A	336,700	720,697,800	1,090,910	721,788,710	1.249	603,060,976
2008	82,590,600	496,199,700	53,793,300	9,730,800	29,990,500	N/A	336,700	672,641,600	956,969	673,598,569	1.142	467,524,506
2007	16,617,100	215,877,000	25,557,500	5,910,385	20,145,700	N/A	161,700	284,269,385	535,021	284,804,406	2.427	400,025,757
<u>Mansfield</u>												
2016	12,063,900	845,779,100	34,758,600	4,321,200	81,173,100	4,021,200	1,162,800	983,279,900	1,344,984	984,624,884	2.149	1,201,640,486
2015	15,112,000	812,902,800	34,584,400	4,321,200	80,181,000	4,021,200	1,183,800	952,306,400	1,444,026	953,750,426	2.130	1,132,486,963
2014	26,630,600	1,145,919,600	48,395,700	4,555,700	95,256,100	5,301,200	1,549,700	1,327,608,600	2,218,786	1,209,236,086	0.725	1,261,563,098
2013	26,630,600	1,145,919,600	48,395,700	4,555,700	95,256,100	5,301,200	1,549,700	1,327,608,600	2,218,786	1,209,236,086	0.725	1,261,563,098
2012	31,041,800	1,131,661,700	48,095,900	4,583,000	93,223,200	5,301,200	1,549,700	1,315,456,500	2,453,660	1,199,019,660	0.688	1,346,272,138
2011	37,953,900	1,118,913,700	49,117,800	4,416,400	90,481,100	5,301,200	1,549,700	1,307,733,800	2,323,604	1,191,166,904	0.664	1,364,791,953
2010	40,718,500	1,105,446,900	48,025,500	4,040,600	89,713,300	5,301,200	1,898,100	1,295,144,100	2,235,393	1,184,394,093	0.637	1,297,379,493
2009	45,735,400	1,094,648,400	47,024,100	4,218,900	89,409,800	5,301,200	2,165,400	1,288,503,200	1,257,603	1,178,091,703	0.610	1,290,671,921
2008	17,388,103	554,560,315	25,660,900	2,244,700	47,667,900	2,331,200	918,900	650,772,018	1,513,781	543,239,199	1.209	1,272,162,007
2007	13,961,600	541,902,415	24,745,000	2,316,600	44,453,400	2,331,200	918,900	630,629,115	1,513,781	567,731,596	1.204	940,809,581
<u>North Hanover</u>												
2016	7,865,100	294,839,000	43,285,000	3,999,453	60,868,050	327,800	13,184,900	424,369,303	941,379	425,310,682	1.346	420,863,296
2015	7,884,400	295,339,300	42,470,800	3,992,144	58,109,200	327,800	13,184,900	421,308,544	924,253	422,232,797	1.323	402,532,175
2014	7,626,700	299,041,200	47,208,400	3,817,000	55,552,750	327,800	14,068,500	427,642,350	186,808,500	614,450,850	0.514	440,784,678
2013	7,626,700	299,041,200	47,208,400	3,817,000	55,552,750	327,800	14,068,500	427,642,350	186,808,500	614,450,850	0.514	440,784,678
2012	7,469,300	300,264,900	42,790,000	3,828,800	58,829,650	N/A	14,139,900	427,322,550	1,130,610	428,772,960	0.494	458,272,038
2011	4,201,200	171,210,250	22,355,150	2,855,777	26,918,100	N/A	7,127,300	234,667,777	473,019	427,795,569	0.863	496,725,277
2010	4,534,700	171,085,100	21,676,400	2,643,127	29,645,700	N/A	7,127,300	236,712,327	473,019	235,140,796	0.823	556,802,474
2009	4,701,550	169,389,600	21,988,750	2,691,627	29,309,650	N/A	7,120,300	235,201,477	507,590	237,219,917	0.803	461,269,812
2008	5,054,100	165,948,150	21,257,600	2,871,377	29,440,250	N/A	7,346,300	231,917,777	490,186	235,691,663	0.783	455,320,108
2007	4,328,050	162,828,650	18,051,600	2,914,050	27,434,000	N/A	7,346,300	222,902,650	689,343	223,591,993	0.743	425,751,605
<u>Springfield</u>												
2016	8,249,050	280,081,300	48,562,500	7,491,860	39,312,130	N/A	N/A	383,696,840	969,755	384,666,595	1.981	402,868,515
2015	8,960,950	280,027,800	48,404,200	8,247,250	39,626,130	N/A	N/A	385,266,330	1,042,493	386,308,823	1.899	391,454,551
2014	10,200,450	285,013,000	46,312,500	8,516,310	40,271,630	N/A	N/A	390,313,890	941,780	391,255,670	0.882	399,666,076
2013	9,148,800	319,406,300	58,130,350	8,141,325	44,744,730	N/A	N/A	443,198,535	1,059,877	440,631,382	N/A	N/A
2012	8,693,800	320,597,900	59,831,550	7,705,755	46,369,630	N/A	N/A	444,449,935	1,064,130	444,262,665	0.746	N/A
2011	8,829,800	321,062,500	59,498,670	7,845,835	47,213,330	N/A	N/A	446,264,359	1,058,600	445,508,735	0.729	459,515,714
2010	9,494,300	322,408,700	57,574,970	9,248,059	47,538,330	N/A	N/A	443,862,429	1,231,512	447,495,871	0.722	484,277,796
2009	7,384,000	322,920,700	55,634,310	9,881,839	48,041,580	N/A	N/A	440,123,649	1,189,150	445,051,579	0.711	505,358,815
2008	7,097,900	322,260,900	54,235,910	9,176,159	47,352,780	N/A	N/A	433,668,709	1,095,081	441,218,730	0.691	491,033,999
2007	7,222,300	321,869,699	52,533,150	6,777,679	45,265,980	N/A	N/A	429,413,028	1,038,693	434,707,402	0.678	481,778,051

a. Tax rates are per \$100

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOWNSHIP	BURLINGTON COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
<u>Chesterfield</u>							
2016	1.429	0.605	2.034	0.263	0.335	0.032	2.704
2015	1.345	0.593	1.938	0.224	0.341	0.032	2.575
2014	1.156	0.575	1.731	0.129	0.332	0.031	2.238
2013	1.156	0.575	1.731	0.129	0.332	0.031	2.238
2012	1.124	0.597	1.721	0.295	0.318	0.032	2.408
2011	1.094	0.544	1.638	0.053	0.388	N/A	2.079
2010	0.931	0.501	1.432	0.041	0.295	0.028	1.835
2009	0.883	0.461	1.344	0.041	0.354	N/A	1.739
2008	0.803	0.446	1.249	0.041	0.348	N/A	1.638
2007	0.734	0.408	1.142	0.042	0.376	N/A	1.560
<u>Mansfield</u>							
2016	1.110	1.039	2.149	0.471	0.410	0.039	3.118
2015	1.118	1.012	2.130	0.465	0.405	0.038	3.086
2014	1.080	0.945	2.025	0.430	0.415	0.038	2.927
2013	1.080	0.945	2.025	0.430	0.415	0.038	2.927
2012	0.725	0.635	1.360	0.287	0.293	0.029	2.007
2011	0.702	0.615	1.317	0.238	0.302	0.029	1.925
2010	0.688	0.636	1.324	0.226	0.317	0.031	1.939
2009	0.664	0.642	1.306	0.219	0.324	0.031	2.300
2008	0.637	0.644	1.281	0.182	0.323	0.030	1.857
2007	0.610	0.637	1.247	0.168	0.334	0.032	1.820
<u>North Hanover</u>							
2016	0.649	0.697	1.346	0.324	0.332	0.031	2.073
2015	0.641	0.682	1.323	0.354	0.326	0.031	2.073
2014	0.546	0.653	1.199	0.293	0.335	0.031	1.873
2013	0.546	0.653	1.199	0.293	0.335	0.031	1.873
2012	0.514	0.617	1.131	0.277	0.316	0.031	1.796
2011	0.494	0.603	1.097	0.273	0.406	N/A	1.776
2010	0.863	1.106	1.969	0.457	0.794	N/A	3.220
2009	0.823	1.179	2.002	0.406	0.897	N/A	3.305
2008	0.803	1.039	1.842	0.381	0.761	N/A	2.984
2007	0.783	1.039	1.822	0.297	0.802	N/A	2.921
<u>Springfield</u>							
2016	0.898	1.083	1.981	0.547	0.351	0.033	2.954
2015	0.899	1.000	1.899	0.532	0.342	0.032	2.846
2014	0.769	0.778	1.547	0.434	0.310	0.029	2.334
2013	0.769	0.778	1.547	0.434	0.310	0.029	2.334
2012	0.746	0.734	1.480	0.418	0.298	0.030	2.265
2011	0.729	0.728	1.457	0.398	0.391	N/A	2.246
2010	0.722	0.699	1.421	0.378	0.412	N/A	2.211
2009	0.711	0.687	1.398	0.379	0.432	N/A	2.209
2008	0.691	0.727	1.418	0.366	0.433	N/A	2.217
2007	0.678	0.782	1.460	0.352	0.468	N/A	2.280

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
<u>CHESTERFIELD TOWNSHIP</u>						
Three Putt LLC	unavailable	1	unavailable	unavailable	1	unavailable
Colonial Pipeline Co	unavailable	2	unavailable	unavailable	2	unavailable
Colonial Pipeline Co	unavailable	3	unavailable	unavailable	3	unavailable
Taxpayer #1	unavailable	4	unavailable	unavailable	4	unavailable
Taxpayer #2	unavailable	5	unavailable	unavailable	5	unavailable
Taxpayer #3	unavailable	6	unavailable	unavailable	6	unavailable
Anna N A Black Farm LLC	unavailable	7	unavailable	unavailable	7	unavailable
Crosbie Enterprises LLC	unavailable	8	unavailable	unavailable	8	unavailable
Mekwin LLC	unavailable	9	unavailable	unavailable	9	unavailable
Transcontinental Gas Pipeline	unavailable	10	unavailable	unavailable	10	unavailable
Total						
<u>MANSFIELD TOWNSHIP</u>						
N.A.D.E./Manheim Auto Auction	unavailable	1	unavailable	unavailable	1	unavailable
Vanco USA LLC	unavailable	2	unavailable	unavailable	2	unavailable
Homestead Plaza II	unavailable	3	unavailable	unavailable	3	unavailable
Transcontinental Gas Pipeline	unavailable	4	unavailable	unavailable	4	unavailable
Cubalmart LP	unavailable	5	unavailable	unavailable	5	unavailable
MLC Developers LLC	unavailable	6	unavailable	unavailable	6	unavailable
NJ American Water	unavailable	7	unavailable	unavailable	7	unavailable
Taxpayer #1	unavailable	8	unavailable	unavailable	8	unavailable
Taxpayer #2	unavailable	9	unavailable	unavailable	9	unavailable
NJ BM&P Apprentice	unavailable	10	unavailable	unavailable	10	unavailable
Total						
<u>NORTH HANOVER TOWNSHIP</u>						
Spartan Village Inc.	unavailable	1	unavailable	unavailable	1	unavailable
Riteaid	unavailable	2	unavailable	unavailable	2	unavailable
Hanover Village LLC	unavailable	3	unavailable	unavailable	3	unavailable
Matrix Hanver Golf LLC	unavailable	4	unavailable	unavailable	4	unavailable
California Village LLC	unavailable	5	unavailable	unavailable	5	unavailable
North Mill Assoc.	unavailable	6	unavailable	unavailable	6	unavailable
South Mill Assoc.	unavailable	7	unavailable	unavailable	7	unavailable
Store & Lock Self Storage	unavailable	8	unavailable	unavailable	8	unavailable
JCP & L	unavailable	9	unavailable	unavailable	9	unavailable
Maplewood Apartments	unavailable	10	unavailable	unavailable	10	unavailable
Total						
<u>SPRINGFIELD TOWNSHIP</u>						
Columbus Farmers Market	unavailable	1	unavailable	unavailable	1	unavailable
Helis Enterprise	unavailable	2	unavailable	unavailable	2	unavailable
Transcontinental Pipeline	unavailable	3	unavailable	unavailable	3	unavailable
NJ Land	unavailable	4	unavailable	unavailable	4	unavailable
Milo Corporation	unavailable	5	unavailable	unavailable	5	unavailable
Interstate Storage & Pipeline	unavailable	6	unavailable	unavailable	6	unavailable
K&P Ganesh Corporation	unavailable	7	unavailable	unavailable	7	unavailable
Store & Lock Self Storage	unavailable	8	unavailable	unavailable	8	unavailable
Verizon	unavailable	9	unavailable	unavailable	9	unavailable
Taxpayer #1	unavailable	10	unavailable	unavailable	10	unavailable
Total	<u>N/A</u>		<u>N/A</u>			

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
<u>Chesterfield Township</u>				
2017	4,524,021	4,524,021	100.00%	N/A
2016	3,919,290	3,919,290	100.00%	N/A
2015	4,367,203	4,367,203	100.00%	N/A
2014	4,176,122	4,176,122	100.00%	N/A
2013	4,305,574	4,305,574	100.00%	N/A
2012	3,886,265	3,886,265	100.00%	N/A
2011	3,949,832	3,949,832	100.00%	N/A
2010	3,502,616	3,502,616	100.00%	N/A
2009	3,218,930	3,218,930	100.00%	N/A
2008	2,744,659	2,744,659	100.00%	N/A
<u>Mansfield Township</u>				
2017	\$ 10,238,442	10,238,442	100.00%	N/A
2016	8,735,758	8,735,758	100.00%	N/A
2015	9,182,455	9,182,455	100.00%	N/A
2014	8,977,483	8,977,483	100.00%	N/A
2013	8,446,971	8,446,971	100.00%	N/A
2012	8,145,516	8,145,516	100.00%	N/A
2011	8,388,377	8,388,377	100.00%	N/A
2010	8,417,270	8,417,270	100.00%	N/A
2009	8,358,570	8,358,570	100.00%	N/A
2008	8,210,618	8,210,618	100.00%	N/A
<u>North Hanover Township</u>				
2017	\$ 2,963,284	2,963,284		
2016	2,606,038	2,606,038	100.00%	N/A
2015	2,821,682	2,821,682	100.00%	N/A
2014	2,455,397	2,455,397	100.00%	N/A
2013	2,644,764	2,644,764	100.00%	N/A
2012	2,584,668	2,584,668	100.00%	N/A
2011	2,599,735	2,599,735	100.00%	N/A
2010	2,796,992	2,796,992	100.00%	N/A
2009	2,448,805	2,448,805	100.00%	N/A
2008	2,432,598	2,432,598	100.00%	N/A
<u>Springfield Township</u>				
2017	\$ 4,167,868	4,167,868	100.00%	N/A
2016	3,493,753	3,493,753	100.00%	N/A
2015	3,622,359	3,622,359	100.00%	N/A
2014	3,430,600	3,430,600	100.00%	N/A
2013	3,264,834	3,264,834	100.00%	N/A
2012	3,245,076	3,245,076	100.00%	N/A
2011	3,130,876	3,130,876	100.00%	N/A
2010	3,056,726	3,056,726	100.00%	N/A
2009	3,208,352	3,208,352	100.00%	N/A
2008	3,396,587	3,396,587	100.00%	N/A

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30.	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	JNAMORTIZED BOND PREMIUM	CAPITAL LEASES			
2017	\$ 11,520,000	\$ 784,707	\$ 598,927	\$ 12,903,634	unavailable	unavailable
2016	14,331,000	61,152	545,121	14,937,273	unavailable	\$ 553.70
2015	16,411,000	65,321	414,686	16,891,007	1.13%	623.05
2014	18,431,000	69,491	217,631	18,718,122	1.28%	685.42
2013	18,516,000	73,660	-	18,589,660	1.31%	678.60
2012	22,216,000	77,830	54,468	22,348,298	1.59%	816.94
2011	23,981,000	81,999	107,223	24,170,222	1.76%	879.65
2010	25,606,000	86,168	158,317	25,850,485	1.96%	942.69
2009	27,051,000	90,338	207,803	27,349,141	2.17%	1,034.31
2008	25,695,000	94,508	260,700	26,050,208	2.08%	993.68

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF NET VALUATION TAXABLE PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	UNAMORTIZED BOND PREMIUM	DEDUCTIONS			
2017	\$ 11,520,000	784,707	\$ -	\$ 12,304,707	unavailable	unavailable
2016	14,331,000	61,152	-	14,392,152	0.58%	533.50
2015	16,411,000	65,321	-	16,476,321	0.56%	607.76
2014	18,431,000	69,491	-	18,500,491	0.62%	677.45
2013	18,516,000	73,660	-	18,589,660	0.67%	678.60
2012	22,216,000	77,830	-	22,293,830	0.78%	814.95
2011	23,981,000	81,999	-	24,062,999	0.92%	875.75
2010	25,606,000	86,168	-	25,692,168	0.99%	936.92
2009	27,051,000	90,338	-	27,141,338	1.43%	1,026.45
2008	25,695,000	94,508	-	25,789,508	1.71%	983.73

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016**

	<u>NET DEBT (1)</u>	<u>PROPORTIONATE SHARE</u>	<u>NET DEBT ALLOCATED TO TOWNSHIP</u>
<u>GOVERNMENTAL UNIT - CHESTERFIELD TOWNSHIP</u>			
Chesterfield Township	\$ 9,124,381	100.00%	\$ 9,124,381
Burlington County (2)	314,942,084	1.73%	5,445,996
Chesterfield Township Board of Education	17,876,364	100.00%	17,876,364
Northern Burlington County Regional School District	12,304,707	27.00%	<u>3,322,271</u>
Total Direct & Overlapping Debt			<u>\$ 35,769,012</u>
<u>GOVERNMENTAL UNIT - MANSFIELD TOWNSHIP</u>			
Mansfield Township	15,582,110	100.00%	15,582,110
Burlington County (2)	314,942,084	2.28%	7,173,968
Mansfield Township Board of Education	4,677,888	100.00%	4,677,888
Northern Burlington County Regional School District	12,304,707	43.00%	<u>5,291,024</u>
Total Direct & Overlapping Debt			<u>\$ 32,724,990</u>
<u>GOVERNMENTAL UNIT - NORTH HANOVER SCHOOL DISTRICT</u>			
North Hanover Township	7,056,570	100.00%	7,056,570
Burlington County (2)	314,942,084	0.98%	3,098,810
North Hanover Board of Education	-	100.00%	-
Northern Burlington County Regional School District	12,304,707	15.00%	<u>1,845,706</u>
Total Direct & Overlapping Debt			<u>\$ 12,001,086</u>
<u>GOVERNMENTAL UNIT - SPRINGFIELD TOWNSHIP</u>			
Springfield Township	7,790,000	100.00%	7,790,000
Burlington County (2)	314,942,084	0.89%	2,802,677
Springfield Township Board of Education	-	100.00%	-
Northern Burlington County Regional School District	12,304,707	15.00%	<u>1,845,706</u>
Total Direct & Overlapping Debt			<u>\$ 12,438,383</u>

(1) 2016 Annual Debt Statements

(2) County net debt is allocated as a proportion of the Township's share of the total 2016 Equalized Value, which is provided by the New Jersey Division of Taxation

(3) Regional high school net debt is allocated as a percentage of the Average Equalized Valuations of the municipalities within the regional high school district, which is provided by the Division of Local Government

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	DECEMBER 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 94,954,116	\$ 93,148,228	\$ 93,859,674	\$ 94,061,997	\$ 96,486,171	\$ 105,417,938	\$ 106,800,265	\$ 104,471,068	\$ 100,139,959	\$ 89,299,923
Total Net Debt Applicable to Limit	14,392,152	16,411,000	18,431,000	20,366,000	22,216,000	23,981,000	25,606,000	27,051,000	25,695,000	27,000,000
Legal Debt Margin	\$ 80,561,964	\$ 76,737,228	\$ 75,428,674	\$ 73,695,997	\$ 74,270,171	\$ 81,436,938	\$ 81,194,265	\$ 77,420,068	\$ 74,444,959	\$ 62,299,923
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.16%	17.62%	19.64%	21.65%	23.03%	22.75%	23.98%	25.89%	25.66%	30.24%

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized Valuation Basis			Total
	Chesterfield	Mansfield	Springfield	
2016	\$ 758,339,295	\$ 1,198,537,177	\$ 419,627,512	\$ 2,795,112,799
2015	725,375,169	1,161,349,268	415,901,820	2,703,736,439
2014	720,321,819	1,126,982,679	398,592,589	2,640,074,971
				\$ 8,138,924,209
Average Equalized Valuation of Taxable Property				2,712,974,736
Debt Limit (3.5 % of Average Equalization Value)				\$ 94,954,116
Total Net Debt Applicable to Limit				14,392,152
Legal Debt Margin				\$ 80,561,964

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PERSONAL INCOME (b)</u>	<u>PER CAPITA PERSONAL INCOME (c)</u>	<u>UNEMPLOYMENT RATE (d)</u>
<u>2016</u>				
Chesterfield Township	7,490	unavailable	unavailable	4.6%
Mansfield Township	8,591	unavailable	unavailable	4.3%
North Hanover Township	7,581	unavailable	unavailable	5.4%
Springfield Township	3,315	unavailable	unavailable	3.8%
<u>2015</u>				
Chesterfield Township	7,572	418,178,844	55,227	4.7%
Mansfield Township	8,574	473,516,298	55,227	4.9%
North Hanover Township	7,609	420,222,243	55,227	6.2%
Springfield Township	3,355	185,286,585	55,227	5.1%
<u>2014</u>				
Chesterfield Township	7,706	414,174,382	53,747	5.7%
Mansfield Township	8,580	461,149,260	53,747	5.9%
North Hanover Township	7,640	410,627,080	53,747	7.1%
Springfield Township	3,383	181,826,101	53,747	6.0%
<u>2013</u>				
Chesterfield Township	7,777	402,731,945	51,785	5.1%
Mansfield Township	8,573	443,952,805	51,785	7.2%
North Hanover Township	7,651	396,207,035	51,785	10.4%
Springfield Township	3,393	175,706,505	51,785	6.1%
<u>2012</u>				
Chesterfield Township	7,674	394,366,860	51,390	9.0%
Mansfield Township	8,589	441,388,710	51,390	11.7%
North Hanover Township	7,682	394,777,980	51,390	11.5%
Springfield Township	3,411	175,291,290	51,390	8.9%
<u>2011</u>				
Chesterfield Township	7,812	390,248,460	49,955	8.6%
Mansfield Township	8,569	428,064,395	49,955	11.3%
North Hanover Township	7,683	383,804,265	49,955	11.1%
Springfield Township	3,413	170,496,415	49,955	8.5%
<u>2010</u>				
Chesterfield Township	7,768	373,229,096	48,047	8.9%
Mansfield Township	8,554	410,994,038	48,047	11.6%
North Hanover Township	7,685	369,241,195	48,047	11.4%
Springfield Township	3,415	164,080,505	48,047	8.8%
<u>2009</u>				
Chesterfield Township	7,620	363,085,380	47,649	8.3%
Mansfield Township	8,000	381,192,000	47,649	10.9%
North Hanover Township	7,368	351,077,832	47,649	10.7%
Springfield Township	3,454	164,579,646	47,649	8.3%
<u>2008</u>				
Chesterfield Township	7,421	354,842,536	47,816	4.8%
Mansfield Township	7,958	380,519,728	47,816	6.4%
North Hanover Township	7,371	352,451,736	47,816	4.4%
Springfield Township	3,466	165,730,256	47,816	4.8%

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2017		
	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Albert C. Wagner Youth Correctional Facility	550	1	N/A
Garden State Youth Correctional Center	500	2	N/A
Northern Burlington Regional	315	3	N/A
North Hanover School District	250	4	N/A
Mansfield School District	150	5	N/A
Chesterfield School District	125	6	N/A
Springfield School District	55	7	N/A
	<u>1,945</u>		<u>0.00%</u>

2008

NOT AVAILABLE

Source: Comprehensive Annual Financial Reports of Individual School Districts

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	131.62	129.75	122.99	122.99	117.85	117.17	129.39	135.80	136.50	129.50
Special Education	27.27	28.44	29.68	29.68	29.54	29.13	29.01	25.00	24.00	28.80
Vocational	5.00	5.00	4.83	4.83	5.33	5.00	5.00	5.00	5.00	4.70
Support Services:										
Student & Instruction Related Services	44.93	43.66	45.73	45.73	44.80	62.56	65.55	66.05	61.75	60.50
School Administrative Services	16.60	16.40	15.60	15.60	16.60	17.60	18.85	19.75	19.75	21.50
General & Business Administrative Services	9.30	9.30	9.30	9.30	9.30	9.30	8.80	8.60	8.90	7.62
Plant Operations & Maintenance	30.00	31.00	29.00	29.00	29.00	30.00	32.00	32.00	32.00	30.00
Pupil Transportation	44.50	44.00	44.00	44.00	41.00	41.00	44.00	43.00	42.00	42.00
Total	309.22	307.55	301.13	301.13	301.13	293.42	311.76	332.60	335.20	329.90

Source: District Personnel Records

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO DISTRICT	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2017	2,131	\$ 36,846,931	17,291	6.39%	164	12.99	2,089	1,983	3.21%	94.93%
2016	2,072	35,661,944	17,211	9.35%	164	12.63	2,024	1,918	-3.85%	94.76%
2015	2,148	34,779,531	16,192	2.87%	163	13.18	2,105	1,987	2.04%	94.39%
2014	2,011	32,685,054	16,253	8.16%	157	12.81	2,063	1,884	4.14%	91.32%
2013	2,011	31,652,741	15,740	4.74%	157	12.81	1,981	1,884	1.43%	95.10%
2012	1,986	29,843,543	15,027	-5.81%	153	12.98	1,953	1,850	4.83%	94.73%
2011	1,904	30,376,175	15,954	-3.48%	151	12.61	1,863	1,763	2.54%	94.63%
2010	1,836	30,347,500	16,529	-2.00%	166	11.06	1,817	1,717	1.33%	94.50%
2009	1,822	30,730,212	16,866	2.37%	166	10.98	1,793	1,720	-2.30%	95.93%
2008	1,848	30,445,829	16,475	5.18%	166	11.13	1,835	1,720	-1.86%	93.72%
2007	1,891	29,620,782	15,664		163	11.60	1,870	1,764		94.30%

Sources: District records
 Note: Enrollment based on annual October district count.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Middle School:										
Middle School (2003):										
Square Feet	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000
Capacity (Students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	779	744	768	726	726	736	658	656	602	602
High School:										
High School (1960):										
Square Feet	215,545	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
Capacity (Students)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,352	1,328	1,380	1,285	1,285	1,250	1,158	1,156	1,246	1,246

Number of Schools at June 30, 2017:

- Middle School = 1
- Senior High School = 1
- Other = 0

Source: District Facilities Office

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	TOTAL
* School Facilities	\$ 523,420	\$ 560,810	\$ 617,893	\$ 601,618	\$ 573,459	\$ 613,877	\$ 511,264	\$ 718,612	\$ 632,115	\$ 754,682	\$ 6,107,750

* 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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	Replacement Cost	500
Limits of Liability per Occurrence	150,000,000	500
Boiler & Machinery	50,000,000	1,000
General Automobile Liability	10,000,000	N/A
Educator's Legal Liability	10,000,000	N/A
Workers' Compensation	Statutory	N/A
Pollution Legal Liability	3,000,000	10,000
 Student Accident Insurance (2)	 5,000,000	 0
 Surety Bonds (3)		
Treasurer	250,000	N/A
Board Secretary	100,000	N/A

- (1) Burlington County Insurance Pool - Joint Insurance Fund (BCIPJIF)
- (2) AIG Life Insurance Company
- (3) Utica Mutual Insurance Company

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Northern Burlington County Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Northern Burlington County Regional School District's basic financial statements, and have issued our report thereon dated October 11, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 11, 2017



EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

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

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 11, 2017

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	BALANCE, JUNE 30, 2017		MEMO CUMULATIVE TOTAL EXPENDITURES	
											ACCOUNTS RECEIVABLE	UNEARNED REVENUE		DUE TO GRANTOR
New Jersey Department of Education:														
General Fund:														
State Aid Public:														
School Choice Aid	495-034-5120-068	\$ 415,100	7/1/16-6/30/17			\$ 415,100	(415,100)						\$ 39,823	\$ 415,100
Equalization Aid	495-034-5120-078	10,112,152	7/1/16-6/30/17			10,112,152	(10,112,152)						970,122	10,112,152
Security Aid	495-034-5120-084	154,488	7/1/16-6/30/17			154,488	(154,488)						14,821	154,488
Adjustment Aid	495-034-5120-085	8,302	7/1/16-6/30/17			8,302	(8,302)						706	8,302
Special Education Categorical Aid	495-034-5120-089	1,088,835	7/1/16-6/30/17			1,088,835	(1,088,835)						104,459	1,088,835
Per Pupil Growth Aid	495-034-5120-097	21,780	7/1/16-6/30/17			21,780	(21,780)						2,089	21,780
PARCC Readiness	495-034-5120-098	21,780	7/1/16-6/30/17			21,780	(21,780)						2,089	21,780
Professional Learning Community Aid	495-034-5120-101	21,210	7/1/16-6/30/17			21,210	(21,210)						2,035	21,210
Total State Aid Public						11,843,647	(11,843,647)						1,136,235	11,843,647
Transportation Aid	495-034-5120-014	576,863	7/1/16-6/30/17			576,863	(576,863)						55,342	576,863
Additional Nonpublic School Transportation Aid	495-034-5120-014	20,180	7/1/16-6/30/17				(20,180)						-	20,180
Additional Nonpublic School Transportation Aid	495-034-5120-014	13,050	7/1/15-6/30/16	(13,050)		13,050	(273,418)			(20,180)			-	13,050
Extraordinary Aid	495-034-5120-044	273,418	7/1/16-6/30/17				(273,418)			(273,418)			-	273,418
Extraordinary Aid	495-034-5120-044	334,139	7/1/15-6/30/16	(334,139)		334,139	(956,710)			(41,799)			-	334,139
Reimbursed TPAF Social Security Contributions	100-034-5094-003	956,710	7/1/16-6/30/17			914,911							-	956,710
Reimbursed TPAF Social Security Contributions	100-034-5094-003	952,424	7/1/15-6/30/16	(41,994)		41,994							-	952,424
TPAF - Post Retirement														
Medical (Noncash Assistance)	495-034-5094-001	1,186,121	7/1/16-6/30/17			1,186,121	(1,186,121)						-	1,186,121
TPAF - Pension														
Contributions (Noncash Assistance)	495-034-5094-002	1,423,526	7/1/16-6/30/17			1,423,526	(1,423,526)						-	1,423,526
TPAF - Long-Term Disability														
Insurance (Noncash Assistance)	495-034-5094-004	3,392	7/1/16-6/30/17			3,392	(3,392)						-	3,392
Total General Fund				(389,183)		16,337,643	(16,283,857)			(335,397)			1,191,577	17,583,470
Special Revenue Fund:														
Non-Public Aid:														
Textbook Aid	100-034-5120-064	1,153	7/1/16-6/30/17			1,153	(810)						-	810
Textbook Aid	100-034-5120-064	1,313	7/1/15-6/30/16	654			(1,800)		(654)				-	659
Nursing Services	100-034-5120-070	1,800	7/1/16-6/30/17			1,800	(1,800)						-	1,800
Technology Initiative	100-034-5120-373	520	7/1/16-6/30/17			520	(520)						-	520
Handicapped Services (Ch. 193):														
Supplemental Instruction	100-034-5120-066	3,923	7/1/16-6/30/17			3,923	(3,139)						-	3,139
Supplemental Instruction	100-034-5120-066	3,194	7/1/15-6/30/16	149			(722)		(149)				-	3,045
Examination & Classification	100-034-5120-066	1,982	7/1/16-6/30/17			1,982	(884)						-	722
Corrective Speech	100-034-5120-066	2,651	7/1/16-6/30/17			2,651	(884)						-	884
Corrective Speech	100-034-5120-066	2,174	7/1/15-6/30/16	84					(84)				-	2,090
Auxiliary Services Aid (Ch. 192):														
Compensatory Education	100-034-5120-067	17,020	7/1/16-6/30/17			17,020	(10,391)						-	10,391
Compensatory Education	100-034-5120-067	16,921	7/1/15-6/30/16	932			(932)		(932)				-	15,989
English as a Second Language	100-034-5120-067	2,588	7/1/15-6/30/16	2,588			(2,588)						-	2,588
SUNY Grant	Unavailable	250	7/1/11-6/30/12	220						220			-	220
Total Special Revenue Fund				4,627		29,049	(18,286)		(4,407)				-	40,049
Debt Service Fund:														
School Construction Debt Service Aid	495-034-5120-075	664,663	7/1/16-6/30/17			664,663	(664,663)						-	664,663
Total Debt Service Fund						664,663	(664,663)						-	664,663
New Jersey Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program	100-010-3330-023	6,139	7/1/16-6/30/17			5,880	(6,139)						-	6,139
National School Lunch Program	100-010-3330-023	6,260	7/1/15-6/30/16	(267)		267							-	6,260
Total Enterprise Fund				(267)		6,147	(6,139)			(259)			-	12,399
Total State Financial Assistance				\$ (384,823)		\$ 17,031,363	\$ (16,972,925)		\$ (4,407)			\$ 220	\$ 10,783	\$ 18,300,581
State Financial Assistance Programs not subject to Calculation for Major Program Determination:														
TPAF - Post Retirement														
Medical (Noncash Assistance)	495-034-5094-001	1,186,121.00	7/1/16-6/30/17			\$	1,186,121						-	1,186,121
TPAF - Pension														
Contributions (Noncash Assistance)	495-034-5094-002	1,423,526.00	7/1/16-6/30/17				1,423,526						-	1,423,526
TPAF - Long-Term Disability														
Insurance (Noncash Assistance)	495-034-5094-004	3,392.00	7/1/16-6/30/17				3,392						-	3,392
Total State Financial Assistance subject to Calculation for Major Program Determination							\$ (14,359,886)							\$ (14,359,886)

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

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

Note 3. Relationship to Basic Financial Statements

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

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

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(17,249) for the general fund and \$(20,523) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,429,769	\$ 16,266,608	\$ 18,696,377
Special Revenue Fund	546,603	18,266	564,869
Debt Service Fund	-	664,663	664,663
Food Service Fund	178,538	6,139	184,677
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 3,154,910</u>	<u>\$ 16,955,676</u>	<u>\$ 20,110,586</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Northern Burlington County Regional School District had no loan balances outstanding at June 30, 2017.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.041	S041B143114	Impact Aid
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

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

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

State Financial Assistance

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-068	State Aid Public Cluster:
495-034-5120-078	School Choice Aid
495-034-5120-084	Equalization Aid
495-034-5120-085	Security Aid
495-034-5120-089	Adjustment Aid
495-034-5120-097	Special Education Categorical Aid
495-034-5120-098	Per Pupil Growth Aid
495-034-5120-101	PARCC Readiness Aid
	Professional Learning Community Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

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

Section II – Financial Statement Findings

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

None.

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

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

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

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

Financial Statement Findings

No Prior Year Findings.