

**SCHOOL DISTRICT  
OF**

# **BARRINGTON**

**Barrington Board of Education  
Barrington, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual  
Financial Report**

**of the**

**Barrington Board of Education**

**Barrington, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by  
Barrington Board of Education  
Finance Department**

**BARRINGTON SCHOOL DISTRICT**

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**Introductory Section**

*Barrington School District*

*311 Reading Avenue  
Barrington, NJ 08007  
(856) 547-8467  
(856) 547-5533 (fax)*

*Anthony Arcodia  
Superintendent*

*Samuel Dutkin  
School Business Administrator/  
Board Secretary*

January 31, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Barrington School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides the following services:

- K-8 regular education
- Remedial services for at-risk students
- Special Education programs and related services as indicated in the Individual Education Plan (IEP) and required by N.J.A.C. 6:14, including a Preschool Disabilities Program
- Participation in the National School Lunch Program
- Transportation services, both public and nonpublic
- Tuition for the students who choose to attend Haddon Heights High School for grades 9-12.

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

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

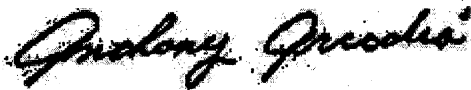
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by a state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

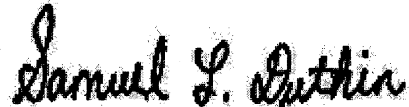


8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board also carried Builders Risk coverage for the facility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

Respectfully submitted,



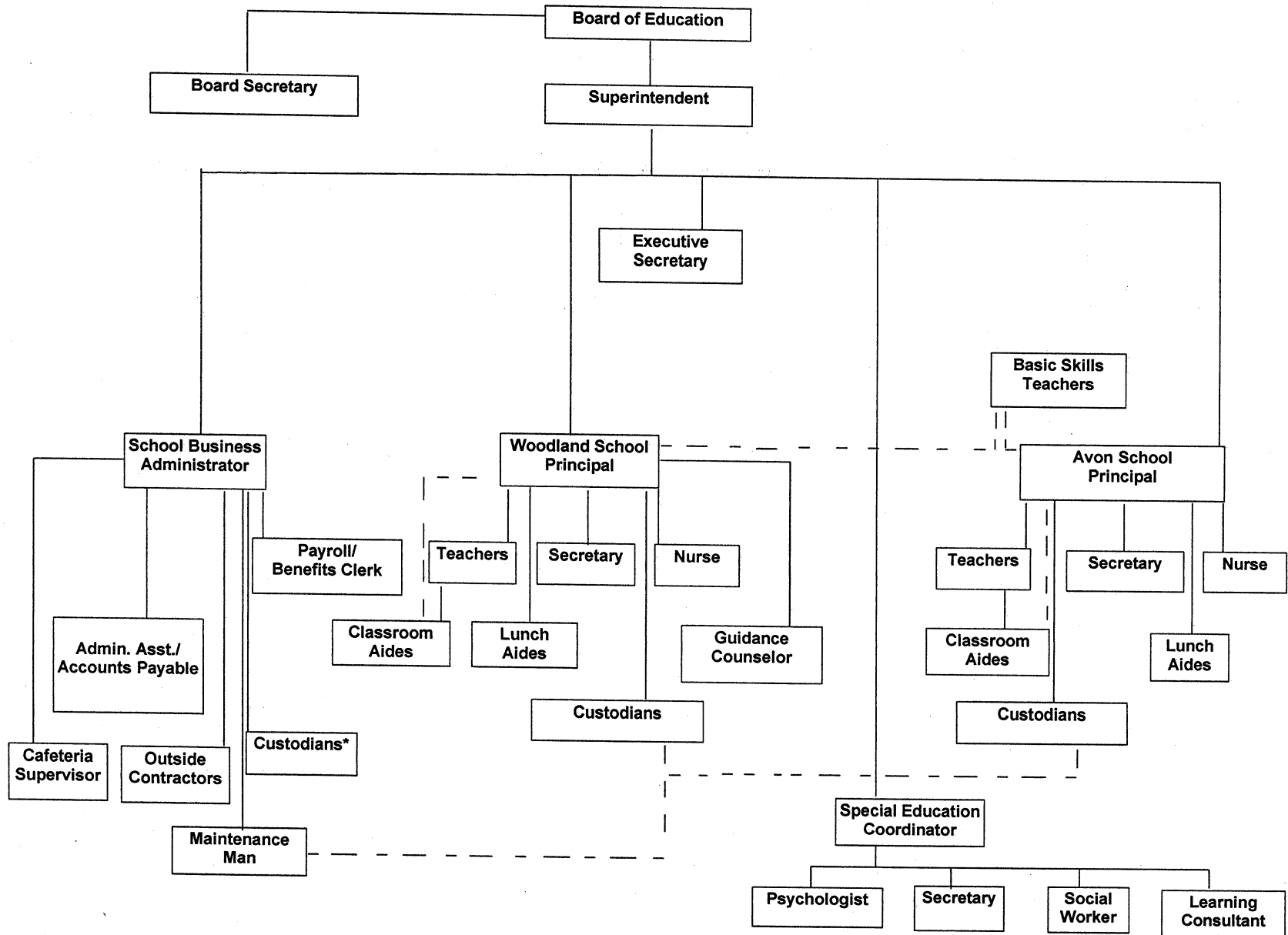
Anthony Arcodia  
Superintendent of Schools



Samuel Dutkin  
School Business Administrator/  
Board Secretary

# BARRINGTON BOARD OF EDUCATION

## Organizational Chart (Unit Control)



\*Summer

# BARRINGTON SCHOOL DISTRICT

## Roster of Officials

June 30, 2018

### Members of the Board of Education:

### Term Expires

Michael Drumm, President	2018
Carla Bolling, Vice President	2019
Sherry Chin-Glaser	2018
Mark Correa	2018
Robert Klopp	2019
Kelli Martone	2020
Holly McCauley	2019
Martin Schoettler, Jr.	2020
Jennifer Schuster	2020

### Other Officials:

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

**BARRINGTON SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

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

**Attorney**

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

**Broker of Record**

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

**Official Depository**

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

**Financial Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

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

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

## *Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

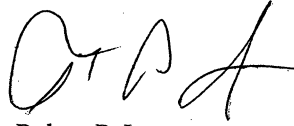
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated January 31, 2019 on my consideration of the Barrington School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrington School District's internal control over financial reporting and compliance.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
January 31, 2019



**INVERSO & STEWART, LLC**  
Certified Public Accountants

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated January 31, 2019.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Barrington School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2018-001.

***The Barrington School District's Response to Findings***

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

***Purpose of this Report***

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

***INVERSO & STEWART, LLC***  
 Certified Public Accountants



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

Marlton, New Jersey  
 January 31, 2019

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

**Barrington School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018**

As management of the Board of Education of the Barrington, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$247,127 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$2,363,272. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$18,516, or an 8.10% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the operations in the governmental funds.
- Fund balance of the School District's governmental funds increased by \$380,607 resulting in an ending fund balance of \$2,343,224. This increase is primarily attributable to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$47,700 which may be used for the operation of the School District's enterprise-related activities (Food Services Program).
- The School District's long-term obligations decreased by \$926,661 which is the reduction of general obligation bonds, pension liability, and capital leases and an increase in compensated absences.

**Overview of the Basic Financial Statements**

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

**District-wide Financial Statements**

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

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

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

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

### Fund Financial Statements

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

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

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

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

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

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

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

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

## Notes to the Basic Financial Statements

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

### Other Information

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

### District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2018. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2018.

The assets of the primary government activities exceeded liabilities by \$168,393 with a deficit unrestricted balance of \$2,363,272. As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, capital leases payable, accrued interest payable, the June state aid payment, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

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

A net investment of \$201,685 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's students, accounts for 119.32% of the total net position of the District.

Net position of \$2,329,980 has been restricted as follows:

Designated for the 2017/18 budget	\$ 237,470
Tuition Reserve	620,000
Emergency Reserve	160,160
Maintenance Reserve	320,160
Capital projects	992,190

**Barrington School District  
Comparative Summary of Net Position  
As of June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Current assets	\$ 2,478,319	\$ 2,004,579	\$ 56,182	\$ 95,543	\$ 2,534,501	\$ 2,100,122
Capital assets	4,423,119	4,940,258	31,034	10,070	4,454,153	4,950,328
<b>Total assets</b>	<b>6,901,438</b>	<b>6,944,837</b>	<b>87,216</b>	<b>105,613</b>	<b>6,988,654</b>	<b>7,050,450</b>
Deferred Outflows of Resources	737,872	1,020,123			737,872	1,020,123
<b>LIABILITIES</b>						
Current liabilities	593,288	472,664	8,482	36,159	601,770	508,823
Noncurrent liabilities	6,382,875	7,333,139			6,382,875	7,333,139
<b>Total liabilities</b>	<b>6,976,163</b>	<b>7,805,803</b>	<b>8,482</b>	<b>36,159</b>	<b>6,984,645</b>	<b>7,841,962</b>
Deferred Inflows of Resources	494,754				494,754	-
<b>Net Position</b>	<b>\$ 168,393</b>	<b>\$ 159,157</b>	<b>\$ 78,734</b>	<b>\$ 69,454</b>	<b>\$ 247,127</b>	<b>\$ 228,611</b>
Net Position Consists of:						
Net investment in						
Capital Assets	\$ 201,685	\$ 421,969	\$ 31,034	\$ 10,070	\$ 232,719	\$ 432,039
Restricted Assets	2,329,980	1,951,519			2,329,980	1,951,519
Unrestricted Assets	(2,363,272)	(2,214,331)	47,700	59,384	(2,315,572)	(2,154,947)
<b>Net Position</b>	<b>\$ 168,393</b>	<b>\$ 159,157</b>	<b>\$ 78,734</b>	<b>\$ 69,454</b>	<b>\$ 247,127</b>	<b>\$ 228,611</b>

**Governmental Activities**

Governmental activities decreased the net position of the School District by \$9,236 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Depreciation expense of \$536,339.
- Results of Operations in the General Fund of \$380,607.
- Payment of Bond and Capital Lease Principal of \$279,543.

**Business-type Activities**

Business-type activities increased the School District's net position by \$9,280. Key elements of the increase in net position for business-type activities are as follows:

- The food service fund had a net profit of \$9,280.

**Barrington School District**  
**Comparative Schedule of Changes in Net Position**  
**As of and for the Fiscal Year Ended June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program Revenue						
Charges for services	\$ 145,701	\$ 112,718	\$ 122,111	\$ 122,455	\$ 267,812	\$ 235,173
Operating grants and contributions	5,560,339	1,647,553	92,283	94,981	5,652,622	1,742,534
General Revenue						
Property taxes	10,500,846	10,296,131			10,500,846	10,296,131
State aid - unrestricted	3,412,084	3,338,827			3,412,084	3,338,827
Other revenues	24,804	11,962	23	26	24,827	11,988
<b>Total Revenues</b>	<b>19,643,774</b>	<b>15,407,191</b>	<b>214,417</b>	<b>217,462</b>	<b>19,858,191</b>	<b>15,624,653</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	5,584,761	4,966,529			5,584,761	4,966,529
Tuition	3,277,077	3,842,255			3,277,077	3,842,255
Related services	1,197,322	1,176,168			1,197,322	1,176,168
Administrative services	794,036	773,263			794,036	773,263
Operations and Maintenance	1,179,150	765,718			1,179,150	765,718
Transportation	466,314	435,809			466,314	435,809
Interest on debt	163,225	170,988			163,225	170,988
Other	89,956	93,307			89,956	93,307
Transfer to Charter Schools		29,991			-	29,991
Employee Benefits	6,882,697	3,422,623			6,882,697	3,422,623
<b>Business-Type Activities:</b>						
Food Service			205,137	206,066	205,137	206,066
<b>Total Expenses</b>	<b>19,634,538</b>	<b>15,676,651</b>	<b>205,137</b>	<b>206,066</b>	<b>19,839,675</b>	<b>15,882,717</b>
Increase (Decrease) in Net Position before transfers	9,236	(269,460)	9,280	11,396	18,516	(258,064)
Transfers						
<b>Change in Net Position</b>	<b>9,236</b>	<b>(269,460)</b>	<b>9,280</b>	<b>11,396</b>	<b>18,516</b>	<b>(258,064)</b>
Net Position, July 1	159,157	428,617	69,454	58,058	228,611	486,675
<b>Net Position, June 30</b>	<b>\$ 168,393</b>	<b>\$ 159,157</b>	<b>\$ 78,734</b>	<b>\$ 69,454</b>	<b>\$ 247,127</b>	<b>\$ 228,611</b>

**Financial Analysis of the Governmental Funds**

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

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



As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$2,343,224, an increase of \$380,607 in comparison with the prior year. The increase can be attributed to the results of operations in the general fund.

The unassigned general fund balance at the end of the fiscal year is \$13,244. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) restricted cash reserved for future capital outlay expenditures \$992,190, 2) appropriated as a revenue source in the subsequent year's budget \$517,470, 3) reserved for future budget appropriation \$340,000, 4) reserved for emergency \$160,160, or 5) reserved for future maintenance projects \$320,160.

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

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

#### **General Fund Budgetary Highlights**

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$335,418, while total fund balance (budgetary basis) was \$2,665,398. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$14,754,501. Unassigned fund balance (budgetary basis) represents 2.27% of expenditures while total fund balance (budgetary basis) represents 18.06% of that same amount.

#### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$4,454,153 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$496,175, or an 10.02% decrease.

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

- Depreciation expense for the current fiscal year was \$538,368
- Capital Additions totaling \$42,193

**Barrington School District  
Capital Asset (net of accumulated depreciation)  
June 30, 2018 and 2017**

	Governmental Activities		Business-Typel Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
Land	\$ 133,067	\$ 133,067			\$ 133,067	\$ 133,067
Const. in Progress					-	-
Site Improvements	30,427	35,262			30,427	35,262
Building and Building Improvements	4,172,083	4,668,091			4,172,083	4,668,091
Equipment	87,542	103,838	\$ 31,034	\$ 10,070	118,576	113,908
<b>Total</b>	<b>\$ 4,423,119</b>	<b>\$ 4,940,258</b>	<b>\$ 31,034</b>	<b>\$ 10,070</b>	<b>\$ 4,454,153</b>	<b>\$ 4,950,328</b>

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

**Long-term debt** – During the fiscal year ended June 30, 2018, the School District had total bonded debt outstanding of \$4,000,000 backed by the full faith and credit of the School District. In addition, the School District has outstanding lease obligations in the amount of \$30,996 and future compensated absences of \$164,570.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$15,436,352 and the legal debt margin was \$11,436,352.

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

**Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2018-2019 fiscal year.

- For the 2018-19 fiscal year the School District will be receiving no increase in state aid. The local tax levy in the General Fund increased \$241,032 over the previous year. Salaries continue to increase contractually; however, the District has managed to control costs. The 2018-19 General Fund Budget is \$648,995 greater than the previous year or a 4.55% increase.

**Requests for Information**

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

**Basic Financial Statements**

**District-Wide Financial Statements**

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,185,941	\$ 45,368	\$ 2,231,309
Receivables, net	292,378	4,013	296,391
Inventory		6,801	6,801
Capital Assets, net (Note 5)	<u>4,423,119</u>	<u>31,034</u>	<u>4,454,153</u>
<b>Total Assets</b>	<u>6,901,438</u>	<u>87,216</u>	<u>6,988,654</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	<u>737,872</u>		<u>737,872</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>7,639,310</u>	<u>87,216</u>	<u>7,726,526</u>
<b>LIABILITIES:</b>			
Accounts Payable			
Related to pensions	98,447		98,447
Other	120,020	4,567	124,587
Intergovernmental Payable			
State	15,075		15,075
Unearned Revenue		3,915	3,915
Other liability			
Accrued Interest Payable	39,288		39,288
Noncurrent Liabilities:			
Due within one year	320,458		320,458
Due beyond one year	<u>6,382,875</u>		<u>6,382,875</u>
<b>Total Liabilities</b>	<u>6,976,163</u>	<u>8,482</u>	<u>6,984,645</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	<u>494,754</u>		<u>494,754</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<u>7,470,917</u>	<u>8,482</u>	<u>7,479,399</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	201,685	31,034	232,719
Restricted for:			
Capital Projects	992,190		992,190
Debt Service			
Other Purposes	1,337,790		1,337,790
Unrestricted (Deficit)	<u>(2,363,272)</u>	<u>47,700</u>	<u>(2,315,572)</u>
<b>Total Net Position</b>	<u>\$ 168,393</u>	<u>\$ 78,734</u>	<u>\$ 247,127</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 3,741,504	\$ 145,701	\$ 151,612	\$ -	\$ (3,444,191)	\$ -	\$ (3,444,191)
Special Education	1,652,424		209,702		(1,442,722)		(1,442,722)
Other instruction	190,833				(190,833)		(190,833)
Support Services:							
Tuition	3,277,077				(3,277,077)		(3,277,077)
Student & instruction related services	1,197,322		29,129		(1,168,193)		(1,168,193)
General administrative services	284,115				(284,115)		(284,115)
School administrative services	188,609				(188,609)		(188,609)
Central services	321,312				(321,312)		(321,312)
Plant operations and maintenance	1,179,150				(1,179,150)		(1,179,150)
Pupil transportation	466,314				(466,314)		(466,314)
Unallocated benefits	6,882,697		5,169,896		(1,712,801)		(1,712,801)
Interest on long-term debt	163,225				(163,225)		(163,225)
Transfer to charter school							
Unallocated depreciation and amortization	89,956				(89,956)		(89,956)
Total Governmental Activities	<u>19,634,538</u>	<u>145,701</u>	<u>5,560,339</u>		<u>(13,928,498)</u>		<u>(13,928,498)</u>
<b>Business-Type Activities:</b>							
Food service	205,137	122,111	92,283			9,257	9,257
Total Business-Type Activities	<u>205,137</u>	<u>122,111</u>	<u>92,283</u>			<u>9,257</u>	<u>9,257</u>
<b>Total Primary Government</b>	<u>\$ 19,839,675</u>	<u>\$ 267,812</u>	<u>\$ 5,652,622</u>	<u>\$ -</u>	<u>(13,928,498)</u>	<u>9,257</u>	<u>(13,919,241)</u>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net					10,065,596		10,065,596
Taxes levied for debt service					435,250		435,250
Federal and State aid not restricted					3,412,084		3,412,084
Investment Earnings					538	23	561
Miscellaneous Income					24,266		24,266
Total general revenues, special items, extraordinary items and transfers					<u>13,937,734</u>	<u>23</u>	<u>13,937,757</u>
Change in Net Position					9,236	9,280	18,516
Net Position - July 1, 2017					159,157	69,454	228,611
Net Position - June 30, 2018					<u>\$ 168,393</u>	<u>\$ 78,734</u>	<u>\$ 247,127</u>

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

**Fund Financial Statements**

**BARRINGTON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 904,463	\$ 96,838	\$ 191,950	\$ -	\$ 1,193,251
Receivables, net					
State aid	116,330				116,330
Federal aid		69,103			69,103
Other accounts receivable	1,387				1,387
Interfund	448,154				448,154
Restricted assets:					
Cash and cash equivalents	<u>992,690</u>				<u>992,690</u>
<b>Total Assets</b>	<u><b>\$ 2,463,024</b></u>	<u><b>\$ 165,941</b></u>	<u><b>\$ 191,950</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 2,820,915</b></u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	119,800	220			120,020
Interfund payable		150,646	191,950		342,596
Intergovernmental payable:					
State		<u>15,075</u>			<u>15,075</u>
<b>Total Liabilities</b>	<u>119,800</u>	<u>165,941</u>	<u>191,950</u>		<u>477,691</u>
<b>Fund Balances:</b>					
Restricted for:					
Capital reserve	992,190				992,190
Maintenance reserve	320,160				320,160
Tuition reserve - current year	340,000				340,000
Tuition reserve - prior year	280,000				280,000
Emergency reserve	160,160				160,160
Assigned to:					
Year-end encumbrances					
Subsequent year's budget	237,470				237,470
Unassigned	<u>13,244</u>				<u>13,244</u>
<b>Total Fund Balances</b>	<u>2,343,224</u>				<u>2,343,224</u>
<b>Total Liabilities and Fund Balances</b>	<u><b>\$ 2,463,024</b></u>	<u><b>\$ 165,941</b></u>	<u><b>\$ 191,950</b></u>	<u><b>\$ -</b></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,168,957 and the accumulated depreciation is \$7,745,838. 4,423,119

Bond issuance premiums are recorded as revenue in the Governmental Funds in the year of receipt. The premiums are amortized over the life of the issued bonds. (190,438)

Accounts payable related to the April 1, 2019 required PERS contribution that is not to be liquidated with current financial resources. (98,447)

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

Deferred Outflows of resources from Pensions	737,872	
Net Pension Liability	(2,317,329)	
Deferred Inflows of resources from Pensions	<u>(494,754)</u>	(2,074,211)

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

General Obligation Bonds	\$ (4,000,000)	
Compensated Absences Payable	(164,570)	
Capital Leases Payable	(30,996)	
Accrued Interest Payable	<u>(39,288)</u>	<u>(4,234,854)</u>

Net position of governmental activities **\$ 168,393**

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



**BARRINGTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 10,065,596	\$ -	\$ -	\$ 435,250	\$ 10,500,846
Tuition	145,701				145,701
Interest earned on capital reserve	538				538
Miscellaneous	24,266				24,266
Total local sources	10,236,101			435,250	10,671,351
State sources	4,899,007	49,998			4,949,005
Federal sources		340,445			340,445
Total Revenues	15,135,108	390,443	-	435,250	15,960,801
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	3,164,057	151,612			3,315,669
Special education instruction	1,442,722	209,702			1,652,424
Other instruction	190,833				190,833
Support services and undistributed costs:					
Tuition	3,277,077				3,277,077
Student & instruction related services	1,168,193	29,129			1,197,322
General administrative services	257,298				257,298
School administrative services	188,609				188,609
Central services	190,544				190,544
Administrative information technology	103,951				103,951
Plant operations and maintenance	792,418				792,418
Pupil transportation	466,314				466,314
Unallocated employee benefits	3,097,010				3,097,010
Capital outlay	415,475				415,475
Transfer to charter school					-
Debt service:					
Principal				270,000	270,000
Interest and other charges				165,250	165,250
Total Expenditures	14,754,501	390,443	-	435,250	15,580,194
Excess (Deficiency) of Revenues over (under) Expenditures	380,607	-	-	-	380,607
<b>Other Financing Sources (Uses):</b>					
Proceeds of Capital Lease					-
Transfers in					-
Transfers out					-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	380,607	-	-	-	380,607
Fund Balances - July 1, 2017	1,962,617	-	-	-	1,962,617
Fund Balances - June 30, 2018	<u>\$ 2,343,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,343,224</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	380,607
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (536,339)	
Capital Outlay Additions	<u>19,200</u>	(517,139)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		270,000
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.</p>		
		9,543
<p>Bond Premium arising from the issuance of the refunding school bonds is recorded as a deferred inflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of amortization.</p>		
		17,312
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		(102,714)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		2,025
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(50,398)</u>
Change in net position of Governmental Activities	\$	<u>9,236</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 45,368
Intergovernmental receivables:	
State	108
Federal	3,905
Inventories	<u>6,801</u>
Total current assets	<u>56,182</u>
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	<u>31,034</u>
Total noncurrent assets	<u>31,034</u>
Total Assets	<u>\$ 87,216</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts Payable	\$ 4,567
Unearned Revenue	<u>3,915</u>
Total current liabilities	<u>8,482</u>
<b>NET POSITION:</b>	
Net investment in capital assets	31,034
Unrestricted	<u>47,700</u>
Total Net Position	<u>\$ 78,734</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
<b>Operating Revenues:</b>	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 66,826
Non-reimbursable programs	55,285
	122,111
<b>Operating Expenses:</b>	
Salaries and fringe benefits	88,003
Supplies and materials	5,942
Management fee	16,995
Other costs	15,907
Depreciation	2,029
Cost of Sales - reimbursable programs	41,734
Cost of Sales - non-reimbursable programs	34,527
	205,137
Operating Income (Loss)	(83,026)
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	2,176
Federal sources:	
National school lunch program	66,501
School breakfast program	11,650
Food distribution program	11,956
Local sources:	
Interest earned	23
	92,306
Income (Loss) before Contributions and Transfers	9,280
Operating Transfers In	-
Change in Net Position	9,280
Net Position - July 1, 2017	69,454
Net Position - June 30, 2018	\$ 78,734

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 121,597
Cash payments to employees for services	(84,200)
Cash payments to suppliers for goods and services	(133,458)
Net Cash Provided by (used for) Operating Activities	<u>(96,061)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	2,165
Cash received from federal sources	78,453
Net Cash Provided by (used for) Noncapital Financing Activities	<u>80,618</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of Equipment	<u>(22,993)</u>
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on Cash Equivalents	<u>23</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,413)
Cash and Cash Equivalents - July 1, 2017	<u>83,781</u>
Cash and Cash Equivalents - June 30, 2018	<u>\$ 45,368</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>	
Operating Income (Loss)	\$ (83,026)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	2,029
Commodities	11,956
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	657
Increase (Decrease) in Accounts Payables	(27,162)
Increase (Decrease) in Unearned Revenue	(515)
Net Cash Provided by (used for) Operating Activities	<u>\$ (96,061)</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	<u>Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefit Trust</u>	<u>Agency Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 10,781	\$ 3,255	\$ 127,133
Interfund Receivable	-	-	-
<b>Total Assets</b>	<u>\$ 10,781</u>	<u>\$ 3,255</u>	<u>\$ 127,133</u>
<b>LIABILITIES:</b>			
Interfund Payable	\$ -	\$ -	\$ 105,558
Accounts Payable	311	-	-
Due to Student Groups	-	-	21,575
<b>Total Liabilities</b>	<u>311</u>	<u>-</u>	<u>\$ 127,133</u>
<b>NET Position:</b>			
Held in Trust for Claims	<u>\$ 10,470</u>	<u>\$ 3,255</u>	

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Flexible Benefits Trust Fund</b>
<b>ADDITIONS:</b>		
Contributions - employee	\$ 10,774	\$ 12,960
Contributions - other	450	-
Interest on Investments	1	-
Miscellaneous	105	-
 Total Additions	 11,330	 12,960
<b>DEDUCTIONS:</b>		
Claims paid	1,687	9,852
Miscellaneous	161	-
 Total Deductions	 1,848	 9,852
 Change in Net Position	 9,482	 3,108
 Net Position - July 1	 988	 147
 Net Position - June 30	 \$ 10,470	 \$ 3,255

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Barrington School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12, attend, on a tuition basis, the Haddon Heights High School District. The Barrington School District has an approximate enrollment at June 30, 2018 of 621 students.

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

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

**Basis of Presentation**

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

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

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



**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The School District's enterprise funds are:

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

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

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

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

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

**Measurement Focus**

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Basis of Accounting**

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

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

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

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2018 and 2017 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

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

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

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

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2018.

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

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

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

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

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

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.



**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements (Continued)** - The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$2,684,807 as of June 30, 2018, \$250,000 was insured under FDIC and the remaining balance of \$2,434,807 was collateralized under GUDPA.

**3. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follow:

Balance – July 1, 2017		\$ 836,652
Increased by:		
Interest earned	538	
Unspent appropriation	-	
Board resolution	480,000	481,038
Decreased by:		
Budget withdrawal		325,000
Balance – June 30, 2018		\$ 992,190

The June 30, 2018 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2018 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2018 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
<b>Intergovernmental</b>				
Local	\$ 1,387	\$ -	\$ -	\$ 1,387
State	116,330	-	108	116,438
Federal	-	69,103	3,905	73,008
<b>Total</b>	<b>\$ 117,717</b>	<b>\$ 69,103</b>	<b>\$ 4,013</b>	<b>\$ 190,833</b>

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental Activities:</b>				
Land	\$ 133,067	\$ -	\$ -	\$ 133,067
Construction in Progress				-
Total Capital Assets not being Depreciation	133,067			133,067
Land Improvements	161,200			161,200
Building and Improvements	11,279,201			11,279,201
Vehicles	30,000			30,000
Equipment	546,289	19,200		565,489
Total Historical Cost	12,149,757	19,200	-	12,168,957
Less Accumulated Depreciation:				
Land Improvements	(125,938)	(4,835)		(130,773)
Building and Improvements	(6,611,110)	(496,008)		(7,107,118)
Vehicles	(20,625)	(3,750)		(24,375)
Equipment	(451,826)	(31,746)		(483,572)
Total Accumulated Depreciation	(7,209,499)	(536,339)	-	(7,745,838)
<b>Governmental Activities Capital   Assets, Net</b>	<b>\$ 4,940,258</b>	<b>\$ (517,139)</b>	<b>\$ -</b>	<b>\$ 4,423,119</b>

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**5. CAPITAL ASSETS (Continued)**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 62,900	\$ 22,993	\$ -	\$ 85,893
Less - Accumulated Depreciation	(52,830)	(2,029)		(54,859)
Business-Type Activities Capital Assets, Net	<u>\$ 10,070</u>	<u>\$ 20,964</u>	<u>\$ -</u>	<u>\$ 31,034</u>

Depreciation expense in the amount of \$536,339 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 375,437
Central Administration	26,817
General Administration	26,817
Unallocated	<u>107,268</u>
Total depreciation expense	<u>\$ 536,339</u>

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$ 5,678
Supplies	<u>1,123</u>
	<u>\$ 6,801</u>

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2018</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 114,172	\$ 61,047	\$ 10,649	\$ 164,570	\$ 8,218
Obligations under Capital Leases	40,539	-	9,543	30,996	9,927
Unamortized Bond Premium	207,750	-	17,312	190,438	17,313
General Obligation Bonds	4,270,000	-	270,000	4,000,000	285,000
Net Pension Liability	<u>2,997,533</u>	<u>-</u>	<u>680,204</u>	<u>2,317,329</u>	<u>-</u>
	<u>\$ 7,629,994</u>	<u>\$ 61,047</u>	<u>\$ 987,708</u>	<u>\$ 6,703,333</u>	<u>\$ 320,458</u>

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**7. LONG-TERM OBLIGATIONS (Continued)**

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

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

As of June 30, 2018, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 285,000	\$ 157,150	\$ 442,150
2020	295,000	148,600	443,600
2021	315,000	136,800	451,800
2022	325,000	124,200	449,200
2023	345,000	111,200	456,200
2024-2028	2,010,000	332,200	2,342,200
2029	425,000	17,000	442,000
	<u>\$ 4,000,000</u>	<u>\$ 1,027,150</u>	<u>\$ 5,027,150</u>

As of June 30, 2018, the School District had no authorizations to issue additional bonded debt.

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

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

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Phone System	July 1, 2020	4.02%	\$ 30,996

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2018:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 9,927	\$ 1,249	\$ 11,176
2020	10,326	849	11,175
2021	10,743	432	11,175
	<u>\$ 30,996</u>	<u>\$ 2,530</u>	<u>\$ 33,526</u>

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**8. OPERATING LEASES**

At June 30, 2018, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$16,353 for the fiscal year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2019	\$ 13,897
	<u>\$ 13,897</u>

**9. PENSION PLANS**

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

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

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

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

The following represents the membership tiers for TPAF:

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$504,559 and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$381,937.

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

At June 30, 2018, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2018, the School District recognized pension expense of \$2,098,721 and revenue of \$2,098,721 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

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

	06/30/17	06/30/16
Collective deferred outflows of resources	\$ 14,160,879,257	\$ 17,414,701,002
Collective deferred inflows of resources	11,800,239,661	134,532,594
Collective net pension liability (Non-Employer – State of New Jersey)	67,423,605,859	79,028,907,033
State's portion of the net pension liability that was associated with the School District	30,295,534	33,854,383
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0449331258%	.0430353966%

*Actuarial assumptions* – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.25%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.00%

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

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) 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.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real asset	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2017, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.25%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.25%) or 1 percentage point higher (5.25%) than the current rate:



**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

	<b>1% Decrease</b> ▼ <b>(3.25%)</b>	<b>Current</b> <b>Discount Rate</b> ▼ <b>(4.25%)</b>	<b>1% Increase</b> ▼ <b>(5.25%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>35,992,045</u>	<u>30,295,534</u>	<u>25,602,724</u>
	<u>\$ 35,992,045</u>	<u>\$ 30,295,534</u>	<u>\$ 25,602,724</u>

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

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

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

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

The following represents the membership tiers for PERS:

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

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 13.35% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$92,534 and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$54,112.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2018	\$ 12,138	\$ 75,588	\$ 4,495	\$ 313	\$ 92,534
2017	14,064	71,575	4,274	144	90,057
2016	14,217	65,495	4,268	-	83,980

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

At June 30, 2018, the School District reported a liability of \$2,317,329 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2018, the School District recognized pension expense of \$194,934. At June 30, 2018, the School District reported a liability of \$2,317,329 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,565	\$ -
Changes of assumptions	466,862	465,150
Net Difference between projected and actual earnings on pension plan investments	15,779	
Changes in proportion	102,219	29,604
District contributions subsequent to the measurement date	98,447	
<b>Total</b>	<b>\$ 737,872</b>	<b>\$ 494,754</b>

\$98,447 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net liability in the year ended June 30, 2018.

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

For the year ended:	Net Deferred Outflows of Resources
2019	\$ 62,645
2020	88,688
2021	49,753
2022	(47,317)
2023	(9,098)
<b>Total</b>	<b>\$ 144,671</b>

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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	-
June 30, 2017	5.00	-
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**Additional Information**

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
School District's Proportion	.0099548442%	.0101209416%

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

*Actuarial assumptions* – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 2.25%
- Salary Increases:
  - Through 2025: 1.65-4.15% based on age
  - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

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

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, 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 (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
School Districts's proportionate share of the net pension liability	\$ 2,874,804	\$ 2,317,329	\$ 1,852,883

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

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**9. PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP)**

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

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

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

<b>Fiscal Year</b>	<b>Total Liability</b>	<b>Paid by School District</b>
2018	\$ 4,938	\$ 4,938
2017	4,156	4,156
2016	1,983	1,983

**10. POST-RETIREMENT BENEFITS**

*Description of Plan* - Plan description and benefits provided 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. 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 (GASB Cod. Sec. 2300.106(g). 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**10. POST-RETIREMENT BENEFITS (CONTINUED)**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the school district. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

*Actuarial assumptions and other imputes* - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013 and July 1, 2011 – June 30, 2014 for TPAF, PFRS, and PERS, respectively.

*Health Care Trend Assumptions* - For pre-Medicare preferred provider organization (PPO) medial benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate* - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represent the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Retirees' Share of Benefit Related Costs* - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit.



**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**10. POST-RETIREMENT BENEFITS (CONTINUED)**

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

*Changes in the Total OPEB Liability reported by the State of New Jersey -*

	Total OPEB Liability
Balance as of June 30, 2106 Measurement Date	\$ 57,831,784,184
Changes for the years'	
Service Cost	\$ 2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(7,086,599,129)
Gross Benefit Payments	(1,242,412,566)
Contributions from the Non-employer	N/A
Contributions from the Member	45,748,749
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (4,191,942,326)
Balance at 06/30/2017	\$ 53,639,841,858

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

*Sensitivity of the total OPEB liability to changes in the discount rate -* The following presents the total nonemployer OPEB liability of the State as of June 30, 2017 for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates -* The following presents the total nonemployer OPEB liability of the State as of June 30, 2107, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* For the year ended June 30, 2017, the board of education recognized OPEB expense of \$1,389,318 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**10. POST-RETIREMENT BENEFITS (CONTINUED)**

In accordance with GASBS No. 75, the school district's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 99,843,255
Collective deferred inflows of resources	6,443,612,287
Collective net OPEB liability (Non-Employer – State of New Jersey)	53,639,841,858
State's portion of the net OPEB liability that was associated with the School District	22,881,868
State's portion of the net OPEB liability that was associated with the School District as a percentage of the collective net OPEB liability	0.04%

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 99,843,255	\$ 99,843,255
Changes of assumptions	-	6,343,769,032
Total	\$ 99,843,255	\$ 6,443,612,287

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

For the year ended:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Therafter	(2,629,618,547)
Total	\$ (6,343,769,032)

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

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$676,264, \$436,785, and \$1,228, respectively. In addition, \$372,646 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**12. RISK MANAGEMENT**

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

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

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

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

The Fund publishes its own financial report which can be obtained at [www.njsbaig.com](http://www.njsbaig.com).

**New Jersey Unemployment Compensation Insurance** - Effective January 1, 2015, The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "benefit reimbursement method" in lieu of the "contributory method". Under this plan, the District is required to maintain a trust fund and reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 10,774	\$ 394	\$ 1	\$ 1,687	\$ 10,470
2016-2017	10,236	9,744	1	24,472	988
2015-2016	9,275	7,297	1	15,351	5,479

**13. DEFERRED COMPENSATION**

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

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**14. COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2018, the liability for compensated absences in the governmental activities fund types was \$164,570.

**15. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2019. The following interfund balances were recorded on the various balance sheets as of June 30, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 448,154	\$ -
Special Revenue	-	150,646
Capital Projects	-	191,950
Fiduciary Fund	-	105,558
	<u>\$ 448,154</u>	<u>\$ 448,154</u>

**16. CONTINGENCIES**

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

At June 30, 2018, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements.

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**17. TAX ABATEMENTS (CONTINUED)**

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

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

The municipality recognized revenue of \$90,646 from the annual service charge in lieu of payment of taxes in 2017. The assessed value on these tax exemption properties amounted to \$22,326,900 which would have resulted in 2017 taxes billed in full of \$935,274. A portion of the \$844,628 abatement would have been allocated to the District.

**18. FLEXIBLE BENEFITS PROGRAM**

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ -	\$ 12,960	\$ 9,852	\$ 3,255
2017	-	7,560	9,667	147
2016	-	13,050	11,973	2,254

**Barrington School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018**

**19. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2018, a deficit of \$2,363,272 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2018	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 13,244
Liabilities:	
Accrued Interest Payable	(39,288)
Net Pension Differences	(2,172,658)
Compensated Absences	<u>(164,570)</u>
Unrestricted Net Position (Deficit)	<u>\$ (2,363,272)</u>

**20. FUND BALANCES**

*RESTRICTED*

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

**General Fund:**

**Tuition Reserve** – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2018 in the amount of \$620,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. \$280,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2019 and \$340,000 is reserved for use in the June 30, 2020 year.

**Capital Reserve** – As of June 30, 2018, the balance in the capital reserve account is \$992,190. This amount is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2018, the balance in the maintenance reserve account is \$320,160. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Emergency Reserve** – As of June 30, 2018, the balance in the emergency reserve is \$160,160. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Barrington School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**20. FUND BALANCES (Continued)**

*ASSIGNED*

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

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019, \$237,470 of general fund balance.

*UNASSIGNED*

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

**General Fund** – As of June 30, 2018, the unassigned fund balance of the general fund was \$13,244.

Required Supplementary Information - Part II



**Budgetary Comparison Schedules**

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 10,065,596	\$ -	\$ 10,065,596	\$ 10,065,596	\$ -
Tuition from Individuals				16,294	16,294
Tuition from other LEA's (within state)				129,407	129,407
Interest earned on Emergency Reserve	160		160	160	
Interest earned on Maintenance Reserve	160		160	160	
Interest earned on Capital Reserve	397		397	538	141
Unrestricted miscellaneous revenues	2,000	-	2,000	23,946	21,946
<b>Total local sources</b>	<b>10,068,313</b>		<b>10,068,313</b>	<b>10,236,101</b>	<b>167,788</b>
State sources:					
Categorical Special Education Aid	524,444		524,444	524,444	
Equalization Aid	2,677,160	69,352	2,746,512	2,746,512	
Security Aid	23,536		23,536	23,536	
Transportation Aid	23,765		23,765	23,765	
PARCC Readiness Aid	8,540		8,540	8,540	
Per Pupil Growth Aid	8,540		8,540	8,540	
Professional Learning Community Aid	8,360		8,360	8,360	
Extraordinary Aid				57,196	57,196
Nonpublic Transportation Aid				13,340	13,340
Homeless Tuition Aid				9,099	9,099
Lead Testing for Schools Aid					
On-behalf TPAF pension contrib.. (non-budgeted)				676,264	676,264
On-behalf Post Retirement Medical (non-budgeted)				436,785	436,785
On-behalf Long Term Disability Insurance (non-budgeted)				1,228	1,228
Reimbursed TPAF social security contribution (non-budgeted)				372,646	372,646
<b>Total state sources</b>	<b>3,274,345</b>	<b>69,352</b>	<b>3,343,697</b>	<b>4,910,255</b>	<b>1,566,558</b>
<b>TOTAL REVENUES</b>	<b>13,342,658</b>	<b>69,352</b>	<b>13,412,010</b>	<b>15,146,356</b>	<b>1,734,346</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	304,216	4,507	308,723	295,358	13,365
Grades 1-5	1,560,547	(95,794)	1,464,753	1,453,867	10,886
Grades 6-8	945,286	110,128	1,055,414	1,052,461	2,953
Regular Programs - Home Instruction:					
Salaries of teachers	2,000	303	2,303	1,764	539
Regular Programs - Undistributed Instruction:					
Other salaries for instruction		10,020	10,020	8,020	2,000
Purchased professional - educational services	62,400	(4,109)	58,291	57,980	311
Purchased technical services	20,000		20,000	16,369	3,631
Other purchased services	1,500		1,500	1,500	
General supplies	348,080	(84,155)	263,925	261,634	2,291
Textbooks	21,500		21,500	14,235	7,265
Other objects	1,407	(200)	1,207	869	338
<b>Total - Regular Programs - Instruction</b>	<b>3,266,936</b>	<b>(59,300)</b>	<b>3,207,636</b>	<b>3,164,057</b>	<b>43,579</b>

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

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of teachers	\$ 120,924	\$ (55,256)	\$ 65,668	\$ 65,636	\$ 32
Other salaries for instruction	146,788	48,258	195,046	195,046	
General supplies	2,000	(255)	1,745		1,745
<b>Total multiple disabilities</b>	<b>269,712</b>	<b>(7,253)</b>	<b>262,459</b>	<b>260,682</b>	<b>1,777</b>
Resource room/resource center:					
Salaries of teachers	915,411	116,282	1,031,693	1,022,128	9,565
Other salaries for instruction	49,720	(10,198)	39,522	39,522	
General supplies	15,000	(8,666)	6,334	6,334	
Textbooks	2,000	(2,000)			
<b>Total resource room/resource center</b>	<b>982,131</b>	<b>95,418</b>	<b>1,077,549</b>	<b>1,067,984</b>	<b>9,565</b>
Preschool disabilities - part time:					
Salaries of teachers	67,902	(6,831)	61,071	61,071	
Other salaries for instruction	51,241	942	52,183	52,183	
General supplies	6,000	(4,942)	1,058	802	256
<b>Total preschool disabilities - part time</b>	<b>125,143</b>	<b>(10,831)</b>	<b>114,312</b>	<b>114,056</b>	<b>256</b>
<b>Total Special Education - Instruction</b>	<b>1,376,986</b>	<b>77,334</b>	<b>1,454,320</b>	<b>1,442,722</b>	<b>11,598</b>
Basic Skills/Remedial - Instruction					
Salaries of teachers	194,337	(36,368)	157,969	141,800	16,169
General supplies	3,000	(32)	2,968	2,453	515
<b>Total basic skills/remedial - instruction</b>	<b>197,337</b>	<b>(36,400)</b>	<b>160,937</b>	<b>144,253</b>	<b>16,684</b>
School Sponsored Cocurricular Activities - Instruc.					
Salaries	8,000	19,070	27,070	27,070	
School Sponsored Athletics - Instruc.					
Salaries	14,500	(2,731)	11,769	11,769	
Purchased services	4,000	(259)	3,741	3,741	
Other objects	3,700	300	4,000	4,000	
<b>Total school sponsored athletics - instruc</b>	<b>22,200</b>	<b>(2,690)</b>	<b>19,510</b>	<b>19,510</b>	
<b>Total Instruction</b>	<b>4,871,459</b>	<b>(1,986)</b>	<b>4,869,473</b>	<b>4,797,612</b>	<b>71,861</b>

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

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - reg.	\$ 2,609,637	\$ (30,282)	\$ 2,579,355	\$ 2,579,319	\$ 36
Tuition to other LEAs within the state - spec	564,623	(34,563)	530,060	500,122	29,938
Tuition to County Voc. School Districts - reg.	30,000		30,000	11,582	18,418
Tuition to County Voc. School Districts - spec.	30,000	(9,565)	20,435	11,752	8,683
Tuition to CSSD & Reg. Day Schools	77,400	(20,393)	57,007	57,007	
Tuition to priv. sch. for the disabled in state	76,967	29,001	105,968	91,019	14,949
Tuition - other	27,000		27,000	26,276	724
<b>Total undistributed expenditures - instruction</b>	<b>3,415,627</b>	<b>(65,802)</b>	<b>3,349,825</b>	<b>3,277,077</b>	<b>72,748</b>
<b>Attendance and Social Work Services:</b>					
Salaries	28,074		28,074	15,549	12,525
<b>Total attendance and social work services</b>	<b>28,074</b>		<b>28,074</b>	<b>15,549</b>	<b>12,525</b>
<b>Health Services:</b>					
Salaries	166,672		166,672	160,237	6,435
Purchased professional and technical services	10,700	3,000	13,700	12,199	1,501
Other purchased services	600	(300)	300	225	75
Supplies and materials	6,000	450	6,450	5,747	703
Other objects	1,250	(1,150)	100		100
<b>Total health services</b>	<b>185,222</b>	<b>2,000</b>	<b>187,222</b>	<b>178,408</b>	<b>8,814</b>
<b>Speech, OT, PT &amp; Related Services:</b>					
Salaries	148,244	60,940	209,184	209,184	
Purchased professional - educational services	50,000	(24,000)	26,000	26,000	
Supplies and materials	6,000		6,000	534	5,466
<b>Total speech, ot, pt &amp; related services</b>	<b>204,244</b>	<b>36,940</b>	<b>241,184</b>	<b>235,718</b>	<b>5,466</b>
<b>Other Support Services Student - Extra. Serv.</b>					
Salaries	75,062	(30,241)	44,821		44,821
Purchased professional - educational services	215,000		215,000	176,290	38,710
Supplies and materials	5,000		5,000	218	4,782
<b>Total other support services student - extra. serv.</b>	<b>295,062</b>	<b>(30,241)</b>	<b>264,821</b>	<b>176,508</b>	<b>88,313</b>
<b>Guidance:</b>					
Salaries of other professional staff	126,744		126,744	67,888	58,856
Supplies and materials	1,000		1,000	268	732
<b>Total guidance</b>	<b>127,744</b>		<b>127,744</b>	<b>68,156</b>	<b>59,588</b>

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

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**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Child Study Teams:</b>					
Salaries of other professional staff	\$ 325,381	\$ (2,653)	\$ 322,728	\$ 304,315	\$ 18,413
Salaries of secretarial and clerical assistants	44,936		44,936	44,936	
Purchased professional - educational services	27,200		27,200	22,200	5,000
Other purchased services	4,000		4,000	1,550	2,450
Supplies and materials	18,000		18,000	7,333	10,667
Other objects	5,000		5,000	2,460	2,540
<b>Total child study teams</b>	<b>424,517</b>	<b>(2,653)</b>	<b>421,864</b>	<b>382,794</b>	<b>39,070</b>
<b>Improvement of Instructional Services:</b>					
Salaries of supervisors of instruction	90,478	2,653	93,131	93,131	
Other purchased services	200		200	200	
<b>Total improvement of instructional services</b>	<b>90,678</b>	<b>2,653</b>	<b>93,331</b>	<b>93,331</b>	
<b>Educational Media Services/School Library:</b>					
Salaries	58,022		58,022		58,022
Purchased professional and technical services	5,500		5,500	2,088	3,412
Supplies and materials	1,000		1,000		1,000
<b>Total educational media services/school library</b>	<b>64,522</b>		<b>64,522</b>	<b>2,088</b>	<b>62,434</b>
<b>Instructional Staff Training Services:</b>					
Purchased professional - educational services	1,000		1,000	800	200
Other purchased services	15,000		15,000	14,841	159
Supplies and materials	1,000		1,000		1,000
<b>Total instructional staff training services</b>	<b>17,000</b>		<b>17,000</b>	<b>15,641</b>	<b>1,359</b>
<b>General Administration:</b>					
Salaries	159,235		159,235	157,158	2,077
Legal services	15,000	(1,736)	13,264	11,669	1,595
Audit fees	25,000		25,000	25,000	
Architectural/Engineering Services	5,000	50	5,050	4,766	284
Purchased technical services	4,500	(4,000)	500		500
Communications / telephone	42,000		42,000	36,962	5,038
BOE other purchased services	1,000		1,000	1,000	
Other purchased services	11,400		11,400	7,513	3,887
Supplies and materials	2,000		2,000	327	1,673
BOE In-House Training/Meeting supplies	1,000		1,000	68	932
Miscellaneous expenditures	6,061		6,061	5,509	552
BOE membership dues and fees	8,000		8,000	7,326	674
<b>Total general administration</b>	<b>280,196</b>	<b>(5,686)</b>	<b>274,510</b>	<b>257,298</b>	<b>17,212</b>

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

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**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School Administration:</b>					
Salaries of principals/assist. principals	\$ 102,481	\$ 2,607	\$ 105,088	\$ 105,088	\$ -
Salaries of secretarial and clerical assistants	65,076	15,686	80,762	80,762	
Other purchased services	1,100		1,100	1,100	
Supplies and materials	7,000	(2,607)	4,393	1,125	3,268
Other objects	3,500		3,500	534	2,966
<b>Total school administration</b>	<b>179,157</b>	<b>15,686</b>	<b>194,843</b>	<b>188,609</b>	<b>6,234</b>
<b>Central Services:</b>					
Salaries	116,086	47,685	163,771	163,771	
Purchased technical services	23,700	(1,926)	21,774	21,688	86
Misc. purchased services	2,500	(1,500)	1,000	530	470
Supplies and materials	6,500	(4,644)	1,856	1,843	13
Other objects	3,200		3,200	2,712	488
<b>Total central services</b>	<b>151,986</b>	<b>39,615</b>	<b>191,601</b>	<b>190,544</b>	<b>1,057</b>
<b>Administrative Information Technology:</b>					
Salaries	86,231	(7,019)	79,212	39,889	39,323
Purchased technical services	34,300	4,341	38,641	38,641	
Other purchased services	1,000		1,000		1,000
Supplies and materials	56,000	(30,380)	25,620	25,421	199
<b>Total admin. information technology</b>	<b>177,531</b>	<b>(33,058)</b>	<b>144,473</b>	<b>103,951</b>	<b>40,522</b>
<b>Required Maintenance School Facilities:</b>					
Salaries	67,000	(31,723)	35,277	5,855	29,422
Cleaning, repair and maintenance services	102,544	(2,010)	100,534	95,138	5,396
General supplies	35,000	2,010	37,010	36,047	963
<b>Total required maintenance school facilities</b>	<b>204,544</b>	<b>(31,723)</b>	<b>172,821</b>	<b>137,040</b>	<b>35,781</b>
<b>Custodial Services:</b>					
Salaries	249,467	69,611	319,078	314,563	4,515
Salaries of Non-Instructional Aides	50,947	41,157	92,104	92,104	
Unused vacation payment to term/retired staff					
Purchased prof. and technical services	9,000	(3,666)	5,334	4,507	827
Cleaning, repair and maintenance services	9,800		9,800	9,721	79
Other purchased property services	25,000		25,000	17,663	7,337
Insurance	70,500		70,500	67,197	3,303
General Supplies	25,000		25,000	21,037	3,963
Energy (Electricity)	100,000	(24,000)	76,000	56,511	19,489
Energy (Gasoline)	1,500		1,500	752	748
Energy (Natural Gas)	100,000	(15,000)	85,000	56,757	28,243
<b>Total custodial services</b>	<b>641,214</b>	<b>68,102</b>	<b>709,316</b>	<b>640,812</b>	<b>68,504</b>
<b>Care and Upkeep of Grounds:</b>					
Purchased prof. and technical services	10,000	650	10,650	10,612	38
Cleaning, repair and maintenance services	2,000		2,000		2,000
General Supplies	2,000	(650)	1,350		1,350
<b>Total care and upkeep of grounds</b>	<b>14,000</b>		<b>14,000</b>	<b>10,612</b>	<b>3,388</b>
<b>Security:</b>					
Purchased prof. and technical services	4,000		4,000	3,954	46
<b>Total operation &amp; maint. of plant services</b>	<b>863,758</b>	<b>36,379</b>	<b>900,137</b>	<b>792,418</b>	<b>107,719</b>

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

(CONTINUED TO NEXT PAGE)

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Student Transportation Services:</b>					
Management fee - ESC Transp. programs	\$ 6,000	\$ 6,153	\$ 12,153	\$ 6,000	\$ 6,153
Contr. serv. (between home & sch) - vendor	286,000		286,000	271,703	14,297
Contr. serv. (not between home & sch) - vendor	20,000		20,000	12,919	7,081
Contr. Serv. (Regular Students) - ESC	50,000		50,000	50,000	
Contr. Serv. (Spl. Ed. Students) - ESC	90,000		90,000	80,393	9,607
Contr. Serv. - Aid in Lieu of Payments - nonpublic	45,000		45,000	43,973	1,027
Contr. Serv. - Aid in Lieu of Payments - charter sch	884		884		884
Contr. Serv. - Aid in Lieu of Payments - choice sch	4,420		4,420	1,326	3,094
<b>Total student transportation services</b>	<b>502,304</b>	<b>6,153</b>	<b>508,457</b>	<b>466,314</b>	<b>42,143</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social security contributions	100,000	4,438	104,438	92,309	12,129
Other retirement contributions - PERS	110,000	(4,725)	105,275	92,534	12,741
Unemployment compensation	25,000		25,000	450	24,550
Workmen's compensation	75,000	(1,450)	73,550	72,679	871
Health benefits	1,570,000	(58,751)	1,511,249	1,241,876	269,373
Tuition reimbursement	25,000	(1,031)	23,969	10,724	13,245
Unused Sick Payment to Term/Retired Staff		9,893	9,893	9,893	
Other employee benefits	38,000	51,626	89,626	89,622	4
<b>Total unallocated benefits - employee benefits</b>	<b>1,943,000</b>		<b>1,943,000</b>	<b>1,610,087</b>	<b>332,913</b>
On-behalf TPAF pension contr. (non-budgeted)				676,264	(676,264)
On-behalf Post Retirement Medical (non-budgeted)				436,785	(436,785)
On-behalf Long Term Disability Insurance (non-budgeted)				1,228	(1,228)
Reimbursed TPAF social security contr. (non-budgeted)				372,646	(372,646)
<b>Total Undistributed Expenditures</b>	<b>8,950,622</b>	<b>1,986</b>	<b>8,952,608</b>	<b>9,541,414</b>	<b>(588,806)</b>
<b>Total General Current Expense</b>	<b>13,822,081</b>		<b>13,822,081</b>	<b>14,339,026</b>	<b>(516,945)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Facilities Acquisition and Constr. Services:</b>					
Architectural/engineering Services		69,352	69,352	69,352	
Construction Services		325,000	325,000	325,000	
Assessment for Debt Service on SDA Funding	21,123		21,123	21,123	
<b>Total facilities acq. and constr. services</b>	<b>21,123</b>	<b>394,352</b>	<b>415,475</b>	<b>415,475</b>	
<b>Total Capital Outlay</b>	<b>21,123</b>	<b>394,352</b>	<b>415,475</b>	<b>415,475</b>	
Transfer to Charter Schools	13,604		13,604		13,604
<b>TOTAL EXPENDITURES</b>	<b>13,856,808</b>	<b>394,352</b>	<b>14,251,160</b>	<b>14,754,501</b>	<b>(503,341)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(514,150)	(325,000)	(839,150)	391,855	1,231,005

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

(CONTINUED TO NEXT PAGE)

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources:					
Proceeds of Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects transfer to Capital Reserve					-
<b>Total Other Financing Sources</b>					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(514,150)	(325,000)	(839,150)	391,855	1,231,005
Fund Balance - July 1, 2017	<u>2,273,543</u>		<u>2,273,543</u>	<u>2,273,543</u>	
Fund Balance - June 30, 2018	<u>\$ 1,759,393</u>	<u>\$ (325,000)</u>	<u>\$ 1,434,393</u>	<u>\$ 2,665,398</u>	<u>\$ 1,231,005</u>
 Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 992,190	
Tuition reserve - current year				340,000	
Tuition reserve - prior year				280,000	
Maintenance reserve				320,160	
Emergency reserve				160,160	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				237,470	
Unassigned Fund Balance				<u>335,418</u>	
				2,665,398	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(322,174)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,343,224</u>	

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



**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 65,073	\$ -	\$ 65,073	\$ 49,998	\$ (15,075)
Federal sources	351,515	-	351,515	340,445	(11,070)
<b>Total Revenues</b>	<b>416,588</b>	<b>-</b>	<b>416,588</b>	<b>390,443</b>	<b>(26,145)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	102,695	-	102,695	99,782	2,913
Purchased professional - educ. services	23,660	-	23,660	13,647	10,013
Tuition	203,351	-	203,351	203,351	-
Other purchased services	15,229	-	15,229	15,077	152
Textbooks	8,600	-	8,600	8,600	-
General supplies	32,988	-	32,988	20,857	12,131
<b>Total Instruction</b>	<b>386,523</b>	<b>-</b>	<b>386,523</b>	<b>361,314</b>	<b>25,209</b>
Support Services:					
Salaries of other professional staff	-	-	-	-	-
Personal services - employee benefits	24,565	-	24,565	24,517	48
Purchased professional - educational services	5,500	-	5,500	4,612	888
Travel	-	-	-	-	-
<b>Total Support Services</b>	<b>30,065</b>	<b>-</b>	<b>30,065</b>	<b>29,129</b>	<b>936</b>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
<b>Total Facilities Acq. and Const. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>416,588</b>	<b>-</b>	<b>416,588</b>	<b>390,443</b>	<b>26,145</b>
<b>Total Outflows</b>	<b>416,588</b>	<b>-</b>	<b>416,588</b>	<b>390,443</b>	<b>26,145</b>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BARRINGTON SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2018**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 15,146,356	\$ 390,443
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	310,926	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(322,174)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 15,135,108</u>	<u>\$ 390,443</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 14,754,501	\$ 390,443
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 14,754,501</u>	<u>\$ 390,443</u>

**Required Supplementary Information - Part III**  
**Schedules Related to Accounting and Reporting**  
**For Pensions and**  
**Other Post Employment Benefits**

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0099548442%	0.0101209416%	0.0097681625%	0.0093361653%	0.0090908901%
District's proportionate share of the net pension liability (asset)	\$ 2,317,329	\$ 2,997,553	\$ 2,192,757	\$ 1,747,985	\$ 1,737,450
District's covered-employee payroll	737,221	696,643	674,631	666,509	648,986
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	314.33%	430.29%	325.03%	262.26%	267.72%
Plan fiduciary net position as a percentage of the total pension liability	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 98,447	\$ 92,534	\$ 89,913	\$ 83,980	\$ 76,966
Contributions in relation to the contractually required contributions	<u>(98,447)</u>	<u>(92,534)</u>	<u>(89,913)</u>	<u>(83,980)</u>	<u>(76,966)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 737,221	\$ 696,643	\$ 674,631	\$ 666,509	\$ 648,986
Contributions as a percentage of covered-employee payroll	13.35%	13.28%	13.33%	12.60%	11.86%

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

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0449331258%	0.0430353966%	0.0398964849%	0.0394278417%	0.0414913849%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 30,295,534</u>	<u>\$ 33,854,383</u>	<u>\$ 25,216,282</u>	<u>\$ 21,072,898</u>	<u>\$ 20,969,420</u>
Total	<u>\$ 30,295,534</u>	<u>\$ 33,854,383</u>	<u>\$ 25,216,282</u>	<u>\$ 21,072,898</u>	<u>\$ 20,969,420</u>
District's covered-employee payroll	\$ 5,100,498	\$ 4,728,854	\$ 4,602,687	\$ 4,503,664	\$ 4,382,275
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

**BARRINGTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District**  
**and Changes in the Total OPEB Liability and Related Ratios**  
**Public Employee's Retirement System and Teachers' Pension and Annuity Fund**  
**Current Fiscal Year**

	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.04%
District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 22,881,868
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 22,881,868</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%
	June 30, 2018
<b>Total OPEB Liability</b>	
Service Cost	\$ 986,693
Interest	725,673
Changes of assumptions and other inputs	(3,048,997)
Member Contributions	19,516
Benefit payments	<u>(529,993)</u>
<b>Net Change in total OPEB Liability</b>	<b>\$ (1,847,108)</b>
<b>Total OPEB Liability - beginning</b>	<b>\$ 24,728,976</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 22,881,868</b>
District's covered-employee payroll	5,837,719
Total OPEB Liability as a percentage of covered-employee payroll	391.97%

This schedule does not contain ten years of information as  
GASB 75 was implemented during the fiscal year  
ended June 30, 2018.

**Barrington School District**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2018**

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

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

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

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

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

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

**3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed from 2.85% as of June 30, 2016 to 3.85% as of June 30, 2017.



Other Supplementary Information

Special Revenue Fund

**BARRINGTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
 Combining Statement of Revenues and Expenditures  
 Budgetary Basis  
 for the Fiscal Year ended June 30, 2018

	Nonpublic Handicap Services										Total
	Exam, & Classification	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Individuals with Disabilities Act		No Child Left Behind			
						Basic	Preschool	Title I	Title II	Title IV	
<b>REVENUES:</b>											
State sources	\$ 13,647	\$ 8,600	\$ 15,077	\$ 5,805	\$ 6,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,998
Federal sources						203,351	8,129	102,843	19,159	6,963	340,445
<b>Total revenues</b>	<b>\$ 13,647</b>	<b>\$ 8,600</b>	<b>\$ 15,077</b>	<b>\$ 5,805</b>	<b>\$ 6,869</b>	<b>\$ 203,351</b>	<b>\$ 8,129</b>	<b>\$ 102,843</b>	<b>\$ 19,159</b>	<b>\$ 6,963</b>	<b>\$ 390,443</b>
<b>EXPENDITURES:</b>											
<i>Instruction:</i>											
Salaries of teachers							6,351	82,066	11,365		99,782
Purchased professional educational services	13,647										13,647
Tuition						203,351					203,351
Other purchased services			15,077								15,077
Textbooks		8,600									8,600
General Supplies				5,805	6,869			1,220		6,963	20,857
<b>Total instruction</b>	<b>13,647</b>	<b>8,600</b>	<b>15,077</b>	<b>5,805</b>	<b>6,869</b>	<b>203,351</b>	<b>6,351</b>	<b>83,286</b>	<b>11,365</b>	<b>6,963</b>	<b>361,314</b>
<i>Support services:</i>											
Personal services-employee benefits							1,778	19,557	3,182		24,517
Purchased professional technical services									4,612		4,612
Travel											-
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,778</b>	<b>19,557</b>	<b>7,794</b>	<b>-</b>	<b>29,129</b>
<i>Facilities acquisition &amp; construction services</i>											
Instructional equipment											-
Noninstructional equipment											-
<b>Total facilities acquisition &amp; construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 13,647</b>	<b>\$ 8,600</b>	<b>\$ 15,077</b>	<b>\$ 5,805</b>	<b>\$ 6,869</b>	<b>\$ 203,351</b>	<b>\$ 8,129</b>	<b>\$ 102,843</b>	<b>\$ 19,159</b>	<b>\$ 6,963</b>	<b>\$ 390,443</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Proprietary Funds**

**BARRINGTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2018**

	<u>Food Service Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 45,368
Accounts receivable:	
State	108
Federal	3,905
Inventories	<u>6,801</u>
Total Current Assets	<u>56,182</u>
Noncurrent Assets:	
Equipment	85,893
Less - accumulated depreciation	<u>(54,859)</u>
Total Noncurrent Assets	<u>31,034</u>
Total Assets	<u>\$ 87,216</u>
 <b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	\$ 4,567
Unearned Revenue	<u>3,915</u>
Total Current Liabilities	<u>8,482</u>
 <b>NET POSITION:</b>	
Invested in capital assets	31,034
Unrestricted	<u>47,700</u>
Total Net Position	<u>\$ 78,734</u>

**BARRINGTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Food Service Fund</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 65,085
School breakfast	1,741
Daily sales non-reimbursable programs	
Adult and a la carte sales	47,974
Miscellaneous	<u>7,311</u>
Total Operating Revenues	<u>122,111</u>
<b>OPERATING EXPENSES:</b>	
Salaries and fringe benefits	88,003
Supplies and materials	5,942
Management fee	16,995
Other costs	15,907
Depreciation	2,029
Cost of Sales - reimbursable programs	41,734
Cost of Sales - non-reimbursable programs	<u>34,527</u>
Total Operating Expenses	<u>205,137</u>
Operating Income (Loss)	<u>(83,026)</u>
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	2,176
Federal sources:	
National school lunch program	66,501
School breakfast program	11,650
Food distribution program	11,956
Local sources:	
Interest earned	<u>23</u>
Total Non-Operating Revenues	<u>92,306</u>
Income (Loss) before Contributions and Transfers	9,280
Operating Transfers In	<u>-</u>
Change in Net Position	9,280
Net Position - July 1, 2017	<u>69,454</u>
Net Position - June 30, 2018	<u>\$ 78,734</u>

**BARRINGTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 121,597
Cash payments to employees for services	(84,200)
Cash payments to suppliers for goods and services	<u>(133,458)</u>
Net cash provided by (used for) operating activities	<u>(96,061)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	2,165
Cash received from federal sources	<u>78,453</u>
Net cash provided by noncapital financing activities	<u>80,618</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	<u>(22,993)</u>
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	<u>23</u>
Net increase (decrease) in cash and cash equivalents	(38,413)
Cash and Cash Equivalents - July 1, 2017	<u>83,781</u>
Cash and Cash Equivalents - June 30, 2018	<u>\$ 45,368</u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)</b>	
<b>Operating Activities:</b>	
Operating income (loss)	\$ (83,026)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	2,029
Commodities	11,956
Change in assets and liabilities:	
(Increase) decrease in inventories	657
Increase (decrease) in accounts payable	(27,162)
Increase (decrease) in unearned revenue	<u>(515)</u>
Net cash provided by (used for) operating activities	<u>\$ (96,061)</u>

Fiduciary Funds



**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2018**

	Trust Funds		Agency Funds		Total
	Unemployment Compensation Trust	Flexible Benefits Trust	Student Activity	Payroll	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 10,781	\$ 3,255	\$ 21,575	\$ 105,558	\$ 141,169
Interfund Receivable	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,781</b>	<b>\$ 3,255</b>	<b>\$ 21,575</b>	<b>\$ 105,558</b>	<b>\$ 141,169</b>
<b>LIABILITIES:</b>					
Liabilities:					
Accounts Payable	\$ 311	\$ -	\$ -	\$ -	\$ 311
Interfund Payable	-	-	-	105,558	105,558
Due to Student Groups	-	-	21,575	-	21,575
<b>Total Liabilities</b>	<b>311</b>	<b>-</b>	<b>\$ 21,575</b>	<b>\$ 105,558</b>	<b>127,444</b>
<b>NET POSITION:</b>					
Held in Trust for Payment of Claims	10,470	3,255			13,725
<b>Total Net Position</b>	<b>\$ 10,470</b>	<b>\$ 3,255</b>			<b>\$ 13,725</b>

**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Flexible Benefits Trust Fund</b>
	<u>          </u>	<u>          </u>
<b>ADDITIONS:</b>		
Contributions - Employee	\$ 10,774	\$ 12,960
Contributions - Other	450	-
Interest on Investments	1	-
Miscellaneous	105	-
	<u>          </u>	<u>          </u>
Total Additions	11,330	12,960
	<u>          </u>	<u>          </u>
<b>DEDUCTIONS:</b>		
Claims paid	1,687	9,852
Miscellaneous	161	-
	<u>          </u>	<u>          </u>
Total Deductions	1,848	9,852
	<u>          </u>	<u>          </u>
Change in Net Position	9,482	3,108
Net Position-- July 1, 2017	988	147
	<u>          </u>	<u>          </u>
Net Position -- June 30, 2018	<u>\$ 10,470</u>	<u>\$ 3,255</u>

**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2018</u>
Avon School	\$ 9,598	\$ 10,370	\$ 8,005	\$ -	\$ 11,963
Woodland School	<u>8,340</u>	<u>37,591</u>	<u>36,319</u>	<u>          </u>	<u>9,612</u>
Total all schools	<u>\$ 17,938</u>	<u>\$ 47,961</u>	<u>\$ 44,324</u>	<u>\$ -</u>	<u>\$ 21,575</u>

**BARRINGTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 661	\$ 6,992,990	\$ 6,888,093	\$ 105,558
Accounts Receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 661</u>	<u>\$ 6,992,990</u>	<u>\$ 6,888,093</u>	<u>\$ 105,558</u>
<b>LIABILITIES:</b>				
Net payroll	\$ -	\$ 3,675,230	\$ 3,675,230	\$ -
Interfund Payable	11	109,123	3,576	105,558
Payroll deductions and withholdings	<u>650</u>	<u>3,208,637</u>	<u>3,209,287</u>	<u>-</u>
<b>Total Liabilities</b>	<u>\$ 661</u>	<u>\$ 6,992,990</u>	<u>\$ 6,888,093</u>	<u>\$ 105,558</u>

**Long-Term Debt Schedules**

**BARRINGTON SCHOOL DISTRICT**  
**Statement of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2018**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Series 2012 Refunding Bonds	12/19/12	\$ 5,030,000	4/01/19	\$ 285,000	3.000%	\$ 4,270,000	\$ -	\$ 270,000	\$ 4,000,000
			4/01/20	295,000	4.000%				
			4/01/21	315,000	4.000%				
			4/01/22	325,000	4.000%				
			4/01/23	345,000	4.000%				
			4/01/24	370,000	4.000%				
			4/01/25	385,000	4.000%				
			4/01/26	405,000	4.000%				
			4/01/27	425,000	4.000%				
			4/01/28	425,000	4.000%				
			4/01/29	425,000	4.000%				
						<u>\$ 4,270,000</u>	<u>\$ -</u>	<u>\$ 270,000</u>	<u>\$ 4,000,000</u>

**BARRINGTON SCHOOL DISTRICT  
Statement of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2018**

<u>Series</u>	<u>Date of Lease</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2018</u>
				<u>Principal</u>	<u>Interest</u>				
Phone System	12/21/15	07/01/20	4.02%	\$ 50,616	\$ 5,262	\$ 40,539	\$ -	\$ 9,543	\$ 30,996
						<u>\$ 40,539</u>	<u>\$ -</u>	<u>\$ 9,543</u>	<u>\$ 30,996</u>

**BARRINGTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 435,250	\$ -	\$ 435,250	\$ 435,250	\$ -
Total Revenues	435,250	-	435,250	435,250	-
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on Bonds	82,625	82,625	165,250	165,250	-
Principal on Bonds	352,625	(82,625)	270,000	270,000	-
Total Expenditures	435,250	-	435,250	435,250	-
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources:					
Transfers from other funds	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-	-	-	-	-
Fund Balance - July 1, 2017	-	-	-	-	-
Fund Balance - June 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -



**Statistical Section**

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

J-1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 2,831,996	\$ 3,488,688	\$ 3,498,016	\$ 3,082,076	\$ 3,106,894	\$ 3,042,304	\$ 998,793	\$ 690,191	\$ 421,969	\$ 201,685
Restricted for:										
Capital projects	238,213	382,311	381,021	520,226	313,731	314,071	234,024	437,275	836,652	992,190
Debt service	83,958	826	1,023	197	38,216	38,216	-	-	-	-
Special revenue	-	27,297	21,333	-	-	-	-	-	-	-
Other purposes	3,016,686	1,790,833	849,692	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867	1,337,790
Unrestricted	(180,417)	(166,615)	(108,583)	(246,700)	(177,829)	(227,737)	(1,906,403)	(1,937,859)	(2,214,331)	(2,363,272)
Total governmental activities net position	<u>\$ 5,990,436</u>	<u>\$ 5,523,340</u>	<u>\$ 4,642,502</u>	<u>\$ 4,013,491</u>	<u>\$ 4,328,108</u>	<u>\$ 4,178,520</u>	<u>\$ 298,470</u>	<u>\$ 428,617</u>	<u>\$ 159,157</u>	<u>\$ 168,393</u>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 43,325	\$ 36,294	\$ 29,263	\$ 16,596	\$ 9,958	\$ 16,623	\$ 12,083	\$ 11,077	\$ 10,070	\$ 31,034
Unrestricted	56,961	68,308	64,874	67,642	69,098	46,761	61,602	46,981	59,384	47,700
Total business-type activities net position	<u>\$ 100,286</u>	<u>\$ 104,602</u>	<u>\$ 94,137</u>	<u>\$ 84,238</u>	<u>\$ 79,056</u>	<u>\$ 63,384</u>	<u>\$ 73,685</u>	<u>\$ 58,058</u>	<u>\$ 69,454</u>	<u>\$ 78,734</u>
<b>District-wide:</b>										
Net investment in capital assets	\$ 2,875,321	\$ 3,524,982	\$ 3,527,279	\$ 3,098,672	\$ 3,116,852	\$ 3,058,927	\$ 1,010,876	\$ 701,268	\$ 432,039	\$ 232,719
Restricted:										
Capital projects	238,213	382,311	381,021	520,226	313,731	314,071	234,024	437,275	836,652	992,190
Debt service	83,958	826	1,023	197	38,216	38,216	-	-	-	-
Special revenue	-	27,297	21,333	-	-	-	-	-	-	-
Other purposes	3,016,686	1,790,833	849,692	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867	1,337,790
Unrestricted	(123,456)	(98,307)	(43,709)	(179,058)	(108,731)	(180,976)	(1,844,801)	(1,890,878)	(2,154,947)	(2,315,572)
Total district net position	<u>\$ 6,090,722</u>	<u>\$ 5,627,942</u>	<u>\$ 4,738,639</u>	<u>\$ 4,097,729</u>	<u>\$ 4,407,164</u>	<u>\$ 4,241,904</u>	<u>\$ 372,155</u>	<u>\$ 486,675</u>	<u>\$ 228,611</u>	<u>\$ 247,127</u>

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

J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
<b>Governmental activities:</b>										
<b>Instruction:</b>										
Regular	\$ 2,964,105	\$ 3,227,596	\$ 3,075,513	\$ 2,356,419	\$ 2,767,185	\$ 2,826,277	\$ 3,634,351	\$ 3,279,189	\$ 3,366,236	\$ 3,741,504
Special education	666,103	912,498	875,724	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344	1,652,424
Other instruction	163,770	121,054	114,440	132,951	129,602	128,154	149,707	143,912	166,949	190,833
<b>Support Services:</b>										
Tuition	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255	3,277,077
Student & instruction related services	1,015,097	1,112,276	974,562	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168	1,197,322
School administrative services	243,180	233,613	232,984	242,768	221,099	167,302	187,326	159,401	175,749	188,609
General and business administrative services	624,892	491,402	438,662	418,260	363,212	514,319	541,394	548,194	597,514	605,427
Plant operations and maintenance	705,217	715,660	633,014	734,569	501,324	722,348	1,214,681	749,376	765,718	1,179,150
Pupil transportation	439,960	503,433	395,754	385,491	415,007	463,689	449,777	462,781	435,809	466,314
Unallocated employee benefits	1,575,531	1,667,956	1,727,132	2,023,740	2,360,090	2,241,382	2,472,777	2,899,324	3,422,623	6,882,697
Transfer to Charter School		25,165	41,726		8,347	35,055	5,571	68,094	29,991	-
Interest on long-term debt	275,760	264,756	254,181	246,381	181,865	196,250	187,450	161,100	170,988	163,225
Unallocated depreciation	43,888	43,889	43,890	310,297	286,687	296,561	97,417	114,214	93,307	89,956
<b>Total governmental activities expenses</b>	<u>13,429,641</u>	<u>14,634,747</u>	<u>14,164,261</u>	<u>13,961,053</u>	<u>13,282,486</u>	<u>13,958,876</u>	<u>14,884,229</u>	<u>14,857,597</u>	<u>15,676,651</u>	<u>19,634,538</u>
<b>Business-type activities:</b>										
Food service	176,020	182,806	186,009	205,550	211,842	216,298	202,067	236,872	206,066	205,137
<b>Total business-type activities expense</b>	<u>176,020</u>	<u>182,806</u>	<u>186,009</u>	<u>205,550</u>	<u>211,842</u>	<u>216,298</u>	<u>202,067</u>	<u>236,872</u>	<u>206,066</u>	<u>205,137</u>
<b>Total district expenses</b>	<u>\$ 13,605,661</u>	<u>\$ 14,817,553</u>	<u>\$ 14,350,270</u>	<u>\$ 14,166,603</u>	<u>\$ 13,494,328</u>	<u>\$ 14,175,174</u>	<u>\$ 15,086,296</u>	<u>\$ 15,094,469</u>	<u>\$ 15,882,717</u>	<u>\$ 19,839,675</u>
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$ 1,112,922	\$ 1,216,402	\$ 1,024,704	\$ 1,045,161	\$ 1,296,205	\$ 1,141,282	\$ 1,483,956	\$ 1,555,032	\$ 1,647,553	\$ 5,560,339
Charges for services - Tuition								26,946	112,718	145,701
Capital grants and contributions										
<b>Total governmental activities program revenues</b>	<u>1,112,922</u>	<u>1,216,402</u>	<u>1,024,704</u>	<u>1,045,161</u>	<u>1,296,205</u>	<u>1,141,282</u>	<u>1,483,956</u>	<u>1,581,978</u>	<u>1,760,271</u>	<u>5,706,040</u>

(Continued)

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

J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 125,399	\$ 120,077	\$ 107,730	\$ 110,915	\$ 121,464	\$ 116,546	\$ 120,434	\$ 123,313	\$ 122,455	\$ 122,111
Operating grants and contributions	52,813	66,770	67,569	84,373	85,072	84,060	91,910	97,911	94,981	92,283
Capital grants and contributions										
Total business-type activities program revenues	<u>178,212</u>	<u>186,847</u>	<u>175,299</u>	<u>195,288</u>	<u>206,536</u>	<u>200,606</u>	<u>212,344</u>	<u>221,224</u>	<u>217,436</u>	<u>214,394</u>
Total district program revenues	<u>\$ 1,291,134</u>	<u>\$ 1,403,249</u>	<u>\$ 1,200,003</u>	<u>\$ 1,240,449</u>	<u>\$ 1,502,741</u>	<u>\$ 1,341,888</u>	<u>\$ 1,696,300</u>	<u>\$ 1,803,202</u>	<u>\$ 1,977,707</u>	<u>\$ 5,920,434</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (12,316,719)	\$ (13,418,345)	\$ (13,139,557)	\$ (12,915,892)	\$ (11,986,281)	\$ (12,817,594)	\$ (13,400,273)	\$ (13,275,619)	\$ (13,916,380)	\$ (13,928,498)
Business-type activities	2,192	4,041	(10,710)	(10,262)	(5,306)	(15,692)	10,277	(15,648)	11,370	9,257
Total district-wide net expense	<u>\$ (12,314,527)</u>	<u>\$ (13,414,304)</u>	<u>\$ (13,150,267)</u>	<u>\$ (12,926,154)</u>	<u>\$ (11,991,587)</u>	<u>\$ (12,833,286)</u>	<u>\$ (13,389,996)</u>	<u>\$ (13,291,267)</u>	<u>\$ (13,905,010)</u>	<u>\$ (13,919,241)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,761,095	\$ 9,179,832	\$ 8,886,209	\$ 9,063,933	\$ 8,812,500	\$ 8,988,750	\$ 9,168,525	\$ 9,626,000	\$ 9,868,231	\$ 10,065,596
Taxes levied for debt service	359,001	499,351	446,081	457,655	449,884	416,250	389,234	425,250	427,900	435,250
Unrestricted grants and contributions	3,408,769	2,963,040	2,877,280	3,099,923	3,061,305	3,259,343	3,326,395	3,302,529	3,338,827	3,412,084
State aid restricted for capital projects	(2,801)	229,531	779							
Investment earnings	1,005	488	478	347		340	408	251	377	538
Miscellaneous income	97,661	79,007	47,892	34,194	11,060	3,323	24,945	51,736	11,585	24,266
Loss on disposal of assets										
Transfers										
Total governmental activities	<u>12,624,730</u>	<u>12,951,249</u>	<u>12,258,719</u>	<u>12,656,052</u>	<u>12,334,749</u>	<u>12,668,006</u>	<u>12,909,507</u>	<u>13,405,766</u>	<u>13,646,920</u>	<u>13,937,734</u>
Business-type activities:										
Investment earnings	309	275	245	363	124	20	24	21	26	23
Prior year payables canceled	(7,031)									
Transfers										
Total business-type activities	<u>(6,722)</u>	<u>275</u>	<u>245</u>	<u>363</u>	<u>124</u>	<u>20</u>	<u>24</u>	<u>21</u>	<u>26</u>	<u>23</u>
Total district-wide	<u>\$ 12,618,008</u>	<u>\$ 12,951,524</u>	<u>\$ 12,258,964</u>	<u>\$ 12,656,415</u>	<u>\$ 12,334,873</u>	<u>\$ 12,668,026</u>	<u>\$ 12,909,531</u>	<u>\$ 13,405,787</u>	<u>\$ 13,646,946</u>	<u>\$ 13,937,757</u>
<b>Change in Net Position:</b>										
Governmental activities	\$ 308,011	\$ (467,096)	\$ (880,838)	\$ (259,840)	\$ 348,468	\$ (149,588)	\$ (490,766)	\$ 130,147	\$ (269,460)	\$ 9,236
Business-type activities	(4,530)	4,316	(10,465)	(9,899)	(5,182)	(15,672)	10,301	(15,627)	11,396	9,280
Total district-wide	<u>\$ 303,481</u>	<u>\$ (462,780)</u>	<u>\$ (891,303)</u>	<u>\$ (269,739)</u>	<u>\$ 343,286</u>	<u>\$ (165,260)</u>	<u>\$ (480,465)</u>	<u>\$ 114,520</u>	<u>\$ (258,064)</u>	<u>\$ 18,516</u>

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

104

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Restricted for:										
Capital reserve	\$ 45,891	\$ 22,921	\$ 23,202	\$ 223,549	\$ 313,731	\$ 314,071	\$ 231,079	\$ 437,275	\$ 836,652	\$ 992,190
Maintenance reserve					200,000	200,000	200,000	200,000	160,000	320,160
Emergency reserve					200,000	200,000	200,000	200,000	160,000	160,160
Tuition reserve	805,000	805,000		160,533	447,096	423,623	457,060	640,000	600,000	620,000
Excess surplus	597,150		252,249			-	-	-		
Assigned to:										
Year end encumbrances	182,355	48,683	17,443	105,514	-	-	-	-	24,189	-
Designated for subsequent year's budget	1,246,207	937,150	580,000	391,645	200,000	188,043	114,996	199,010	170,678	237,470
Unassigned	9,521	41,052	108,101	(29,473)	1,398	(40,177)	(28,886)	(7,562)	11,098	13,244
Total general fund	<u>\$ 2,886,124</u>	<u>\$ 1,854,806</u>	<u>\$ 980,995</u>	<u>\$ 851,768</u>	<u>\$ 1,362,225</u>	<u>\$ 1,285,560</u>	<u>\$ 1,174,249</u>	<u>\$ 1,668,723</u>	<u>\$ 1,962,617</u>	<u>\$ 2,343,224</u>
All Other Governmental Funds										
Restricted for, reported in:										
Special revenue fund	\$ 140,083	\$ 27,297	\$ 21,333							
Capital projects fund	238,213	359,390	357,819	\$ 296,677	\$ -	\$ -	\$ 2,945			
Debt service fund	83,958	826	1,023	197	38,216	38,216				
Total all other governmental funds	<u>\$ 462,254</u>	<u>\$ 387,513</u>	<u>\$ 380,175</u>	<u>\$ 296,874</u>	<u>\$ 38,216</u>	<u>\$ 38,216</u>	<u>\$ 2,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Fiscal Year Ending June 30,**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Tax levy	\$ 9,120,096	\$ 9,679,183	\$ 9,332,290	\$ 9,521,588	\$ 9,262,384	\$ 9,405,000	\$ 9,557,759	\$ 10,051,250	\$ 10,296,131	\$ 10,500,846
Tuition							22,138	26,946	112,718	145,701
Transportation fees										
Interest earnings	1,005	488	478	347	-	340	408	251	377	538
Miscellaneous	97,661	79,007	47,892	34,194	11,060	3,323	2,807	51,736	11,585	24,266
State sources	4,144,516	3,368,440	3,481,610	3,705,289	3,983,279	4,061,072	4,457,669	4,436,988	4,662,021	4,949,005
Federal sources	377,175	1,040,533	421,153	439,795	374,231	339,553	352,682	420,573	324,359	340,445
<b>Total revenue</b>	<u>13,740,453</u>	<u>14,167,651</u>	<u>13,283,423</u>	<u>13,701,213</u>	<u>13,630,954</u>	<u>13,809,288</u>	<u>14,393,463</u>	<u>14,987,744</u>	<u>15,407,191</u>	<u>15,960,801</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,832,388	3,076,326	2,902,186	2,354,150	2,789,552	2,790,601	3,215,363	2,893,556	3,002,604	3,315,669
Special education instruction	666,103	912,498	875,724	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344	1,652,424
Other instruction	163,770	121,054	114,440	132,951	129,602	128,154	149,707	143,912	166,949	190,833
<b>Support Services:</b>										
Tuition	4,712,138	5,315,449	5,356,679	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255	3,277,077
Student & instruction related services	1,015,097	1,112,276	974,562	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168	1,197,322
School administrative services	243,180	233,613	232,984	242,768	221,099	167,302	158,193	159,401	175,749	188,609
General and business admin. services	603,944	470,454	417,714	416,397	361,349	513,388	512,261	491,086	542,204	551,793
Plant operations and maintenance	683,964	667,907	650,774	635,652	578,674	723,029	717,604	723,713	757,160	792,418
Pupil transportation	439,960	503,433	395,754	385,491	415,007	463,689	449,777	462,781	435,809	466,314
Other support services	1,575,531	1,667,956	1,727,132	2,023,740	2,360,090	2,241,382	2,461,104	2,830,587	3,102,041	3,097,010
Transfer to Charter School	25,165	41,726	8,347	8,347	8,347	35,055	5,571	68,094	29,991	-
Capital outlay		624,435	28,816	153,934	55,502	39,564	499,237	76,439	21,123	415,475
<b>Debt service:</b>										
Principal	165,000	275,000	190,000	210,000	230,000	220,000	240,000	245,000	255,000	270,000
Interest and other charges	275,122	268,144	256,081	248,481	181,865	196,250	187,450	180,250	172,900	165,250
<b>Total expenditures</b>	<u>13,376,197</u>	<u>15,273,710</u>	<u>14,164,572</u>	<u>13,913,741</u>	<u>13,379,155</u>	<u>13,885,953</u>	<u>14,540,045</u>	<u>14,546,831</u>	<u>15,113,297</u>	<u>15,580,194</u>
Excess (Deficiency) of revenues over (under) expenditures	364,256	(1,106,059)	(881,149)	(212,528)	251,799	(76,665)	(146,582)	440,913	293,894	380,607
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing								50,616		
Accrued interest on sale of bonds										
Prior year payable canceled	(2,801)									
Capital reserve transfer to Capital Projects		(23,253)								
Capital outlay transfer to Capital Projects		(367,220)								
Transfers in	855	390,677	197		90,182		278,400	2,945		
Transfers out	(855)	(204)	(197)		(90,182)		(278,400)	(2,945)		
<b>Total other financing sources (uses)</b>	<u>(2,801)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,616</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 361,455</u>	<u>\$ (1,106,059)</u>	<u>\$ (881,149)</u>	<u>\$ (212,528)</u>	<u>\$ 251,799</u>	<u>\$ (76,665)</u>	<u>\$ (146,582)</u>	<u>\$ 491,529</u>	<u>\$ 293,894</u>	<u>\$ 380,607</u>
Debt service as a percentage of noncapital expenditures	3.29%	3.71%	3.16%	3.33%	3.09%	3.01%	3.04%	2.94%	2.84%	2.87%

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Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Contributions</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Custodial</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 35,278	\$ -	\$ -	\$ 62,928	\$ 460	\$ -	\$ -	\$ 98,666
2010	57,011			21,689			795	79,495
2011	16,947			30,850			573	48,370
2012	12,673			21,357			511	34,541
2013	3,646						7,414	11,060
2014	1,634			28			1,661	3,323
2015	1,382	22,138		1,425				24,945
2016	2,055	26,946		18,963		23,282	7,687	78,933
2017	2,271	112,718		2,950	700		6,041	124,680
2018	2,193	145,701		20,967	-		1,644	170,505
	<u>\$ 135,090</u>	<u>\$ 307,503</u>	<u>\$ -</u>	<u>\$ 181,157</u>	<u>\$ 1,160</u>	<u>\$ 23,282</u>	<u>\$ 26,326</u>	<u>\$ 674,518</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2009	\$ 1,646,000	\$ 218,339,000	\$ 304,000		\$ 19,582,900	\$ 20,061,400	\$ 16,499,500	\$ 276,432,800	\$ 427,049	\$ 276,859,849	\$ 65,956,600	\$ 3.368	\$ 592,849,692
2010 R	3,961,800	455,758,000	521,200		41,750,600	44,350,800	45,198,600	591,541,000	1,323,638	592,864,638	145,746,400	1.603	607,642,268
2011	3,718,800	451,117,000	521,200		40,934,300	30,174,100	44,707,700	571,173,100	1,072,135	572,245,235	146,126,700	1.647	563,323,573
2012	3,931,000	448,796,300	521,200		40,940,900	30,174,100	44,707,700	569,071,200	1,027,921	570,099,121	145,896,800	1.648	549,911,838
2013	3,839,000	446,818,000	521,200		40,054,500	30,174,100	37,129,900	558,536,700	986,545	559,523,245	146,061,300	1.668	527,825,972
2014	3,894,000	444,079,600	521,200		35,620,800	30,154,100	37,053,900	551,323,600	863,954	552,187,554	146,579,000	1.717	518,282,758
2015	3,702,400	442,083,600			35,588,700	26,054,100	37,053,900	544,482,700	870,278	545,352,978	146,942,700	1.798	511,919,710
2016	3,443,200	439,400,700			35,580,000	25,894,400	36,669,000	540,987,300	861,706	541,849,006	146,638,800	1.878	512,007,524
2017	2,798,500	387,324,500			31,387,510	33,276,600	39,190,300	493,977,410	871,110	494,848,520	144,473,200	2.101	446,453,328
2018	3,239,100	387,420,073			31,419,510	33,276,600	39,190,300	494,545,583	847,527	495,393,110	145,959,100	2.142	495,904,537

Source:  
 Municipal Tax Assessor

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

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



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

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Fiscal Year Ended June 30,	Barrington School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Barrington	Camden County	
2009	\$ 3.187	\$ 0.181	\$ 3.368	\$ 1.482	\$ 1.328	\$ 6.178
2010	R 1.528	0.075	1.603	0.742	0.670	3.015
2011	1.572	0.075	1.647	0.811	0.694	3.152
2012	1.573	0.075	1.648	0.857	0.739	3.244
2013	1.594	0.074	1.668	0.903	0.718	3.289
2014	1.645	0.072	1.717	0.966	0.792	3.475
2015	1.720	0.078	1.798	1.007	0.823	3.628
2016	1.800	0.078	1.878	1.045	0.828	3.751
2017	2.015	0.086	2.101	1.172	0.916	4.189
2018	2.055	0.087	2.142	1.199	0.955	4.296

**Source:** Municipal Tax Collector

R Revaluation

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

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Taxpayer	2018	
	Taxable Assessed Value	% of Total District Net Assessed Value
Barrington Business Holdings	\$ 21,000,000	4.24%
Sr. Housing of Barrington Mews	18,121,400	3.66%
Haddonfield Holdings 2015, LLC	17,820,000	3.60%
AION Willows, LLC	17,350,000	3.50%
International Paper Company	5,726,100	1.16%
101 Gloucester Pike Assoc.	3,594,900	0.73%
120 E Barrington LLC	3,116,100	0.63%
Daniel G Kamin (Rite Aid)	2,792,900	0.56%
Barrington Redevelopment Urban Renewal	2,000,000	0.40%
Sieck Brothers/Royal Courts	1,718,800	0.35%
<b>Total</b>	<b>\$ 93,240,200</b>	<b>18.82%</b>

Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value
Haddonfield Manor, LLC	\$ 8,421,800	3.04%
Greenville Gardens Limited	6,602,900	2.38%
AP-KEERA Barrington, LLC	6,300,000	2.28%
Weyerhaeuser Paper Co.	5,496,800	1.99%
Berg Enterprise Associates	2,500,000	0.90%
Norman & Pauline Edmund	2,419,100	0.87%
BVW Associates, LP	1,814,700	0.66%
Sieck Brothers/Royal Courts	1,288,700	0.47%
Maureen Lenahan	1,140,600	0.41%
FBV Inc.	1,057,200	0.38%
<b>Total</b>	<b>\$ 37,041,800</b>	<b>13.38%</b>

Source: Municipal Tax Assessor

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

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<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	\$ 9,120,096	\$ 9,120,096	100.00%	-
2010	9,179,832	9,179,832	100.00%	-
2011	9,332,290	9,332,290	100.00%	-
2012	9,521,588	9,521,588	100.00%	-
2013	9,262,384	8,262,384	89.20%	-
2014	9,405,000	9,405,000	100.00%	-
2015	9,557,759	9,557,759	100.00%	-
2016	10,051,250	10,051,250	100.00%	-
2017	10,296,131	10,296,131	100.00%	-
2018	10,500,846	10,500,846	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2009	\$ 6,382,000	\$ 21,253	\$ -	\$ -	\$ 6,403,253	2.24%	923
2010	6,107,000	35,751	-	-	6,142,751	2.12%	882
2011	5,917,000	17,991	-	-	5,934,991	1.97%	858
2012	5,707,000	16,982	-	-	5,723,982	1.88%	832
2013	5,230,000	6,621	-	-	5,236,621	1.71%	766
2014	5,010,000	2,320	-	-	5,012,320	1.59%	736
2015	4,770,000	160	-	-	4,770,160	1.46%	701
2016	4,525,000	-	-	-	4,525,000	1.35%	665
2017	4,270,000	40,539	-	-	4,310,539	c	636
2018	4,000,000	30,997	-	-	4,030,997	c	c

**Sources:**

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

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

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Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>a</sup>		
2009	\$ 6,382,000	\$ -	\$ 6,382,000	1.17%	919
2010	6,697,000	-	6,697,000	1.24%	962
2011	6,547,000	-	6,547,000	1.32%	946
2012	5,707,000	-	5,707,000	1.15%	829
2013	5,230,000	-	5,230,000	1.06%	765
2014	5,010,000	-	5,010,000	0.91%	735
2015	4,770,000	-	4,770,000	0.87%	701
2016	4,525,000	-	4,525,000	0.84%	665
2017	4,270,000	-	4,270,000	0.86%	630
2018	4,000,000	-	4,000,000	0.81%	c

**Sources:**

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

**Barrington School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Barrington	\$ 13,648,647 (1)	100.000%	\$ 13,648,647
Camden County General Obligation Debt	113,576,610 (1)	1.350% (2)	1,533,284
			<hr/>
Subtotal, overlapping debt			15,181,931
Barrington School District Direct Debt			<hr/> 4,525,000
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 19,706,931</b> <hr/>

**Sources:**

- (1) Entity's Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2017 Equalized Valuation. The source for this computation was the 2017 County Abstract of Ratables, provided by the County Board of Taxation.

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

**Legal Debt Margin Calculation for Fiscal Year 2018**

Equalized valuation basis (1)	
2015	\$ 508,244,843
2016	513,270,683
2017	522,119,660
	<u>\$1,543,635,186</u>

Average equalized valuation of taxable property	<u>\$ 514,545,062</u>
Debt limit (3% of average equalized valuation) (2)	15,436,352
Net bonded school debt (3)	4,000,000
Legal debt margin	<u>\$ 11,436,352</u>

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	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 16,148,257	\$ 17,115,174	\$ 17,483,972	\$ 17,132,672	\$ 16,469,440	\$ 15,903,776	\$ 15,578,788	\$ 15,365,580	\$ 15,324,735	\$ 15,436,352
Total net debt applicable to limit (3)	<u>6,382,000</u>	<u>6,107,000</u>	<u>5,917,000</u>	<u>5,707,000</u>	<u>5,230,000</u>	<u>5,010,000</u>	<u>4,770,000</u>	<u>4,525,000</u>	<u>4,270,000</u>	<u>4,000,000</u>
Legal debt margin	<u>\$ 9,766,257</u>	<u>\$ 11,008,174</u>	<u>\$ 11,566,972</u>	<u>\$ 11,425,672</u>	<u>\$ 11,239,440</u>	<u>\$ 10,893,776</u>	<u>\$ 10,808,788</u>	<u>\$ 10,840,580</u>	<u>\$ 11,054,735</u>	<u>\$ 11,436,352</u>
Total net debt applicable to the limit as a percentage of debt limit	39.52%	35.68%	33.84%	33.31%	31.76%	31.50%	30.62%	29.45%	27.86%	25.91%

**Sources:**

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

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

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<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2009	6,941	\$ 285,719,324	\$ 41,164	6.6%
2010	6,961	289,306,121	41,561	7.0%
2011	6,919	301,467,749	43,571	6.8%
2012	6,883	304,393,792	44,224	6.9%
2013	6,835	305,893,590	44,754	6.7%
2014	6,814	314,772,730	46,195	6.4%
2015	6,803	327,550,844	48,148	5.0%
2016	6,801	335,914,992	49,392	4.2%
2017	6,781	e	e	4.0%
2018	e	e	e	e

**Source:**

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



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

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<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	36.8	34.8	31.0	38.0	41.0	42.0	42.0	43.0	43.0	44.0
Special education	15.0	15.0	13.0	13.0	13.0	13.0	13.0	12.0	17.0	19.0
Support Services:										
Student & instruction related services	24.7	24.4	24.4	22.0	19.0	19.0	19.0	19.0	20.0	22.0
School administrative services	3.0	3.0	3.0	3.0	5.5	5.5	6.5	6.5	6.0	10.0
General and business administrative services	1.4	1.4	1.4	0.6	0.6	0.6	0.6	0.6	1.0	2.0
Plant operations and maintenance	8.1	6.5	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0
Business and other support services	2.7	1.3	1.3	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total	<u>91.7</u>	<u>86.4</u>	<u>80.6</u>	<u>84.8</u>	<u>87.8</u>	<u>88.8</u>	<u>89.8</u>	<u>89.8</u>	<u>95.7</u>	<u>105.7</u>

**Source:**  
District Personnel Records

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

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<u>Fiscal Year</u>	<u>Resident Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2009	578	\$ 12,963,451	\$ 22,428	7.82%	52	1:10	577.8	547.3	-0.40%	94.72%
2010	612	12,936,075	21,137	-5.76%	58	1:10	604.5	574.5	4.62%	95.04%
2011	608	14,106,131	23,201	9.76%	56	1:10	625.6	594.5	3.49%	95.03%
2012	614	13,301,326	21,663	-6.63%	51	1:10	619.2	592.5	-1.02%	95.69%
2013	625	12,903,441	20,646	-4.70%	54	1:10	615.3	587.8	-0.63%	95.53%
2014	613	13,430,139	21,909	6.12%	55	1:11	612.9	587.8	-0.39%	95.90%
2015	616	13,613,358	22,100	0.87%	55	1:11	617.4	591.7	0.73%	95.84%
2016	619	14,045,142	22,690	2.67%	55	1:11	615.8	590.0	-0.26%	95.81%
2017	610	14,664,274	24,040	5.95%	60	1:10	614.7	589.7	-0.18%	95.93%
2018	628	14,729,469	23,455	-2.43%	63	1:10	620.6	590.8	0.96%	95.20%

**Sources:** District records

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

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

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

J-18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>District Building</b>										
<u>Elementary</u>										
Woodland Elementary (1982)										
Square Feet	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462
Capacity (students)	353	353	353	353	353	353	353	353	353	353
Enrollment	170	198	252	237	250	224	248	256	264	287
Avon Elementary (1982)										
Square Feet	45,390	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876
Capacity (students)	380	308	308	308	308	308	308	308	308	308
Enrollment	408	412	356	377	375	389	370	360	350	333
<u>Other</u>										
Central Administration (1982)										
Square Feet	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
Number of Schools at June 30, 2018										
Elementary = 1										
Middle School = 1										
Senior High School = 0										
Other = 0										

**Source:** District Facilities Office

Barrington School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

J-19

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

* School Facilities	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Woodland School	\$ 43,649	\$ 38,031	\$ 43,672	\$ 30,122	\$ 61,265	\$ 56,949	\$ 70,057	\$ 65,692	\$ 63,871	\$ 71,261	\$ 544,569
Avon School	33,085	35,390	42,185	35,844	55,258	50,772	62,457	58,553	56,938	63,038	493,520
Other Facilities		7,450	3,358	11,087	3,604	2,008	2,470	2,329	2,258	2,741	37,305
Total School Facilities	<u>\$ 76,734</u>	<u>\$ 80,871</u>	<u>\$ 89,215</u>	<u>\$ 77,053</u>	<u>\$ 120,127</u>	<u>\$ 109,729</u>	<u>\$ 134,984</u>	<u>\$ 126,574</u>	<u>\$ 123,067</u>	<u>\$ 137,040</u>	<u>\$ 1,075,394</u>

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

Source: District records

**Barrington School District  
Insurance Schedule  
June 30, 2018**

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 500,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
General Liability	16,000,000	
Automobile Liability	16,000,000	1,000
Workers' Compensation	Statutory	
School Board Legal Liability	16,000,000	5,000
Crime Coverage	250,000	1,000
Electronic Data Processing Equipment	780,000	1,000
Student Accident (1)	1,000,000	
Surety Bonds (3)		
Treasurer	200,000	
Board Secretary	50,000	

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

**Source: District records**

**Single Audit Section**

**INVERSO & STEWART, LLC**  
 Certified Public Accountants

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

I have audited Barrington School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2018. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### Opinion on Each Major State Program

In my opinion, the Barrington School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

### Report on Internal Control Over Compliance

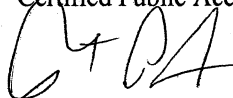
Management of the Barrington School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over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

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

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

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

**INVERSO & STEWART, LLC**  
Certified Public Accountants



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

Marlton, New Jersey  
January 31, 2019



BARRINGTON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2017			Carryover/ Walkover	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2018		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
Special Revenue Fund:																
Title I:																
Fiscal Year 2018	84.010	S010A170030	ESSA019018	\$ 104,961	7/1/17 - 6/30/18	\$ -	\$ -	\$ -	\$ -	\$ 57,038	\$ (102,843)	\$ -	\$ -	\$ (45,805)	\$ -	\$ -
Fiscal Year 2017	84.010	S010A160030	NCLB019017	93,838	7/1/16 - 6/30/17	(19,112)				19,112						
Title II A:																
Fiscal Year 2018	84.367	S367A170029	ESSA019018	25,073	7/1/17 - 6/30/18					4,601	(19,159)			(14,558)		
Fiscal Year 2017	84.367	S367A160029	NCLB019017	15,705	7/1/16 - 6/30/17	(11,723)				11,723						
Title IV:																
Fiscal Year 2018	84.424	S424A170031	ESSA019018	10,000	7/1/17 - 6/30/18						(6,963)			(6,963)		
I.D.E.A. Part B - Basic:																
Fiscal Year 2018	84.027	H027A170100	IDEA019018	203,351	7/1/17 - 6/30/18					203,351	(203,351)					
I.D.E.A. Part B - Preschool:																
Fiscal Year 2018	84.173	H173A170114	IDEA019018	8,130	7/1/17 - 6/30/18					6,351	(8,129)			(1,778)		
Fiscal Year 2017	84.173	H173A160114	IDEA019017	8,236	7/1/16 - 6/30/17	(8,235)				8,235						
Total U.S. Department of Education						(39,070)				310,411	(340,445)			(69,104)		
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Education:</b>																
Enterprise Fund:																
Food Distribution Program																
Fiscal Year 2018	10.565	181NJ304N1099	N/A	11,956	7/1/17 - 6/30/18					11,956	(11,956)					
School Breakfast Program:																
Fiscal Year 2018	10.553	181NJ304N1099	N/A	11,650	7/1/17 - 6/30/18					11,007	(11,650)			(643)		
Fiscal Year 2017	10.553	171NJ304N1099	N/A	11,792	7/1/16 - 6/30/17	(774)				774						
National School Lunch Program:																
Fiscal Year 2018	10.555	181NJ304N1099	N/A	66,501	7/1/17 - 6/30/18					63,239	(66,501)			(3,262)		
Fiscal Year 2017	10.555	171NJ304N1099	N/A	65,293	7/1/16 - 6/30/17	(3,433)				3,433						
Total U.S. Department of Agriculture						(4,207)				90,409	(90,107)			(3,905)		
Total Federal Awards						\$ (43,277)	\$ -	\$ -	\$ -	\$ 400,820	\$ (430,552)	\$ -	\$ -	\$ (73,009)	\$ -	\$ -

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

BARRINGTON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2018

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2017			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2018		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>State Department of Education</b>													
<b>General Fund:</b>													
Equalization Aid	18-495-034-5120-078	\$ 2,746,512	7/1/17 - 6/30/18	\$ -	\$ -	\$ -	\$ -	\$ 2,481,878	\$ (2,746,512)	\$ -	\$ (264,634)	\$ -	\$ -
Equalization Aid	17-495-034-5120-078	2,677,160	7/1/16 - 6/30/17	(254,218)				254,218					
Special Education Categorical Aid	18-495-034-5120-089	524,444	7/1/17 - 6/30/18					473,913	(524,444)		(50,531)		
Special Education Categorical Aid	17-495-034-5120-089	524,444	7/1/16 - 6/30/17	(49,800)				49,800					
Categorical Security Aid	18-495-034-5120-084	23,536	7/1/17 - 6/30/18					21,288	(23,536)		(2,268)		
Categorical Security Aid	17-495-034-5120-084	23,536	7/1/16 - 6/30/17	(2,235)				2,235					
Categorical Transportation Aid	18-495-034-5120-014	23,765	7/1/17 - 6/30/18					21,475	(23,765)		(2,290)		
Categorical Transportation Aid	17-495-034-5120-014	23,765	7/1/16 - 6/30/17	(2,257)				2,257					
Per Pupil Growth Aid	18-495-034-5120-097	8,540	7/1/17 - 6/30/18					7,717	(8,540)		(823)		
Per Pupil Growth Aid	17-495-034-5120-097	8,540	7/1/16 - 6/30/17	(811)				811					
PARCC Readiness Aid	18-495-034-5120-098	8,540	7/1/17 - 6/30/18					7,717	(8,540)		(823)		
PARCC Readiness Aid	17-495-034-5120-098	8,540	7/1/16 - 6/30/17	(811)				811					
Professional Learning Community Aid	18-495-034-5120-101	8,360	7/1/17 - 6/30/18					7,555	(8,360)		(805)		
Professional Learning Community Aid	17-495-034-5120-101	8,360	7/1/16 - 6/30/17	(794)				794					
Lead Testing for Schools Aid	17-495-034-5120-104	5,548	7/1/16 - 6/30/17	(5,548)				5,548					
Extraordinary Special Education Cost Aid	18-495-034-5120-044	57,196	7/1/17 - 6/30/18					53,659	(57,196)		(57,196)		
Extraordinary Special Education Cost Aid	17-495-034-5120-044	53,659	7/1/16 - 6/30/17	(53,659)				53,659					
Nonpublic Transportation Aid	18-495-034-5120-014	13,340	7/1/17 - 6/30/18					8,004	(13,340)		(13,340)		
Nonpublic Transportation Aid	17-495-034-5120-014	8,004	7/1/16 - 6/30/17	(8,004)				8,004					
Homeless Tuition Aid	18-495-034-5120-005	9,099	7/1/17 - 6/30/18					4,301	(9,099)		(9,099)		
Homeless Tuition Aid	17-495-034-5120-005	4,301	7/1/16 - 6/30/17	(4,301)				4,301					
On-behalf TPAF Pension Contribution	18-495-034-5094-002	676,264	7/1/17 - 6/30/18					676,264	(676,264)				
On-behalf TPAF Post Retirement Medical	18-495-034-5094-001	436,785	7/1/17 - 6/30/18					436,785	(436,785)				
On-behalf TPAF Long Term Disability Ins.	18-495-034-5094-004	1,228	7/1/17 - 6/30/18					1,228	(1,228)				
Reimbursed TPAF Social Security Contr.	18-495-034-5094-003	372,648	7/1/17 - 6/30/18					335,951	(372,648)		(36,695)		
Reimbursed TPAF Social Security Contr.	17-495-034-5094-003	346,729	7/1/16 - 6/30/17	(34,460)				34,460					
<b>Total General Fund</b>				<b>(416,898)</b>				<b>4,888,649</b>	<b>(4,910,255)</b>		<b>(438,504)</b>		
<b>Special Revenue Fund:</b>													
<b>NJ Nonpublic Aid:</b>													
Textbook Aid	18-100-034-5120-064	8,600	7/1/17 - 6/30/18					8,600	(8,600)				
Nursing Aid	18-100-034-5120-070	15,229	7/1/17 - 6/30/18					15,229	(15,077)				152
Nursing Aid	17-100-034-5120-070	16,920	7/1/16 - 6/30/17			169				(169)			
Technology Aid	18-100-034-5120-373	5,809	7/1/17 - 6/30/18					5,809	(5,805)				4
Technology Aid	17-100-034-5120-373	4,888	7/1/16 - 6/30/17			105				(105)			
Security Aid	18-100-034-5120-509	11,775	7/1/17 - 6/30/18					11,775	(6,869)				4,906
Security Aid	17-100-034-5120-509	9,400	7/1/16 - 6/30/17			4,901				(4,901)			
<b>Auxiliary Services:</b>													
Home Instruction	17-100-034-5120-067	670	7/1/16 - 6/30/17	(670)				670					
<b>Handicapped Services:</b>													
Examination & Classification	18-100-034-5120-066	23,660	7/1/17 - 6/30/18					23,660	(13,647)				10,013
Examination & Classification	17-100-034-5120-066	43,211	7/1/16 - 6/30/17			32,587				(32,587)			
<b>Total Special Revenue Fund</b>				<b>(670)</b>		<b>37,762</b>		<b>65,743</b>	<b>(49,998)</b>		<b>(37,762)</b>		<b>15,075</b>
<b>State Department of Agriculture</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	18-100-010-3350-023	2,176	7/1/17 - 6/30/18					2,068	(2,176)		(108)		
National School Lunch Program (State Share)	17-100-010-3350-023	1,917	7/1/16 - 6/30/17	(97)				97					
<b>Total Enterprise Fund</b>				<b>(97)</b>				<b>2,165</b>	<b>(2,176)</b>		<b>(108)</b>		
<b>Total State Financial Assistance</b>				<b>\$ (417,665)</b>	<b>\$ -</b>	<b>\$ 37,762</b>	<b>\$ -</b>	<b>\$ 4,956,557</b>	<b>(4,962,429)</b>	<b>\$ (37,762)</b>	<b>\$ (438,612)</b>	<b>\$ -</b>	<b>\$ 15,075</b>
<b>Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08</b>													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									(676,264)				
On-Behalf TPAF Contribution - Post Retirement Medical (Non-Budgeted)									(436,785)				
On-Behalf TPAF Contribution - Long Term Disability Insurance (Non-Budgeted)									(1,228)				
<b>Total State Financial Assistance Subject to New Jersey OMB Circular 15-08</b>									<b>\$ (3,848,152)</b>				

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

**Barrington School District**  
**Notes to Schedules of Expenditures**  
**of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2018**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$11,248) for the general fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 4,899,007	\$ 4,899,007
Special Revenue	340,445	49,998	390,443
Food Service	<u>90,107</u>	<u>2,176</u>	<u>92,283</u>
Total	<u>\$ 430,552</u>	<u>\$ 4,951,181</u>	<u>\$ 5,381,733</u>

**Barrington School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2018  
(Continued)**

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. 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, 2018.

**6. MAJOR PROGRAMS**

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

**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section 1 -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes    X    no

Significant deficiencies identified? \_\_\_\_\_ yes    X    none reported

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

**Federal Awards**

**NOT APPLICABLE**

Internal Control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes \_\_\_\_\_ no

Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

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

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

Identification of major programs:

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

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

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

**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section 1 – Summary of Auditor's Results (Continued)*

**State Awards**

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

Auditee qualified as low-risk auditee?                          X       yes                                       no

Internal Control over major programs:

    Material weaknesses identified?                                       yes                          X       no

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

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>18-495-034-5120-078</u>	<b>State Aid Public Cluster:</b> <u>Equalization Aid</u>
<u>18-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Section 2 -- Schedule of Financial Statement Findings**

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

**Finding No. 2018-001**

**Criteria or specific requirement:**

N.J.A.C. 6A:23-16.12 and good internal control require supporting documentation for cash all receipts.

**Condition:**

Cash receipts supporting documentation was not maintained for the Woodland School student activity fund.

**Context:**

Only one of twenty five cash receipts tested had supporting documentation.

**Effect:**

The District did not comply with N.J.A.C. 6A:23-16.12.

**Cause:**

Oversight

**Recommendation:**

That supporting documentation is maintained for all student activity receipts.

**View of Responsible Officials and Planned Corrective Action:**

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

**BARRINGTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

**FEDERAL AWARDS:**

A federal single audit was not required.

**STATE AWARDS:**

No findings and/or questioned costs identified.



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

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

**FINANCIAL STATEMENT FINDINGS**

**Finding #2017-001**

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

**Current Status:**

This finding has been corrected.

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

There were no prior year audit findings.