

**BORDENTOWN REGIONAL SCHOOL DISTRICT**

Bordentown Township, New Jersey  
County of Burlington

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
BORDENTOWN REGIONAL SCHOOL DISTRICT  
  
BORDENTOWN TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Prepared by

Bordentown Regional School District  
Business Administrator's Office

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## **INTRODUCTORY SECTION**

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Eileen Francisco-Cabus  
President

Salvatore Schiano  
Vice President

# Bordentown Regional School District

318 WARD AVENUE  
BORDENTOWN, NJ 08505

Edward Forsthoffer, III, Ed.D.  
Superintendent

Eloi A. Richardson, CPA  
Business Administrator

<b>Business Office</b> (609) 298-0025 Extension 1204	<b>FAX</b> (609) 298-2515	<b>Superintendent's Office</b> (609) 298-0025 Extension 1211
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Internet Web Site: [www.bordentown.k12.nj.us](http://www.bordentown.k12.nj.us)

January 18, 2019

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

Dear Board Members and Citizens of the Regional District:

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

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

In addition, the District is required to undergo an annual Single Audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement's, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid"*. Information related to this Single Audit, including the independent

auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

The financial statements include:

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

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

1. REPORTING ENTITY AND ITS SERVICES: The Bordentown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. The District provides a full range of educational services appropriate to regular and special education students in grade levels K through 12. The Bordentown Regional Board of Education and all of its schools constitute the District's reporting entity. The District's on-roll enrollment as of October 15, 2017 was 2,504, inclusive of some high school students received from the New Hanover Public Schools on a tuition basis.

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

2. MAJOR ACTIVITIES AND INITIATIVES:  
During 2017-18, the District continued its focus on preparing students to face the evolving learning environments and expectations before them. This encompassed providing staffing and other resources to meet the needs of diverse student learners in basic skills, special education, English language acquisition, and gifted education. Included therein was continuation of full day kindergarten and preschool programs; before and after school as well as extended school year programs for students "at risk"; support for staff professional development. In addition, we maintained all academic and extra-curricular programs and activities without requiring participation contributions.

Moreover, the District upgraded its educational offerings through investing in the Full Option Science System program at the elementary level while adding an Advanced Placement Computer Science course at the high school. Also, during this past year the District continued

implementation of its strategic plan developed during School Year 2016-17 to guide its educational, operational, and financial direction for the near future. In addition, the District undertook planning for a FY 2018-19 reconfiguration of the elementary schools to better address issues of inefficient class sizes and disproportionate special education concentrations.

In the operational and support services areas, the District maintained its full complement of support resources, including a comprehensive level of transportation services as well as continued capital outlay investments. The latter most notably included replacing the middle school's aging HVAC chiller system, as well as, additional technology investments to improve networking capacity and available classroom equipment. Finally, as contemplated, the District did realize lower principal and interest costs during the year from the 2016 refinancing of its outstanding 2006 School Refunding Bonds.

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

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

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

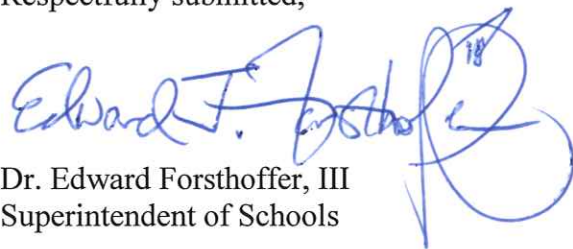
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

5. ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting

Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

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

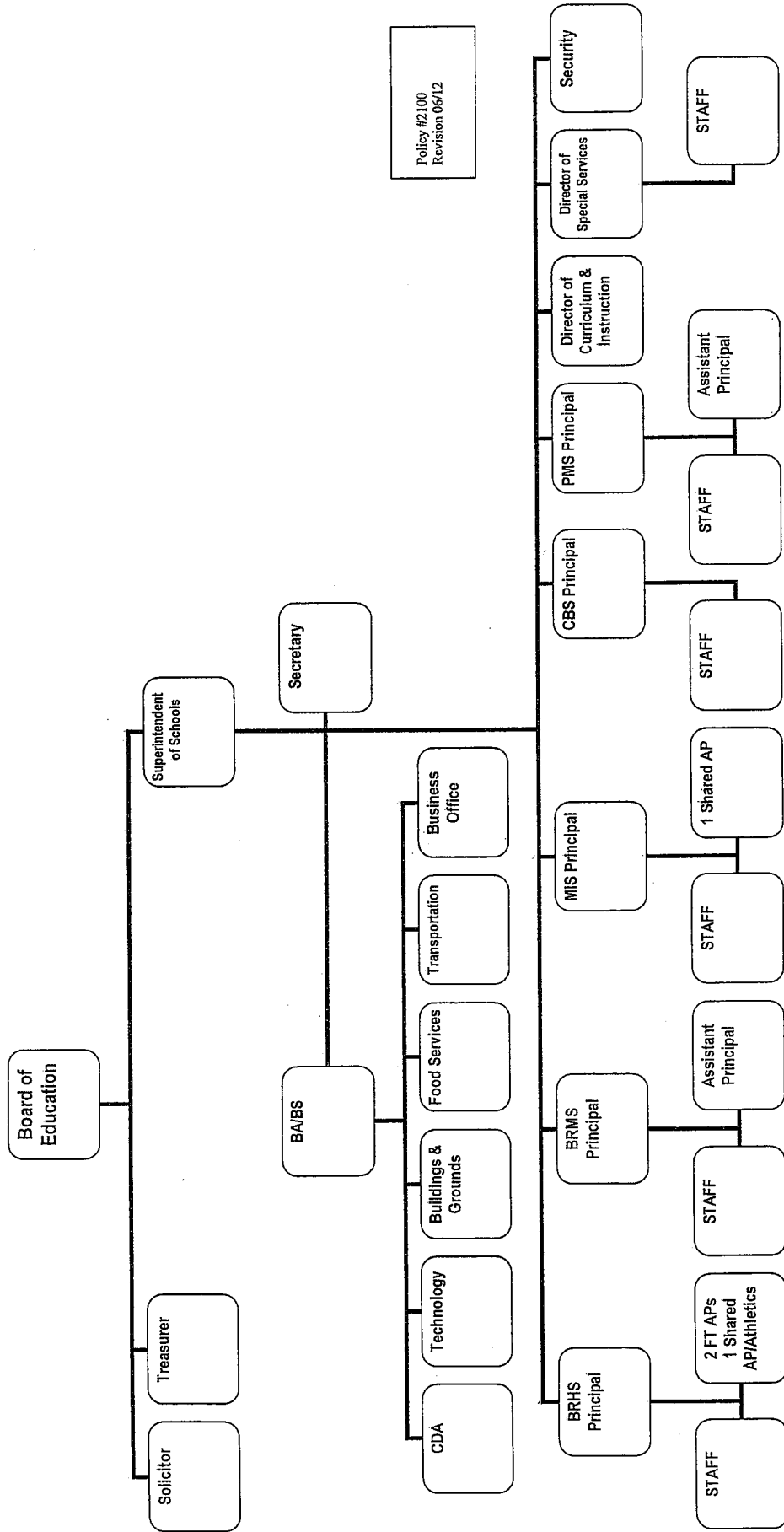
Respectfully submitted,



Dr. Edward Forsthoffer, III  
Superintendent of Schools



Eloi Richardson, CPA  
School Business Administrator/Board Secretary



Policy #2100  
Revision 06/12

# **BORDENTOWN REGIONAL SCHOOL DISTRICT**

**318 WARD AVENUE  
BORDENTOWN, NEW JERSEY 08505**

## **ROSTER OF OFFICIALS**

June 30, 2018

### **MEMBERS OF THE BOARD OF EDUCATION**

### **TERM EXPIRES**

Stephen Heberling, President	2019
Joshua Fausti, Vice President	2018
Jamie Augustyn	2020
Howard Barman	2019
Kevin Creegan	2018
Eileen Francisco-Cabus	2020
Janet Nielsen	2020
Salvatore Schiano	2018
Sylvia Scorzzari	2019

### **OTHER OFFICIALS**

Dr. Edward Fortshoffer, III, Superintendent

Eloi Richardson, Business Administrator/Board Secretary



**BORDENTOWN REGIONAL SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Holman Frenia Allison, P. C.  
Kevin P. Frenia, CPA  
618 Stokes Road  
Medford, New Jersey 08055

**Attorney**

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

**OFFICIAL DEPOSITORY**

PNC Bank  
Bordentown, New Jersey 08505

TD Bank  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034

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

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bordentown Regional School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 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

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

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

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

## **Opinions**

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

## **Emphasis of Matter**

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, &74. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

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

### ***Other Information***

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

Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
January 18, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Bordentown Regional School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the Transmittal Letter at the beginning of this report and with the District's financial statements and accompanying notes, which immediately follow this section.

### FINANCIAL HIGHLIGHTS:

Per Exhibit B-2, District revenues for the major governmental funds were \$47,669,778, with corresponding expenditures of \$46,864,471, for a net excess/(deficiency) of revenues over/(under) expenditures of \$805,307. Last year's reported net excess/(deficiency) of revenues over/(under) expenditures was \$190,309. The increase reflects a \$336,270 (.07%) revenue growth over the prior year, coupled with a \$278,728 (0.6%) decrease in expenditures.

Significant contributors to the revenue changes included increases of \$479,336 in combined general purpose and debt service tax levies and \$374,539 from State Sources. These revenue increases partially offset other decreases, including \$305,171 lower tuition, from a recent trend of reduced tuition student enrollments, \$223,198 lower miscellaneous revenues from the timing of P.I.L.O.T payments, and loss of a major participant in our fuel co-op program who installed its own fueling depot. The net decrease in expenditures reflected multiple offsetting increased and decreases in operational costs, as well as, a \$252,604 decrease in debt service payments attributable to the refinancing of one outstanding bond series in 2016, as explained further below.

The reported State and Federal aid funding principally represented annual State aid based on enrollment and other factors, as well as other grant funds. The Individuals with Disabilities Education Act ("IDEA") grant and the Every Student Succeeds Act ("ESSA") grant, which replaced the prior No Child Left Behind ("NCLB"), represented the two significant ongoing Federal funding resources for the District. IDEA helped to offset tuition costs for special education students requiring placement at outside settings best able to meet their needs, while ESSA helped to support Basic Skills Education, staff development, class size reduction, and English as a Second Language ("ESL") programs. Federal aid also included \$73,225 of reimbursements for services to Medicaid eligible special education students from State mandated participation in the Special Education Medicaid Initiative (SEMI) program.

The District has two bond series outstanding, consisting of the ("2016 Refunding Bonds") and the ("2010 School Bonds").

("2016 Refunding Bonds"): In July 2002, the District issued \$37,447,000 in bonds ("2002 School Bonds") to finance the building of a new high school and renovations to its other existing schools. These bonds were subsequently refinanced in 2006 ("2006 School Refunding Bonds"), and once again in 2016 ("2016 Refunding Bonds"). We anticipate saving approximately \$4,417,482 in cumulative debt service repayments (at approximately \$260,000 per year) on these 2016 School Refunding Bonds over their expected 17-year term to maturity, versus the prior required repayments under the predecessor 2006 School Refunding bonds.

("2010 School Bonds"): In March 2010 the District issued bonds, aggregating \$8,499,000, to fund completion of various renovations and improvements at the high school complex. These included installation of athletic fields and a photovoltaic (solar energy) system on the high school roof.

The capital improvement projects underlying both of these bond issues are completed. Currently, we use unexpected bond proceeds to offset annual bond repayments. Similarly, revenues from the sale of excess energy produced by the solar system, in the form of Solar Renewal Energy Certificates ("SREC's"), are used to partially offset ongoing operating costs, with \$85,150 applied for this purpose in 2017-18.

New Accounting Standard(s)

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

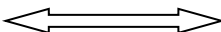
- GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*
- GASB Statement No. 82, *Pension Issues—amending the accounting/reporting in certain prior statements*

See Note 1 for additional information on the above statements and on three other statements that will become effective in future fiscal years.

OVERVIEW OF THE FINANCIAL STATEMENTS

The charts below illustrate the relationships of the District’s various reports.

**ORGANIZATION OF THE DISTRICT'S ANNUAL FINANCIAL REPORT**

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

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

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

- DISTRICT-WIDE STATEMENTS

**MAJOR FEATURES OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

The district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial

health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. However to more fully assess the overall financial health of the District; a reader should also consider other non-financial factors, such as changes in the District's property tax base; debt levels; and the condition of school buildings and other facilities.

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

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

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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

	Governmental Type		Business Type		School District		% Change
	Activities		Activities		Totals		
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Current and other assets	4,566	5,347	970	942	5,536	6,289	13.6%
Capital Assets – Net	46,592	45,166	94	91	46,686	45,257	-3.1%
Deferred Outflows	7,025	5,192	-	-	7,025	5,192	-26.1%
<b>Total Assets and Deferred Outflows</b>	<b>58,183</b>	<b>55,705</b>	<b>1,064</b>	<b>1,033</b>	<b>59,247</b>	<b>56,738</b>	<b>-4.2%</b>
Long-term debt outstanding	57,977	51,362	-	-	57,977	51,362	-11.4%
Other liabilities	887	838	392	383	1,279	1,221	-4.5%
Deferred Inflows	32	3,296			32	3,296	10200.0%
<b>Total liabilities</b>	<b>58,896</b>	<b>55,496</b>	<b>392</b>	<b>383</b>	<b>59,288</b>	<b>55,879</b>	<b>-5.7%</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	12,198	12,472	94	91	12,292	12,563	2.2%
Restricted	2,202	3,478			2,202	3,478	57.9%
Unrestricted	(15,112)	(15,742)	578	559	(14,534)	(15,183)	4.5%
<b>Total net position</b>	<b>(712)</b>	<b>208</b>	<b>672</b>	<b>650</b>	<b>(40)</b>	<b>858</b>	<b>-2245.0%</b>

Source: Exhibit A-1

As summarized above, the District’s net position improved by \$898,824, to \$858,115 at June 30, 2018 versus a negative \$40,709 at June 30, 2017, primarily reflecting offsetting changes in net capital assets and deferred outflows and inflows. The deferred outflows and inflows are largely related to the District’s allocable share of the State’ pension obligations (See Note 8, “Pension Obligations” for further details).

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

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

	Governmental		Business-Type		School District		% Change
	Activities		Activities		Totals		
	2017	2018	2017	2018	2017	2018	
<b>REVENUES:</b>							
<b>Program revenues:</b>							
Charges for services	-	-	1,494	1,481	1,494	1,481	-0.87%
Federal, State and Local Cat. Grants	5,440	943	424	413	5,864	1,356	-76.88%
<b>General revenues:</b>					-	-	
Property taxes	31,237	31,716	-	-	31,237	31,716	1.53%
Federal or State Aid	8,989	23,376	-	-	8,989	23,376	160.05%
Tuition	833	528	-	-	833	528	-36.61%
Other	834	684	-	-	834	684	-17.99%
<b>Total Revenues</b>	<b>47,333</b>	<b>57,247</b>	<b>1,918</b>	<b>1,894</b>	<b>49,251</b>	<b>59,141</b>	<b>20.08%</b>
<b>EXPENSES</b>							
Instruction Related	15,504	15,541	-	-	15,504	15,541	0.24%
Tuition	1,615	1,403	-	-	1,615	1,403	-13.13%
Student & Inst. Related Svcs	5,808	5,773	-	-	5,808	5,773	-0.60%
Administrative Services	2,793	2,924	-	-	2,793	2,924	4.69%
Maintenance	3,808	3,779	-	-	3,808	3,779	-0.76%
Transportation	2,586	2,283	-	-	2,586	2,283	-11.72%
Benefits	11,774	21,408	-	-	11,774	21,408	81.82%
Other	2,913	3,215	1,864	1,916	4,777	5,131	7.41%
<b>Total expenses</b>	<b>46,801</b>	<b>56,326</b>	<b>1,864</b>	<b>1,916</b>	<b>48,665</b>	<b>58,242</b>	<b>19.68%</b>
<b>Incr (decr) in net position</b>	<b>532</b>	<b>921</b>	<b>54</b>	<b>(22)</b>	<b>586</b>	<b>899</b>	

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

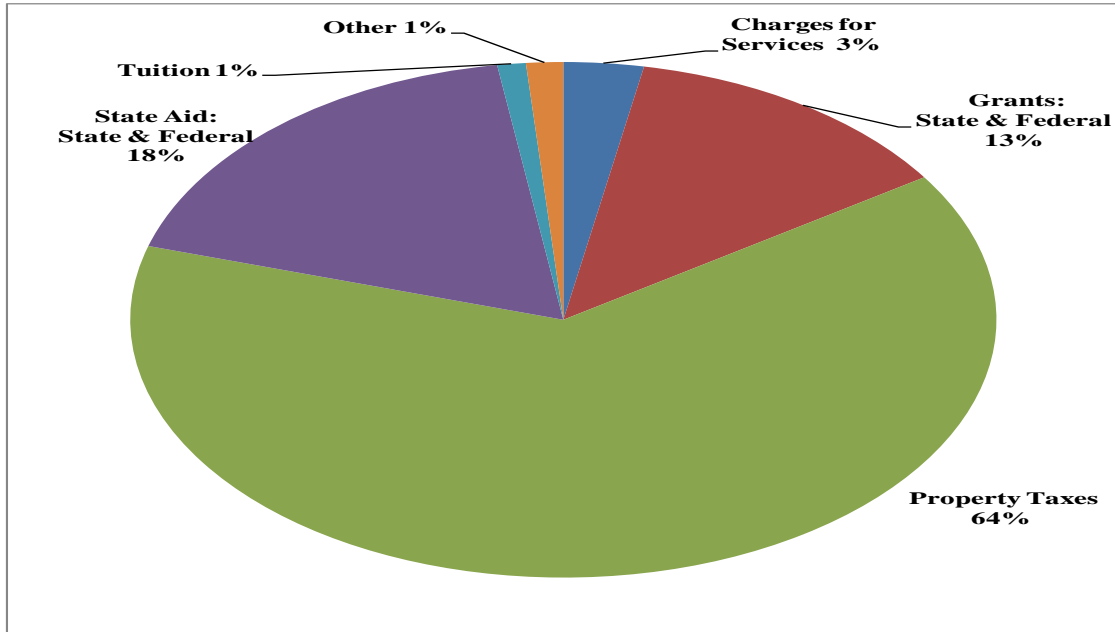
Changes in net position – Governmental Activities: The increase (decrease) in net position improved by \$390,160, from \$532,577 to \$920,737. Property taxes, at approximately 66%; Federal/State aid at approximately 19%; and Federal/State Categorical grants at approximately 12% represented the largest revenue sources. While not at the level of prior years due to enrollment declines, Tuition revenue, at nearly half a million, provided an important alternative revenue resource. [The District accepts tuition students from the New Hanover School District, as well as from a general education preschool program offered to parents on a tuition basis]. Total expenditures held relatively flat over the prior year.

Changes in net position -- Business–Type Activities: The District's business activities are its food service operations that provide breakfast and lunch to students and the Community District Alliance (C.D.A.) which operates before–and–after–school and summer programs, as well as manages an adult education program and operations of the performance arts center. On a combined basis, these activities reported a slight decrease in net position, driven from flat food revenues on rising costs in food operations and lower summer participation for CDA’s summer camps and programs due to increased competition.

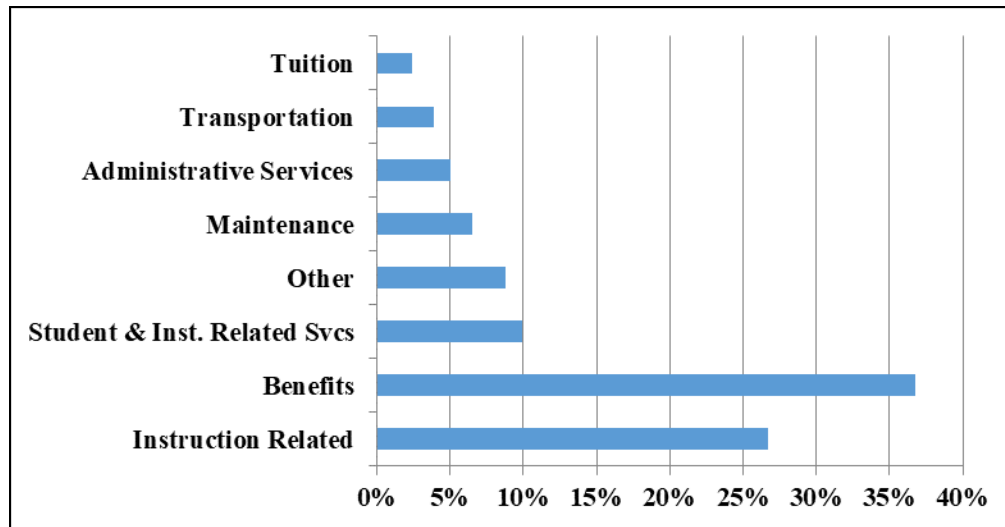
Charts A–1 and A-2, illustrates total revenues and expenses, respectively, for Fiscal Year 2018 based on information from Table A-2. The distributions of revenue and costs shown are consistent with prior years.



## 2017-18 SCHOOL DISTRICT TOTAL REVENUES



## 2017-18 SCHOOL DISTRICT TOTAL EXPENSES



**Table A-3** provides a summary of the cost of all governmental activities (net of program revenues) for the 2017-18 school year.

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2017	2018	2017-2018	2017	2018	2017-18
Instruction Related	15,504	15,541	0.24%	14,651	14,667	0.11%
Tuition	1,615	1,403	-13.13%	1,559	1,356	-13.02%
Stud. & Instr. Rel. Svs	5,079	5,773	13.66%	5,013	5,750	14.70%
Administrative Services	3,521	2,924	-16.96%	3,521	2,924	-16.96%
Maintenance	3,808	3,779	-0.76%	3,808	3,779	-0.76%
Transportation	2,586	2,283	-11.72%	2,586	2,283	-11.72%
Benefits	11,775	21,408	81.81%	7,310.00	6,929.00	-5.21%
Other	2,913	3,215	10.37%	2,913	3,215	10.37%
<b>Total</b>	<b>46,801</b>	<b>56,326</b>		<b>41,361</b>	<b>40,903</b>	

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

As shown in the table above, both total and net cost of services show declines over the prior year. See comments under Table A-2.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS—BUDGETARY BASIS

As shown in Exhibit C-1, the combined fund balance of the General Fund was \$5,436,177 at June 30, 2018. Of that amount, (a) \$113,630 was reserved as encumbrances to be applied in 2018-19 for purchase orders outstanding at year end; (b) a combined \$1,453,163 was designated to support the 2018-19 budget; (c) \$1,500,000 was retained in Capital Reserves for use on future capital improvement projects, as applicable, (d) \$1,465,073 was set aside in Maintenance Reserves to help meet more immediate facility maintenance needs, as and if needed; (e) \$105,000 was set aside for future tuition adjustments; (f) leaving a balance of \$799,311 as undesignated for any other contingencies.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

After adjusting for “on-behalf payments”, the net actual result shown in Exhibit C-1 for 2017-18 was \$2,918,992 favorable to budget<sup>1</sup>, primarily driven by a net favorable expenditure variance (expenses less than budgeted) of \$2,937,408. Net revenue was slightly unfavorable to budget at \$18,416.

Contributors to the overall favorable expense variance included savings of: (a) \$284,060 in various regular instructional program costs; (b) \$418,723 in overall out-of-district tuition costs, mostly from unanticipated favorable changes in student census and/or placements; (c) \$259,519 in overall transportation costs, from lower than anticipated fuel usage (\$107,034) and contracted special education transportation costs (\$85,871); (d) \$955,814 in employee benefit costs, mostly from unanticipated favorable health benefits premium renewal rates, coupled with census changes, and (e) \$214,329 in construction costs, consisting of \$74,310 on the middle school chiller replacement project, mostly from favorable bid results, \$72,500 as the planned middle school driveway repaving was awaiting completion/billing at year end, and \$67,519 from unused contingency costs. The revenue variance is primarily attributable to the factors previously mentioned under Financial Highlights.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

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

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

	Governmental Activities		Business Type Activities		Total School District		% Change
	2017	2018	2017	2018	2017	2018	2017-18
Land	1,779	1,779	-	-	1,779	1,779	0.00%
Construction in Progress	-	84	-	-	-	84	-
Site Improvements	3,490	3,183	-	-	3,490	3,183	-8.80%
Buildings	38,022	36,853	-	-	38,022	36,853	-3.07%
Equipment and furniture	3,301	3,266	94	91	3,395	3,357	-1.12%
<b>Total</b>	<b>46,592</b>	<b>45,165</b>	<b>94</b>	<b>91</b>	<b>46,686</b>	<b>45,256</b>	<b>-3.06%</b>

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

Capital assets include land and buildings for five schools, plus two other buildings used for transportation and auxiliary administrative services, as well as equipment and related furnishings. The district has undertaken various additions and/or improvements to its facilities over the years. This has included \$4,481,120 in renovations completed in the 2004-05 years; \$31,170,300 to build a new high school, opened in 2006; and \$8,499,000 for additional improvements to the high school, involving installation of athletic fields and a photovoltaic (solar energy) system on the school roof, completed in 2010. The District used bond issues to fund the high school construction and the subsequent high school improvements. All of these projects are completed. The major completed capital addition for 2017-18 was replacement of the chiller system at the middle school. Currently, we use unexpected bond proceeds to offset annual bond debt service repayments, with \$37,771 applied for this purpose in 2017-18.

**LONG TERM DEBT**

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

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

	Total School District		Total % Change
	2017	2018	2017-18
General Obligation Bonds	32,599	30,704	-5.81%
Capital Leases	414	313	-24.40%
Unamortized Bond Premium	3,490	3,263	-6.50%
Deferred PERS Pension Payment	89	78	-12.36%
Compensated Absences	1,968	2,115	7.47%
Net Pension Liability	19,418	14,889	-23.32%
<b>Total</b>	<b>57,978</b>	<b>51,362</b>	<b>-11.41%</b>

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

Excluding the net pension liability representing its proportionate share of the State's overall pension obligations, the District began the year with \$38,560,435 in direct general obligation bonds and other long-term debts outstanding. During the year, a net \$2,087,971 was retired as part of the planned normal activities in the Debt Service Fund and/or the General Fund, for a balance of \$36,472,464 at year-end. The principal repayments on the 2016 School Refunding Bonds (discussed earlier under Financial Highlights) was a major contributor to this debt reduction. The \$4,527,954 decrease in Net Pension Liability, from \$19,417,069 to \$14,889,115 reflects a decrease in the District's proportionate share of the New Jersey State's pension obligations that the State requires each school district to reflect in their individual financial statements. [See Note 8 for additional information].

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

### FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing outstanding litigations or other circumstances that could significantly affect the District's financial health in the future. However, existing and/or proposed State and/or Federal legislation(s) are always a concern for their potential impact on New Jersey school districts' budgets in the face of continued increasing cost challenges. Illustrations of such challenges include limitations on school districts' undesignated surplus levels and their general fund tax levy growth, both benchmarked to 2%, as well as, the recent change in New Jersey State's approach for distributing aid to school districts going forward.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

**BASIC FINANCIAL STATEMENTS**

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**A. Government-Wide Financial Statements**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,219,727	\$ 899,452	\$ 2,119,179
Receivables, Net	1,056,575	33,402	1,089,977
Inventory	-	8,990	8,990
Restricted Cash & Cash Equivalents	3,070,073	-	3,070,073
Capital Assets, Net (Note 5)	45,165,848	90,787	45,256,635
<b>Total Assets</b>	<b>50,512,223</b>	<b>1,032,631</b>	<b>51,544,854</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions (Note 8)	3,606,633	-	3,606,633
Unamortized Charge on Refunding of Debt	1,585,303	-	1,585,303
<b>Total Deferred Outflow of Resources</b>	<b>5,191,936</b>	<b>-</b>	<b>5,191,936</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>55,704,159</b>	<b>1,032,631</b>	<b>56,736,790</b>
<b>LIABILITIES</b>			
Accounts Payable	244,518	42,363	286,881
Unearned Revenue	29,511	340,592	370,103
Accrued Interest Payable	563,781	-	563,781
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,271,932	-	2,271,932
Due Beyond One Year	49,089,647	-	49,089,647
<b>Total Liabilities</b>	<b>52,199,389</b>	<b>382,955</b>	<b>52,582,344</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions (Note 8)	3,296,331	-	3,296,331
<b>Total Deferred Inflows of Resources</b>	<b>3,296,331</b>	<b>-</b>	<b>3,296,331</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>55,495,720</b>	<b>382,955</b>	<b>55,878,675</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,472,045	90,787	12,562,832
Restricted For:			
Capital Projects	1,865,128	-	1,865,128
Excess Surplus	209,608	-	209,608
Maintenance Reserve	1,465,073	-	1,465,073
Tuition Reserve	105,000	-	105,000
Unrestricted	(15,908,415)	558,889	(15,349,526)
<b>Total Net Position</b>	<b>\$ 208,439</b>	<b>\$ 649,676</b>	<b>\$ 858,115</b>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 10,535,966	\$ -	\$ -	\$ (10,535,966)	\$ -	\$ (10,535,966)
Special Education	3,469,473	-	874,680	(2,594,793)	-	(2,594,793)
Other Instructional	739,484	-	-	(739,484)	-	(739,484)
School Sponsored	796,478	-	-	(796,478)	-	(796,478)
Support Services & Undistributed Costs:						
Tuition	1,403,336	-	47,042	(1,356,294)	-	(1,356,294)
Student & Instruction Related Services	5,077,074	-	21,866	(5,055,208)	-	(5,055,208)
Health Services	431,474	-	-	(431,474)	-	(431,474)
Educational Media Services/School Library	263,527	-	-	(263,527)	-	(263,527)
School Administrative Services	1,582,254	-	-	(1,582,254)	-	(1,582,254)
General Administration	637,961	-	-	(637,961)	-	(637,961)
Central Services	389,310	-	-	(389,310)	-	(389,310)
Administrative Information Technology	314,856	-	-	(314,856)	-	(314,856)
Plant Operations & Maintenance	3,778,797	-	-	(3,778,797)	-	(3,778,797)
Pupil Transportation	2,283,414	-	-	(2,283,414)	-	(2,283,414)
Unallocated Benefits	12,745,811	5,817,292	-	(6,928,519)	-	(6,928,519)
On Behalf TPAPF Pension and Social Security Contributions	8,662,050	8,662,050	-	-	-	-
Interest on Long-Term Debt and Other Charges	1,325,162	-	-	(1,325,162)	-	(1,325,162)
Adjustments to Capital Assets	37,392	-	-	(37,392)	-	(37,392)
Unallocated Depreciation	1,852,521	-	-	(1,852,521)	-	(1,852,521)
Total Governmental Activities	56,326,340	-	15,422,930	(40,903,410)	-	(40,903,410)
Business-Type Activities:						
Food Service	821,766	452,041	361,130	-	(8,595)	(8,595)
Community District Alliance	1,056,716	1,028,710	51,643	-	23,637	23,637
Total Business-Type Activities	1,878,482	1,480,751	412,773	-	15,042	15,042
Total Primary Government	\$ 58,204,822	\$ 1,480,751	\$ 15,835,703	\$ (40,903,410)	\$ 15,042	\$ (40,888,368)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				28,841,670	-	28,841,670
Taxes Levied for Debt Service				2,874,360	-	2,874,360
Federal & State Aid Not Restricted				8,897,162	-	8,897,162
Tuition Received				527,883	-	527,883
Transportation				172,596	-	172,596
Rents and Royalties				2,287	-	2,287
Miscellaneous Income				471,234	-	471,234
Transfers				36,955	(36,955)	-
Total General Revenues, Special Items, Extraordinary Items & Transfers				41,824,147	(36,955)	41,787,192
Change In Net Position				920,737	(21,913)	898,824
Net Position - Beginning				(712,298)	671,589	(40,709)
Net Position - Ending				208,439	649,676	858,115

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

**B. Fund Financial Statements**

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**Governmental Funds**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 979,542	\$ 36,521	\$ 203,664	\$ -	\$ 1,219,727
Receivables from Other Governments	421,804	85,641	351,980	-	859,425
Due from Other Funds	190,516	-	-	-	190,516
Receivables, Net	197,150	-	-	-	197,150
Restricted Cash & Cash Equivalents	3,070,073	-	-	-	3,070,073
Total Assets	<u>\$ 4,859,085</u>	<u>\$ 122,162</u>	<u>\$ 555,644</u>	<u>\$ -</u>	<u>\$ 5,536,891</u>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Unearned Revenue	\$ -	\$ 29,511	\$ -	\$ -	\$ 29,511
Accounts Payable	151,867	53,409	-	-	205,276
Due to Other Funds	-	-	190,516	-	190,516
Due to Other Governments	-	39,242	-	-	39,242
Total Liabilities	<u>151,867</u>	<u>122,162</u>	<u>190,516</u>	<u>-</u>	<u>464,545</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	1,500,000	-	-	-	1,500,000
Maintenance Reserve Account	1,465,073	-	-	-	1,465,073
Tuition Reserve	105,000	-	-	-	105,000
Excess Surplus - Designated for Subsequent Year's Expenditures	166,445	-	-	-	166,445
Excess Surplus	43,163	-	-	-	43,163
Capital Projects Fund	-	-	365,128	-	365,128
<b>Assigned to:</b>					
Other Purposes	113,630	-	-	-	113,630
Designated for Subsequent Year's Expenditures	1,243,555	-	-	-	1,243,555
Unassigned	70,352	-	-	-	70,352
Total Fund Balances	<u>4,707,218</u>	<u>-</u>	<u>365,128</u>	<u>-</u>	<u>5,072,346</u>
Total Liabilities & Fund Balances	<u>\$ 4,859,085</u>	<u>\$ 122,162</u>	<u>\$ 555,644</u>	<u>\$ -</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 \$75,927,574 and the accumulated depreciation is \$30,761,726 (See Note 5).					45,165,848
Long-term liabilities, including bonds payable, compensated absences payable and capital leases payable are not due and payable in the current period and, therefore, are not reported as liabilities in the funds (See Note 7).					(33,209,745)
Deferred charge on School Refunding Bonds (amortized as interest expense).					
			Deferred Charge		1,765,815
			Less: Accumulated Amortization		(180,512)
Premium on Bonds (amortized as a credit to interest expense).					
			Deferred Charge		(3,642,105)
			Less: Accumulated Amortization		379,386
Accrued interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the funds.					(563,781)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.					
			Net pension liability		(14,889,115)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.					
			Deferred outflows		3,606,633
			Deferred inflows		(3,296,331)
Net Position of Governmental Activities					<u>\$ 208,439</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS GOVERNMENTAL FUNDS
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$ 28,841,670	\$ -	\$ -	\$ 2,874,360	\$ 31,716,030
Tuition	527,883	-	-	-	527,883
Transportation	172,596	-	-	-	172,596
Rents and Royalties	2,287	-	-	-	2,287
Miscellaneous	431,946	39,288	-	-	471,234
<b>Total Local Sources</b>	<b>29,976,382</b>	<b>39,288</b>	<b>-</b>	<b>2,874,360</b>	<b>32,890,030</b>
State Sources	13,603,001	-	-	199,222	13,802,223
Federal Sources	73,225	904,300	-	-	977,525
<b>Total Revenues</b>	<b>43,652,608</b>	<b>943,588</b>	<b>-</b>	<b>3,073,582</b>	<b>47,669,778</b>
<b>Expenditures:</b>					
Current Expense:					
Regular Instruction	10,535,966	-	-	-	10,535,966
Special Education Instruction	2,594,793	874,680	-	-	3,469,473
Other Instruction	739,484	-	-	-	739,484
School Sponsored	796,478	-	-	-	796,478
Support Services:					
Tuition	1,403,336	-	-	-	1,403,336
Health Services	431,474	-	-	-	431,474
Student & Instruction Related Services	5,055,208	21,866	-	-	5,077,074
Educational Media Services/School Library	263,527	-	-	-	263,527
General Administration	637,961	-	-	-	637,961
School Administration	1,582,254	-	-	-	1,582,254
Central Services	389,310	-	-	-	389,310
Administrative Information Technology	314,856	-	-	-	314,856
Plant Operations & Maintenance	3,874,172	-	-	-	3,874,172
Pupil Transportation	2,283,414	-	-	-	2,283,414
Unallocated Employee Benefits	6,286,214	47,042	-	-	6,333,256
On Behalf TPAF Pension and Social Security Contributions	4,938,998	-	-	-	4,938,998
Debt Service:					
Principal	-	-	-	1,895,000	1,895,000
Interest & Other Charges	-	-	-	1,347,927	1,347,927
Capital Outlay	550,511	-	-	-	550,511
<b>Total Expenditures</b>	<b>42,677,956</b>	<b>943,588</b>	<b>-</b>	<b>3,242,927</b>	<b>46,864,471</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	974,652	-	-	(169,345)	805,307
<b>Other Financing Sources/(Uses):</b>					
Transfers In/(Out)	-	-	(37,771)	37,771	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>(37,771)</b>	<b>37,771</b>	<b>-</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	974,652	-	(37,771)	(131,574)	805,307
Fund Balance July 1,	3,732,566	-	402,899	131,574	4,267,039
Fund Balances June 30,	\$ 4,707,218	\$ -	\$ 365,128	\$ -	\$ 5,072,346

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



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	805,307
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:</p>		
Depreciation Expense	\$ (1,852,521)	
Capital Retirements	(37,392)	
Capital Outlay	463,936	(1,425,977)
<p>Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of Bond Principal	1,895,000	
Payment of Capital Leases	101,220	
Payment of Deferred Pension Obligation	11,114	2,007,334
<p>In the statement of net position, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is reported as revenue.</p>		
		227,632
<p>In the statement of net position, deferred charges associated with refunding bonds are capitalized and amortized over the life of the bonds. In the governmental funds, these deferred charges are not recorded.</p>		
		(110,363)
<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.</p>		
Prior Year	586,962	
Current Year	(563,781)	23,181
<p>Decrease in compensated absences is not an expenditure in the governmental funds, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Prior Year	1,967,939	
Current Year	(2,114,934)	(146,995)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension Expense - PERS Contribution - 2018	592,531	
Pension Expense	(1,051,913)	(459,382)
Change in Net Position of Governmental Activities	\$	920,737

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

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**Proprietary Funds**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 202,308	\$ 697,144	\$ 899,452
Accounts Receivable	18,214	15,188	33,402
Inventories	8,990	-	8,990
Total Current Assets	<u>229,512</u>	<u>712,332</u>	<u>941,844</u>
Noncurrent Assets:			
Equipment	524,023	-	524,023
Accumulated Depreciation	(433,236)	-	(433,236)
Total Capital Assets	<u>90,787</u>	<u>-</u>	<u>90,787</u>
Total Assets	<u><u>320,299</u></u>	<u><u>712,332</u></u>	<u><u>1,032,631</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	40,139	2,224	42,363
Unearned Revenue	20,709	319,883	340,592
Total Current Liabilities	<u>60,848</u>	<u>322,107</u>	<u>382,955</u>
Total Liabilities	<u>60,848</u>	<u>322,107</u>	<u>382,955</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	90,787	-	90,787
Unrestricted Net Position	168,664	390,225	558,889
Total Net Position	<u><u>\$ 259,451</u></u>	<u><u>\$ 390,225</u></u>	<u><u>\$ 649,676</u></u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
<b>Operating Revenue:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 284,318	\$ -	\$ 284,318
Daily Sales - Nonreimbursable Programs	139,837	-	139,837
Special Function	27,886	-	27,886
Program Fees	-	1,028,710	1,028,710
Total Operating Revenue	452,041	1,028,710	1,480,751
<b>Operating Expenses:</b>			
Salaries & Employee Benefits	312,807	826,376	1,139,183
Supplies and Materials	30,382	46,802	77,184
Other Purchased Services	131,763	165,800	297,563
Depreciation	21,820	-	21,820
Miscellaneous Expense	43,458	17,738	61,196
Cost of Sales - Reimbursable Programs	214,997	-	214,997
Cost of Sales - Nonreimbursable Programs	66,539	-	66,539
Total Operating Expenses	821,766	1,056,716	1,878,482
Operating (Loss)/Gain	(369,725)	(28,006)	(397,731)
<b>Nonoperating Revenues:</b>			
State Sources:			
State School Lunch Program	7,601	-	7,601
Adult Basic Skill Program	-	51,643	51,643
Federal Sources:			
National School Lunch Program	221,406	-	221,406
National School Breakfast Program	56,937	-	56,937
Healthy Hunger-Free Kids Act	8,745	-	8,745
Food Distribution Program	66,441	-	66,441
Total Nonoperating Revenues	361,130	51,643	412,773
Net Income/(Loss)	(8,595)	23,637	15,042
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Capital Asset Contributions	-	(36,955)	(36,955)
Total Other Financing Sources/(Uses)	-	(36,955)	(36,955)
Change in Net Position	(8,595)	(13,318)	(21,913)
Total Net Position - Beginning	268,046	403,543	671,589
Total Net Position - Ending	\$ 259,451	\$ 390,225	\$ 649,676

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 442,511	\$ 1,025,594	\$ 1,468,105
Payments to Employees	(312,807)	(702,681)	(1,015,488)
Payments for Employee Benefits	-	(123,695)	(123,695)
Payments to Suppliers	(472,452)	(228,652)	(701,104)
Net Cash Provided/(Used) by Operating Activities	(342,748)	(29,434)	(372,182)
Cash Flows From Investing Activities:			
Purchase of Equipment	(18,558)	(36,955)	(55,513)
Net Cash Provided by Investing Activities	(18,558)	(36,955)	(55,513)
Cash Flows From Noncapital Financing Activities:			
State Sources	7,570	46,575	54,145
Federal Sources	353,039	-	353,039
Net Cash Provided by Noncapital Financing Activities	360,609	46,575	407,184
Net Increase/(Decrease) in Cash & Cash Equivalents	(697)	(19,814)	(20,511)
Cash and Cash Equivalents, July 1	203,005	716,958	919,963
Cash & Cash Equivalents, June 30	\$ 202,308	\$ 697,144	\$ 899,452
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:</b>			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (369,725)	\$ (28,006)	\$ (397,731)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	21,820	-	21,820
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	14,816	-	14,816
(Increase)/Decrease in Accounts Receivable, Net	-	(1,764)	(1,764)
(Increase)/Decrease in Accounts Payable	(129)	1,688	1,559
Increase/(Decrease) in Deferred Revenue	(9,530)	(1,352)	(10,882)
Total Adjustments	26,977	(1,428)	25,549
Net Cash Provided/(Used) by Operating Activities	\$ (342,748)	\$ (29,434)	\$ (372,182)

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

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**Fiduciary Fund**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>TRUST FUNDS</u>		<u>AGENCY FUNDS</u>		<u>TOTAL</u>
	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>SCHOLARSHIP FUND</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL FUND</u>	
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 33,699	\$ 141,558	\$ 155,868	\$ 821,161	\$ 1,152,286
Total Assets	<u>\$ 33,699</u>	<u>\$ 141,558</u>	<u>\$ 155,868</u>	<u>\$ 821,161</u>	<u>\$ 1,152,286</u>
<b>LIABILITIES</b>					
Payroll Deductions & Withholdings	\$ -	\$ -	\$ -	\$ 821,161	\$ 821,161
Due to Student Groups	-	-	155,868	-	155,868
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 155,868</u>	<u>\$ 821,161</u>	<u>977,029</u>
<b>NET POSITION</b>					
Held in Trust for Unemployment					
Claims & Other Purposes	33,699	-			33,699
Reserved for Scholarships	-	141,558			141,558
Total Net Position	<u>\$ 33,699</u>	<u>\$ 141,558</u>			<u>\$ 175,257</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	UNEMPLOYMENT COMPENSATION INSURANCE		
	TRUST FUND	SCHOLARSHIPS	TOTAL
<b>ADDITIONS:</b>			
Local Sources:			
Contributions	\$ 29,505	\$ 24,000	\$ 53,505
Total Contributions	29,505	24,000	53,505
Investment Earnings:			
Interest on Investments	20	1,390	1,410
Total Investment Earnings	20	1,390	1,410
Total Additions	29,525	25,390	54,915
<b>DEDUCTIONS:</b>			
Unemployment Claims	31,732	-	31,732
Scholarship Payments	-	24,788	24,788
Total Deductions	31,732	24,788	56,520
Change in Net Position	(2,207)	602	(1,605)
Net Position - Beginning of Year	35,906	140,956	176,862
Net Position - End of Year	\$ 33,699	\$ 141,558	\$ 175,257

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Bordentown Regional School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its five schools. The District has an approximate enrollment at June 30, 2018 of 2,504 students.

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

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

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

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2018.

**Government-Wide Financial Statements**

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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

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

**Governmental Fund Financial Statements**

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

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

**Proprietary Fund Financial Statements**

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

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



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

**Fiduciary Fund Financial Statements**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

**Budgets/Budgetary Control**

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

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Encumbrances**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2018 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Inventories**

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

**Interfund Receivables/Payables**

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Accounting Estimates**

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

**Interfund Activity**

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

**Fund Balance**

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
  
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

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



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agency Employers and Agent Multi-Employer Plans, for OPEB Statement No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB Plans.

Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement will be effective for the year ended June 30, 2018.

Recently Issued Accounting Pronouncements

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

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the District’s bank balance of \$6,862,530 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	5,659,961
Uninsured and Uncollateralized		1,202,569
		\$ 6,862,530

**Investments**

The School District has no investments at June 30, 2018.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 3. Reserve Accounts (Continued):**

**A. Capital Reserve (Continued):**

Beginning Balance, July 1, 2017	\$	1,138,234
Increased by:		
Interest Earnings		2,079
Deposits approved by Board		<u>621,687</u>
Decreased by:		
Budget Withdrawals		<u>(262,000)</u>
Ending Balance, June 30, 2018	\$	<u>1,500,000</u>

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

**B. Maintenance Reserve Account**

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

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

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

Beginning Balance, July 1, 2017	\$	660,553
Increased by:		
Interest Earnings		1,207
Deposits approved by Board		<u>878,313</u>
Decreased by:		
Budget Withdrawals		<u>(75,000)</u>
Ending Balance, June 30, 2018	\$	<u>1,465,073</u>

**C. Tuition Reserve**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 3. Reserve Accounts (Continued):**

**C. Tuition Reserve (Continued):**

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

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

Beginning Balance, July 1, 2017	\$	65,000
Increased by:		
Deposits approved by Board		40,000
Ending Balance, June 30, 2018	\$	105,000

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds				<u>Total Governmental Activities</u>	Proprietary Funds		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			<u>Food Service Fund</u>	<u>Community District Alliance Fund</u>	
Federal Awards	\$ 108	\$ 85,641	\$ -	\$ 85,749	\$ 17,758	\$ -	\$ 17,758	
State Awards	421,696	-	351,980	773,676	456	12,533	12,989	
Tuition	57,869	-	-	57,869	-	-	-	
Other	139,281	-	-	139,281	-	2,655	2,655	
<b>Total</b>	<b>\$ 618,954</b>	<b>\$ 85,641</b>	<b>\$ 351,980</b>	<b>\$ 1,056,575</b>	<b>\$ 18,214</b>	<b>\$ 15,188</b>	<b>\$ 33,402</b>	

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 5. Capital Assets**

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

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Adjustments	Balance June 30, <u>2018</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,779,651	\$ -	\$ -	\$ 1,779,651
Construction in Progress	-	84,093	-	84,093
Total Capital Assets not being depreciated	<u>1,779,651</u>	<u>84,093</u>	<u>-</u>	<u>1,863,744</u>
Capital Assets being depreciated:				
Land Improvements	7,435,321	-	-	7,435,321
Buildings and Improvements	58,437,978	-	-	58,437,978
Equipment	7,848,080	379,843	(37,392)	8,190,531
Total Capital Assets being depreciated	<u>73,721,379</u>	<u>379,843</u>	<u>(37,392)</u>	<u>74,063,830</u>
Less: Accumulated Depreciation:				
Land Improvements	(3,945,500)	(306,712)	-	(4,252,212)
Buildings and Improvements	(20,416,752)	(1,168,021)	-	(21,584,773)
Equipment	(4,546,953)	(383,314)	5,526	(4,924,741)
Total Accumulated Depreciation	<u>(28,909,205)</u>	<u>(1,858,047)</u>	<u>5,526</u>	<u>(30,761,726)</u>
Total Capital Assets being depreciated, net	<u>44,812,174</u>	<u>(1,478,204)</u>	<u>(31,866)</u>	<u>43,302,104</u>
Total Governmental Activities Capital Assets, net	<u>\$ 46,591,825</u>	<u>\$ (1,394,111)</u>	<u>\$ (31,866)</u>	<u>\$ 45,165,848</u>
	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2018</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 505,465	\$ 18,558	\$ -	\$ 524,023
	<u>505,465</u>	<u>18,558</u>	<u>-</u>	<u>524,023</u>
Less: Accumulated Depreciation:				
Equipment	(411,416)	(21,820)	-	(433,236)
	<u>(411,416)</u>	<u>(21,820)</u>	<u>-</u>	<u>(433,236)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 94,049</u>	<u>\$ (3,262)</u>	<u>\$ -</u>	<u>\$ 90,787</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 190,516	\$ -
Capital Projects Fund	-	190,516
	<u>\$ 190,516</u>	<u>\$ 190,516</u>

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

The summary of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 356	\$ -
Capital Projects Fund	-	138
Payroll Fund	-	218
	<u>\$ 356</u>	<u>\$ 356</u>

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

**Note 7. Long-Term Obligations**

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 32,599,000	\$ -	\$ 1,895,000	\$ 30,704,000	\$ 1,950,000
Capital Leases	413,607	-	101,220	312,387	94,300
Unamortized Bond Premiums	3,490,351	-	227,632	3,262,719	227,632
Compensated Absences	1,967,938	146,996	-	2,114,934	-
Net Pension Liability	19,417,069	-	4,527,954	14,889,115	-
Deferred PERS Pension Obligation	89,539	-	11,115	78,424	-
	<u>\$ 57,977,504</u>	<u>\$ 146,996</u>	<u>\$ 6,762,921</u>	<u>\$ 51,361,579</u>	<u>\$ 2,271,932</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 7. Long-Term Obligations (Continued):**

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2018, bonds payable consisted of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2010 School Bonds	1.50% - 3.50%	3/1/2025	\$ 8,499,000	\$ 4,924,000
2016 Refunding Bonds	3.00% - 5.00%	1/15/2033	27,355,000	<u>25,780,000</u>
				<u>\$ 30,704,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,950,000	\$ 1,291,078	\$ 3,241,078
2020	2,000,000	1,219,077	3,219,077
2021	2,085,000	1,143,765	3,228,765
2022	2,160,000	1,063,865	3,223,865
2023	2,220,000	967,115	3,187,115
2024-2028	9,959,000	3,348,430	13,307,430
2029-2033	<u>10,330,000</u>	<u>1,151,100</u>	<u>11,481,100</u>
	<u>\$ 30,704,000</u>	<u>\$ 10,184,430</u>	<u>\$ 40,888,430</u>

**Bonds Authorized But Not Issued:**

As of June 30, 2018, the District had no authorized but not issued bonds.

**B. Deferred PERS Pension Obligation**

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district began repaying the deferred amount in April 2012, over 15 years. The total payment for the April 2018 bill amounted to \$21,577 with \$11,115 attributed to principal. The amount to be paid will fluctuate based on pension system investment earnings. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 7. Long-Term Obligations (Continued):**

**C. Capital Leases**

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

Fiscal Year Ending <u>June 30,</u>	
2019	99,741
2020	95,051
2021	85,670
2022	<u>42,835</u>
Total Minimum Lease Payments	323,297
Less: Amount Representing Interest	<u>(10,910)</u>
Present Value of Minimum Lease Payments	<u>\$ 312,387</u>

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

**A. Public Employees' Retirement System (PERS) (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 tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$14,889,115 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .06396%, which was a decrease of .00160% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$1,070,975 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 350,587	\$ -
Changes of Assumptions	2,999,644	2,988,646
Net Difference between Projected and Actual Earnings on Pension Plan Investments	101,385	-
Changes in Proportion and Differences between Bordentown Regional School District Contributions and Proportionate Share of Contributions	155,017	307,685
	\$ 3,606,633	\$ 3,296,331

\$623,900 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Client Year Ending June 30,</b>	<b>Amount</b>
2019	\$ 351,104
2020	529,855
2021	314,993
2022	(539,569)
2023	(346,082)
	\$ 310,301

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:

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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 and Differences between Bordentown Regional School District Contributions and Proportionate Share of Contributions		
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
June 30, 2017	5.48	5.48

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

**Actuarial Assumptions** – The collective 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 assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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

The actuarial assumptions used in the July 1, 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.

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 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	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 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 or 1-percentage point higher than the current rate:

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
Bordentown Regional School District's Proportionate Share of the Net Pension Liability	<u>\$ 18,470,957</u>	<u>\$ 14,889,115</u>	<u>\$ 11,904,996</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 5,396,431,901.00	\$ 7,815,204,785.00
Collective Deferred Inflows of Resources	4,672,602,040.00	-
Collective Net Pension Liability	23,278,401,588.00	29,617,131,759.00
School District's portion	0.06396%	0.06556%

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

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

The following represents the membership tiers for TPAF:

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

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

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

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$107,375,959. The School District's proportionate share was \$0.

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, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .15926%, which was an increase of .00701% from its proportion measured as of June 30, 2016.



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

For the fiscal year ended June 30, 2018, the School District recognized \$2,283,148 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

**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:	
2012-2021	Varies based on experience
Thereafter	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 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 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. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b>1% Decrease <u>(3.25%)</u></b>	<b>Current Discount Rate <u>(4.25%)</u></b>	<b>1% Increase <u>(5.25%)</u></b>
Bordentown Regional School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Bordentown Regional School District	<u>\$ 127,566,007</u>	<u>\$ 107,375,959</u>	<u>\$ 90,743,309</u>
	<u>\$ 127,566,007</u>	<u>\$ 107,375,959</u>	<u>\$ 90,743,309</u>

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

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035.00	\$ 17,581,004,496.00
Collective Deferred Inflows of Resources	\$ 11,992,821,439.00	\$ 300,836,088.00
Collective Net Pension Liability	\$ 67,670,209,171.00	\$ 79,028,907,033.00
School District's portion	0.15926%	0.15224%

**C. Defined Contribution Plan (DCRP)**

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

**C. Defined Contribution Plan (DCRP) (Continued)**

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2018, employee contributions totaled \$19,629 and the District recognized pension expense of \$29,501.

**Note 9. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (continued):**

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of 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 is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<b>Inflation Rate</b>	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
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.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (continued):**

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$94,318,014. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0017583574%, which was a decrease of 0.000002% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$5,814,666 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical 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 represents 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.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (continued):**

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 111,962,287.31	\$ 94,318,014.00	\$ 80,322,408.72
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 121,933,855.38	\$ 101,779,378.00	\$ 85,915,220.97
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 77,567,448.78	\$ 94,318,014.00	\$ 116,562,567.51
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00
	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 83,512,813.55	\$ 101,779,378.00	\$ 126,200,034.19
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

\* See Healthcare Cost Trend Assumptions for details of rates.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Other Post-Retirement Benefits (continued):**

**Additional Information**

Collective balances of the Local Group at June 30, 2017 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255.00	\$ (99,843,255.00)
Change in Assumptions	-	(6,343,769,032.00)
Contributions Made in Fiscal Year Year Ending 2015 After June 30, 2017 Measurement Date **	1,190,373,242.00	-
	\$ 1,290,216,497.00	\$ (6,443,612,287.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recongnized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2018	\$	(742,830,097.00)
2019		(742,830,097.00)
2020		(742,830,097.00)
2021		(742,830,097.00)
2022		(742,830,097.00)
Thereafter		(2,629,618,547.00)
	\$	(6,343,769,032.00)

\*\* Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

**Plan Membership**

At June 30, 2016, the Program membership consisted of the following:

	June 30, 2016
Active Plan Members	223,747.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331.00
	366,078.00

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 2,391,878,884.00
Interest Cost	1,699,441,736.00
Changes of Assumptions	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Gross Benefit Payments	(1,242,412,566.00)
Net Change in Total OPEB Liability	(4,191,942,326.00)
Total OPEB Liability (Beginning)	57,831,784,184.00
Total OPEB Liability (Ending)	\$ 53,639,841,858.00
Total Covered Employee Payroll	13,493,400,208.00
Net OPEB Liability as a Percentage of Payroll	398%



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,283,148, \$1,178,587, \$1,474,637 and \$2,626, respectively.

**Note 11. Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ -	\$ 29,505	\$ 20	\$ 31,732	\$ 33,699
2016-2017	-	28,380	9	25,001	35,906
2015-2016	-	31,834	2	7,000	32,518

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

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

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 12. Contingencies (continued):**

compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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

**Note 14. Deferred Compensation**

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

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

**Note 15. Compensated Absences**

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 15. Compensated Absences (continued):**

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2018 is \$2,114,934.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018 no liability existed for compensated absences in the proprietary fund types.

**Note 16. Tax Abatements**

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

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

**Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$43,163.

**Note 18. Fund Balance**

**General Fund** – Of the \$4,707,218 General Fund fund balance at June 30, 2018, \$1,500,000 has been reserved in the Capital Reserve Account; \$1,465,073 has been reserved in the Maintenance Reserve Account; \$105,000 has been reserved in the Tuition Reserve Account; \$43,163 is restricted for current year excess surplus; \$1,410,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2019; \$113,630 has been reserved for encumbrances; and \$70,352 is unassigned.

**Capital Projects Fund** – Of the \$365,128 Capital Projects Fund fund balance at June 30, 2018, \$365,128 is restricted for capital projects.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$15,741,970. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**C. Budgetary Comparison Schedules**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
<b>Revenues:</b>						
Local Tax Levy	10-1210	\$ 28,841,670	\$ -	\$ 28,841,670	\$ 28,841,670	\$ -
Other Local Governmental Units	10-1990-006	165,000	-	165,000	93,896	(71,104)
Tuition From Individuals	10-1310	80,000	-	80,000	115,687	35,687
Tuition From Other LEAs Within the State	10-1320	412,196	-	412,196	412,196	-
Transportation Fees from Other LEAs	10-1420	105,166	-	105,166	172,596	67,430
Rents and Royalties	10-1910	2,500	-	2,500	2,287	(213)
Unrestricted Miscellaneous Revenues	10-1XXX	504,834	1,020	505,854	311,987	(193,867)
Advertising Fees - School Buses	10-1992	1,250	-	1,250	2,467	1,217
Interest Earned on Maintenance Reserve	10-1XXX	472	-	472	1,207	735
Interest Earned on Capital Reserve Funds	10-1XXX	452	-	452	2,079	1,627
Other Restricted Miscellaneous Revenues	10-1990-005	20,000	-	20,000	20,310	310
<b>Total Local Sources</b>		<b>30,133,540</b>	<b>1,020</b>	<b>30,134,560</b>	<b>29,976,382</b>	<b>(158,178)</b>
<b>State Sources:</b>						
Equalization Aid	10-3176	6,170,909	251,864	6,422,773	6,422,773	-
Categorical Special Education Aid	10-3132	1,470,071	-	1,470,071	1,470,071	-
Categorical Security Aid	10-3177	71,779	-	71,779	71,779	-
Categorical Transportation Aid	10-3121	204,608	-	204,608	204,608	-
Extraordinary Aid	10-3131	316,000	-	316,000	338,254	22,254
Under Adequacy Aid	10-3180	33,986	-	33,986	33,986	-
PARCC Readiness Aid	10-3181	25,530	-	25,530	25,530	-
Per Pupil Growth Aid	10-3182	25,530	-	25,530	25,530	-
Professional Learning Community Aid	10-3183	25,720	-	25,720	25,720	-
Non-Public Transportation Aid	10-3190	-	-	-	22,278	22,278
Homeless Tuition Aid	10-3XXX	-	-	-	61,164	61,164
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	2,283,148	2,283,148
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	1,474,637	1,474,637
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	2,626	2,626
Reimbursed TPAF Social Security Contribution		-	-	-	1,178,587	1,178,587
<b>Total State Sources</b>		<b>8,344,133</b>	<b>251,864</b>	<b>8,595,997</b>	<b>13,640,691</b>	<b>5,044,694</b>
<b>Federal Sources:</b>						
Medicaid Reimbursement (SEMI)	10-4200	39,159	-	39,159	73,225	34,066
<b>Total Federal Sources</b>		<b>39,159</b>	<b>-</b>	<b>39,159</b>	<b>73,225</b>	<b>34,066</b>
<b>Total Revenues</b>		<b>38,516,832</b>	<b>252,884</b>	<b>38,769,716</b>	<b>43,690,298</b>	<b>4,920,582</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	114,543	-	114,543	52,507	62,036
Kindergarten	11-110-100-101	621,448	(12,000)	609,448	539,389	70,059
Grades 1 - 5	11-120-100-101	3,768,155	(180,851)	3,587,304	3,523,487	63,817
Grades 6 - 8	11-130-100-101	2,215,072	38,948	2,254,020	2,252,480	1,540
Grades 9 - 12	11-140-100-101	3,212,670	62,317	3,274,987	3,259,611	15,376
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	44,484	-	44,484	38,959	5,525
Other Salaries of Instruction	11-150-100-106	25,867	(25,867)	-	-	-
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	-	2,987	2,987	-	2,987
Unused Sick Payment to Terminated/Retired Staff	11-XXX-100-199	20,000	(4,189)	15,811	-	15,811
Purchased Technical Services	11-190-100-340	166,300	16,300	182,600	179,403	3,197
Other Purchased Services	11-190-100-500	49,792	1,000	50,792	44,932	5,860
General Supplies	11-190-100-610	615,579	51,460	667,039	631,490	35,549
Textbooks	11-190-100-640	16,011	-	16,011	13,708	2,303
<b>Total Regular Programs</b>		<b>10,869,921</b>	<b>(49,895)</b>	<b>10,820,026</b>	<b>10,535,966</b>	<b>284,060</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	593,960	81,799	675,759	675,444	315
Other Salaries for Instruction	11-204-100-106	177,575	73,620	251,195	250,025	1,170
Supplies and Materials	11-204-100-610	27,798	(800)	26,998	16,030	10,968
<b>Total Behavioral Disabilities</b>		<b>799,333</b>	<b>154,619</b>	<b>953,952</b>	<b>941,499</b>	<b>12,453</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	200,814	(81,799)	119,015	117,581	1,434
Other Salaries for Instruction	11-212-100-106	16,580	3,953	20,533	20,533	-
General Supplies	11-212-100-610	13,176	-	13,176	13,010	166
Textbooks	11-212-100-640	310	(310)	-	-	-
<b>Total Multiple Disabilities</b>		<b>230,880</b>	<b>(78,156)</b>	<b>152,724</b>	<b>151,124</b>	<b>1,600</b>
<b>Resource Room:</b>						
Salaries of Teachers	11-213-100-101	841,491	128,803	970,294	955,997	14,297
Other Salaries for Instruction	11-213-100-106	133,257	99,876	233,133	233,124	9
General Supplies	11-213-100-610	6,070	-	6,070	4,872	1,198
Textbooks	11-213-100-640	850	-	850	803	47
<b>Total Resource Room</b>		<b>981,668</b>	<b>228,679</b>	<b>1,210,347</b>	<b>1,194,796</b>	<b>15,551</b>
<b>Autism:</b>						
Salaries of Teachers	11-214-100-101	188,553	(66,893)	121,660	117,975	3,685
Other Salaries for Instruction	11-214-100-106	28,068	(26,000)	2,068	-	2,068
General Supplies	11-214-100-610	2,715	-	2,715	1,966	749
<b>Total Autism</b>		<b>219,336</b>	<b>(92,893)</b>	<b>126,443</b>	<b>119,941</b>	<b>6,502</b>
<b>Preschool Disabilities - Part-time:</b>						
Salaries of Teachers	11-215-100-101	108,152	61,893	170,045	170,045	-
Other Salaries for Instruction	11-215-100-106	23,754	(10,000)	13,754	12,868	886
General Supplies	11-215-100-600	4,520	-	4,520	4,520	-
<b>Total Preschool Disabilities - Part-time</b>		<b>136,426</b>	<b>51,893</b>	<b>188,319</b>	<b>187,433</b>	<b>886</b>
<b>Total Special Education</b>		<b>2,367,643</b>	<b>264,142</b>	<b>2,631,785</b>	<b>2,594,793</b>	<b>36,992</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	587,358	-	587,358	575,414	11,944
Unused Sick Payment to Terminated/Retired Staff	11-230-100-299	-	-	-	-	-
General Supplies	11-230-100-610	10,158	(276)	9,882	8,812	1,070
Textbooks	11-230-100-640	200	-	200	-	200
<b>Total Basic Skills/Remedial</b>		<b>597,716</b>	<b>(276)</b>	<b>597,440</b>	<b>584,226</b>	<b>13,214</b>
<b>Bilingual Education - Instruction:</b>						
Salaries of Teachers	11-240-100-101	214,107	(48,000)	166,107	154,498	11,609
Other Purchased Services	11-240-100-500	1,300	-	1,300	760	540
General Supplies	11-240-100-610	2,500	-	2,500	-	2,500
<b>Total Basic Skills/Remedial</b>		<b>217,907</b>	<b>(48,000)</b>	<b>169,907</b>	<b>155,258</b>	<b>14,649</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	167,669	(1,721)	165,948	161,511	4,437
Supplies and Materials	11-401-100-600	18,703	(253)	18,450	14,995	3,455
<b>Total School Sponsored Cocurricular Activities</b>		<b>186,372</b>	<b>(1,974)</b>	<b>184,398</b>	<b>176,506</b>	<b>7,892</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	432,540	17,928	450,468	440,998	9,470
Other Purchased Services	11-402-100-500	144,317	(18,964)	125,353	100,001	25,352
Supplies and Materials	11-402-100-600	79,141	11,148	90,289	78,973	11,316
<b>Total School Sponsored Athletics Instruction</b>		<b>655,998</b>	<b>10,112</b>	<b>666,110</b>	<b>619,972</b>	<b>46,138</b>
<b>Total Instruction</b>		<b>14,895,557</b>	<b>174,109</b>	<b>15,069,666</b>	<b>14,666,721</b>	<b>402,945</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Undistributed Expenditures:</b>						
<b>Instruction :</b>						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	60,300	-	60,300	624	59,676
Tuition to County Vocational School District - Regular	11-000-100-563	66,260	(4,439)	61,821	61,821	-
Tuition to County Vocational School District - Special	11-000-100-564	19,878	6,626	26,504	26,504	-
Tuition to CSSD & Regional Day School	11-000-100-565	689,755	(235,000)	454,755	275,970	178,785
Tuition to Private School for the Handicapped - State	11-000-100-566	1,207,981	(87,187)	1,120,794	990,002	130,792
Tuition - State Facilities	11-000-100-568	40,973	-	40,973	18,053	22,920
Tuition - Other	11-000-100-569	56,912	-	56,912	30,362	26,550
<b>Total Undistributed Expenditures - Instruction</b>		<b>2,142,059</b>	<b>(320,000)</b>	<b>1,822,059</b>	<b>1,403,336</b>	<b>418,723</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	1,100	-	1,100	-	1,100
<b>Total Attendance &amp; Social Work Services</b>		<b>1,100</b>	<b>-</b>	<b>1,100</b>	<b>-</b>	<b>1,100</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	380,477	-	380,477	375,064	5,413
Purchased Professional & Technical Services	11-000-213-300	36,000	13,500	49,500	47,068	2,432
Other Purchased Services	11-000-213-500	5,025	-	5,025	3,786	1,239
Supplies and Materials	11-000-213-600	7,150	-	7,150	5,556	1,594
<b>Total Health Services</b>		<b>428,652</b>	<b>13,500</b>	<b>442,152</b>	<b>431,474</b>	<b>10,678</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	417,920	-	417,920	417,072	848
Purchased Professional - Educational Services	11-000-216-320	40,800	-	40,800	28,806	11,994
Supplies and Materials	11-000-216-600	2,253	-	2,253	2,062	191
<b>Total Other Support Services-Students-Related Services</b>		<b>460,973</b>	<b>-</b>	<b>460,973</b>	<b>447,940</b>	<b>13,033</b>
<b>Other Support Services - Students - Extra Services:</b>						
Salaries	11-000-217-100	349,805	(127,770)	222,035	198,256	23,779
<b>Total Other Support Services - Students - Extra Services</b>		<b>349,805</b>	<b>(127,770)</b>	<b>222,035</b>	<b>198,256</b>	<b>23,779</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	664,646	-	664,646	648,788	15,858
Salaries of Secretarial & Clerical Assistants	11-000-218-105	70,761	-	70,761	57,641	13,120
Other Purchased Services	11-000-218-500	750	-	750	750	-
Supplies and Materials	11-000-218-600	4,935	-	4,935	4,375	560
Other Objects	11-000-218-800	4,000	-	4,000	3,181	819
<b>Total Other Support Services - Students - Regular</b>		<b>745,092</b>	<b>-</b>	<b>745,092</b>	<b>714,735</b>	<b>30,357</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	1,173,315	6,146	1,179,461	1,170,471	8,990
Salaries of Secretarial & Clerical Assistants	11-000-219-105	159,103	(146)	158,957	155,518	3,439
Unused Sick Payment to Terminated/Retired Staff	11-000-219-299	-	-	-	-	-
Purchased Professional - Educational Services	11-000-219-320	15,885	-	15,885	10,115	5,770
Other Purchased Professional & Technical Services	11-000-219-390	1,759,350	320,000	2,079,350	2,023,425	55,925
Miscellaneous Purchased Services	11-000-219-592	4,000	-	4,000	1,352	2,648
Supplies and Materials	11-000-219-600	39,932	-	39,932	19,218	20,714
<b>Total Other Support Services-Students-Special Services</b>		<b>3,151,585</b>	<b>326,000</b>	<b>3,477,585</b>	<b>3,380,099</b>	<b>97,486</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Improvement of Instruction Services/Other</b>						
<b>Support Services - Instruction Staff:</b>						
Salaries of Supervisor of Instruction	11-000-221-102	228,543	2,000	230,543	230,539	4
Salaries of Secretarial & Clerical Assistants	11-000-221-105	57,343	292	57,635	57,635	-
Other Purchased Services	11-000-221-500	50,000	-	50,000	25,816	24,184
Supplies and Materials	11-000-221-600	3,000	-	3,000	188	2,812
<b>Total Improvement of Instruction Services/Other</b>		<b>338,886</b>	<b>2,292</b>	<b>341,178</b>	<b>314,178</b>	<b>27,000</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	330,914	(14,041)	316,873	244,195	72,678
Other Purchased Services	11-000-222-500	1,015	-	1,015	969	46
Supplies and Materials	11-000-222-600	18,881	-	18,881	18,363	518
<b>Total Educational Media Services/School Library</b>		<b>350,810</b>	<b>(14,041)</b>	<b>336,769</b>	<b>263,527</b>	<b>73,242</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	233,704	-	233,704	224,152	9,552
Legal Services	11-000-230-331	45,000	26,000	71,000	67,731	3,269
Audit Services	11-000-230-332	38,700	-	38,700	35,223	3,477
Communications/Telephone	11-000-230-530	80,229	10,000	90,229	81,673	8,556
BOE Other Purchased Services	11-000-230-585	2,500	-	2,500	1,636	864
Other Purchased Services	11-000-230-590	129,933	66,580	196,513	178,602	17,911
General Supplies	11-000-230-610	5,600	550	6,150	6,113	37
Miscellaneous Expenditures	11-000-230-890	10,000	15,020	25,020	24,051	969
BOE Membership Dues & Fees	11-000-230-895	20,000	(50)	19,950	18,780	1,170
<b>Total Support Services General Administration</b>		<b>565,666</b>	<b>118,100</b>	<b>683,766</b>	<b>637,961</b>	<b>45,805</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	1,046,753	19,295	1,066,048	1,051,047	15,001
Salaries of Secretarial & Clerical Assistants	11-000-240-105	446,764	1,708	448,472	443,424	5,048
Unused Vacation Payment to Terminated/Retired Staff	11-000-240-199	-	4,189	4,189	4,189	-
Unused Sick Payment to Terminated/Retired Staff	11-000-240-299	-	-	-	-	-
Other Purchased Services	11-000-240-500	103,440	5,391	108,831	72,733	36,098
Supplies and Materials	11-000-240-600	12,795	985	13,780	10,861	2,919
<b>Total Support Services School Administration</b>		<b>1,609,752</b>	<b>31,568</b>	<b>1,641,320</b>	<b>1,582,254</b>	<b>59,066</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	350,280	2,259	352,539	338,856	13,683
Unused Vacation Payment to Terminated/Retired Staff	11-000-251-199	-	5,487	5,487	5,486	1
Purchased Technical Services	11-000-251-340	7,000	3,000	10,000	5,691	4,309
Miscellaneous Purchased Services	11-000-251-592	5,000	(2,392)	2,608	2,242	366
Sale/Lease-Back Payments	11-000-251-594	28,100	-	28,100	23,189	4,911
Supplies & Materials	11-000-251-600	19,576	(1,076)	18,500	13,846	4,654
<b>Total Central Services</b>		<b>409,956</b>	<b>7,278</b>	<b>417,234</b>	<b>389,310</b>	<b>27,924</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	241,870	(4,030)	237,840	224,613	13,227
Unused Vacation Payment to Terminated/Retired Staff	11-000-252-199	-	4,030	4,030	4,030	-
Purchased Technical Services	11-000-252-340	73,229	19,500	92,729	84,743	7,986
Other Purchased Services	11-000-252-500	3,000	-	3,000	1,470	1,530
<b>Total Administrative Information Technology</b>		<b>318,099</b>	<b>19,500</b>	<b>337,599</b>	<b>314,856</b>	<b>22,743</b>
<b>Allowance Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	305,508	-	305,508	299,015	6,493
Unused Vacation Payment to Terminated/Retired Staff	11-000-261-199	5,000	(1,019)	3,981	3,831	150
Unused Sick Payment to Terminated/Retired Staff	11-000-261-299	-	-	-	-	-
Maintenance Services	11-000-261-420	446,005	45,175	491,180	468,616	22,564
General Supplies	11-000-261-610	109,800	19,055	128,855	127,958	897
<b>Total Allowance Maintenance for School Facilities</b>		<b>866,313</b>	<b>63,211</b>	<b>929,524</b>	<b>899,420</b>	<b>30,104</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,616,430	-	1,616,430	1,545,866	70,564
Salaries of Non-Instructional Aids	11-000-262-107	163,624	3,201	166,825	164,696	2,129
Unused Vacation Payment to Terminated/Retired Staff	11-000-262-199		1,019	1,019	1,019	-
Purchased Professional & Technical Services	11-000-262-300	115,000	-	115,000	94,605	20,395
Cleaning, Repair & Maintenance Services	11-000-262-420	34,800	-	34,800	34,786	14
Other Purchased Property Services	11-000-262-490	85,000	-	85,000	77,430	7,570
Insurance	11-000-262-520	132,775	(10,000)	122,775	122,123	652
Miscellaneous Purchased Services	11-000-262-590	20,604	-	20,604	20,310	294
General Supplies	11-000-262-610	146,650	(48,544)	98,106	88,965	9,141
Energy (Natural Gas)	11-000-262-621	138,000	35,000	173,000	167,816	5,184
Energy (Electricity)	11-000-262-622	760,000	(83,060)	676,940	601,516	75,424
<b>Total Other Operation&amp;Maintenance of Plant Services</b>		<b>3,212,883</b>	<b>(102,384)</b>	<b>3,110,499</b>	<b>2,919,132</b>	<b>191,367</b>
Security						
Salaries	11-000-266-100	55,728	-	55,728	55,620	108
<b>Total Security</b>		<b>55,728</b>	<b>-</b>	<b>55,728</b>	<b>55,620</b>	<b>108</b>
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	133,021	12,700	145,721	145,355	366
Salaries for Pupil Transportation (Between Home & School)-Reg	11-000-270-160	572,957	49,737	622,694	622,414	280
Salaries for Pupil Transportation (Between Home & School)-Sp.	11-000-270-161	361,096	(34,437)	326,659	325,523	1,136
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	43,832	6,293	50,125	49,559	566
Social Security Contributions	11-000-270-220	85,000	10,000	95,000	89,804	5,196
Workmen's Compensation	11-000-270-260	105,000	-	105,000	105,000	-
Health Benefits	11-000-270-270	400,000	-	400,000	400,000	-
Cleaning, Repair&Maintenance	11-000-270-420	53,800	-	53,800	30,267	23,533
Lease Purchase Payments - School Buses	11-000-270-443	86,000	-	86,000	85,670	330
Aid in Lieu of Payments	11-000-270-503	88,400	(34,293)	54,107	50,240	3,867
Contracted Services (Special Education) - Vendors	11-000-270-514	143,000	(10,000)	133,000	47,129	85,871
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	20,000	-	20,000	12,472	7,528
Miscellaneous Purchased Services - Transportation	11-000-270-593	31,752	-	31,752	18,720	13,032
Supplies and Materials	11-000-270-610	92,075	-	92,075	81,295	10,780
Transportation Supplies	11-000-270-615	326,375	(610)	325,765	218,731	107,034
Fuel Costs Funded by Advertising Revenue	11-000-270-626	625	610	1,235	1,235	-
<b>Total Student Transportation Services</b>		<b>2,542,933</b>	<b>-</b>	<b>2,542,933</b>	<b>2,283,414</b>	<b>259,519</b>
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	450,000	64	450,064	443,764	6,300
TPAF Contributions - ERIP	11-000-291-232		-			-
Other Retirement Contributions - PERS	11-000-291-241	601,000	24,000	625,000	622,689	2,311
Other Retirement Contributions - ERIP	11-000-291-242	40,000	-	40,000	22,019	17,981
Other Retirement Contributions - Deferred PERS Pymt	11-000-291-248	24,000	(24,000)	-	-	-
Unemployment Compensation	11-000-291-250	50,000	(35,500)	14,500	-	14,500
Worker's Compensation	11-000-291-260	285,807	(58,077)	227,730	150,789	76,941
Health Benefits	11-000-291-270	5,741,767	47,967	5,789,734	4,984,924	804,810
Tuition Reimbursement	11-000-291-280	50,000	-	50,000	18,839	31,161
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	60,300	(15,300)	45,000	43,190	1,810
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>7,302,874</b>	<b>(60,846)</b>	<b>7,242,028</b>	<b>6,286,214</b>	<b>955,814</b>
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,283,148	(2,283,148)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	1,474,637	(1,474,637)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	2,626	(2,626)
Reimbursed TPAF Social Security Contribution		-	-	-	1,178,587	(1,178,587)
<b>Total Undistributed Expenditures</b>		<b>24,853,166</b>	<b>(43,592)</b>	<b>24,809,574</b>	<b>27,460,724</b>	<b>(2,651,150)</b>
Interest Earned on Maintenance Reserve	10-606	472	(472)	-	-	-
<b>Total Expenditures - Current Expense</b>		<b>39,749,195</b>	<b>130,045</b>	<b>39,879,240</b>	<b>42,127,445</b>	<b>(2,248,205)</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Capital Outlay:					
Equipment:					
Interest Deposit to Capital Reserve	10-606	452	(452)	-	-
Regular Programs - Instruction:					
Grades 1 - 5	12-120-100-730	15,000	-	15,000	15,000
Central Services	12-000-251-730	-	3,935	3,935	3,922
Administrative Information Technology	12-000-252-730	75,000	25,000	100,000	99,299
Required Maintenance - School Facilities	12-000-261-730	9,000	92,950	101,950	85,499
Security	12-000-266-730	6,500	22,277	28,777	23,656
Total Equipment		105,952	143,710	249,662	227,376
Facilities Acquisition & Construction Services:					
Construction Services	12-000-400-450	336,000	83,779	419,779	205,450
Assessment for Debt Service on SDA Funding	12-000-400-896	117,685	-	117,685	117,685
Total Facilities Acquisition & Construction Services		453,685	83,779	537,464	323,135
Assets Acquired Under Capital Leases (Nonbudgeted):					
Equipment		-	-	-	-
Total Assets Acquired Under Capital Leases (Nonbudgeted):		-	-	-	-
Total Capital Outlay		559,637	227,489	787,126	550,511
Transfer of Funds to Charter Schools	10-000-100-561	10,000	-	10,000	-
Total Expenditures		40,318,832	357,534	40,676,366	42,677,956
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,802,000)	(104,650)	(1,906,650)	1,012,342
Fund Balances, July 1		4,423,835	-	4,423,835	4,423,835
Fund Balances, June 30		\$ 2,621,835	\$ (104,650)	\$ 2,517,185	\$ 5,436,177
					\$ 2,918,992

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ 104,650
Total	\$ 104,650

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted for:</b>	
Maintenance Reserve	\$ 1,465,073
Capital Reserve	1,500,000
Tuition Reserve - Current Year	40,000
Tuition Reserve - Prior Year	65,000
Excess Surplus	43,163
Excess Surplus Designated for Subsequent Year's Expenditures	166,445
<b>Assigned to:</b>	
Year-End Encumbrances	113,630
Designated for Subsequent Year's Expenditures	1,243,555
Unassigned Fund Balance	799,311
Subtotal	5,436,177
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(728,959)
Fund Balance Per Governmental Funds (GAAP)	\$ 4,707,218

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	918,729	38,079	956,808	906,435	(50,373)
Local Sources	-	58,572	58,572	39,288	(19,284)
<b>Total Revenues</b>	<b>918,729</b>	<b>96,651</b>	<b>1,015,380</b>	<b>945,723</b>	<b>(69,657)</b>
Expenditures:					
Instruction:					
Salaries of Teachers	315,828	(73,536)	242,292	238,645	3,647
Purchased Professional and Technical Services		3,000	3,000	-	3,000
Tuition to Private Schools for the Handicapped	567,289	(14,131)	553,158	553,158	-
Supplies & Materials		96,803	96,803	78,466	18,337
Other Objects	-	9,088	9,088	4,411	4,677
<b>Total Instruction</b>	<b>883,117</b>	<b>21,224</b>	<b>904,341</b>	<b>874,680</b>	<b>29,661</b>
Support Services:					
Salaries		10,294	10,294	6,962	3,332
Personal Services - Employee Benefits	35,612	18,587	54,199	47,042	7,157
Purchased Professional and Technical Services		303	303	5,917	(5,614)
Purchased Professional - Educational Services		22,052	22,052	5,848	16,204
Other Purchased Services		13,822	13,822	299	13,523
Supplies & Materials		6,369	6,369	4,975	1,394
Other Objects		4,000	4,000	-	4,000
<b>Total Support Services</b>	<b>35,612</b>	<b>75,427</b>	<b>111,039</b>	<b>71,043</b>	<b>39,996</b>
<b>Total Expenditures</b>	<b>918,729</b>	<b>96,651</b>	<b>1,015,380</b>	<b>945,723</b>	<b>69,657</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 43,690,298	\$ 945,723
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		5,363
Current Year		(7,498)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	691,269	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(728,959)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 43,652,608</u>	<u>\$ 943,588</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 42,677,956	\$ 945,723
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	<u>-</u>	<u>(2,135)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,677,956</u>	<u>\$ 943,588</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.06396%	0.06556%	0.06501%	0.06408%	0.06439%
School District's proportionate share of the net pension liability	\$ 14,889,115	\$ 19,417,069	\$ 14,594,000	\$ 11,997,681	\$ 12,306,906
School District's covered payroll	\$ 4,521,992	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347	\$ 4,522,419
School District's proportionate share of the net pension liability as a percentage of its covered payroll	329.26%	447.38%	325.50%	266.59%	272.13%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 592,831	\$ 582,428	\$ 558,933	\$ 95,436	\$ 85,241
Contributions in relation to the contractually required contribution	<u>(592,831)</u>	<u>(582,428)</u>	<u>(558,933)</u>	<u>(95,436)</u>	<u>(85,241)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 4,414,649	\$ 4,521,992	\$ 4,340,188	\$ 4,483,508	\$ 4,500,347
Contributions as a percentage of covered payroll	13.43%	12.88%	12.88%	2.13%	1.89%

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

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

	2018	2017	2016	2015	2014
State Proportionate Share of the Net Pension Liability associated with the School District	0.159%	0.152%	0.147%	0.149%	0.151%
State's proportionate share of the net pension liability associated with the School District	107,375,959	119,765,208	93,017,621	79,474,589	76,204,693
	<u>\$ 107,375,959</u>	<u>\$ 119,765,208</u>	<u>\$ 93,017,621</u>	<u>\$ 79,474,589</u>	<u>\$ 76,204,693</u>
School District's covered payroll	\$ 16,441,421	\$ 15,928,224	\$ 15,676,373	\$ 15,920,799	\$ 15,220,543
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	22.33%	28.71%	33.64%	33.76%

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

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

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M. Schedules Related to Accounting and Reporting for Other Post Employment  
Benefits (GASB 75)

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**EXHIBIT M-1**

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
 STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)  
 LAST FISCAL YEAR\***

	<u>2018</u>
<b>Total OPEB Liability Associated with the School District</b>	
Service Cost	\$ 4,140,968
Interest Cost	2,988,956
Changes of Assumptions	(12,487,126)
Contributions: Member	80,443
Gross Benefit Payments	<u>(2,184,605)</u>
Net Change in Total OPEB Liability	(7,461,364)
Total OPEB Liability (Beginning)	<u>101,779,378</u>
Total OPEB Liability (Ending)	<u>\$ 94,318,014</u>
District's Covered Employee Payroll	\$ 20,856,070
Net OPEB Liability as a Percentage of Payroll	452%

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

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

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June 30, 2017.

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**OTHER SUPPLEMENTARY INFORMATION**

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**E. Special Revenue Fund**

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**Bordertown Regional School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018**

	Title I, Part A		I.D.E.A. Part B		Totals 2018
	2017-2018	2016-2017 Carryover	Basic 2017-2018	Preschool 2017-2018	
<b>REVENUES</b>					
Local Sources	\$ 39,288	\$ -	\$ -	\$ -	\$ 39,288
State Sources	-	-	-	-	-
Federal Sources	63,480	269,921	19,876	26,024	906,435
<b>Total Revenues</b>	<b>102,768</b>	<b>269,921</b>	<b>19,876</b>	<b>26,024</b>	<b>945,723</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	33,148	205,497	-	-	238,645
Tuition for Private Schools for the Handicapped	-	-	527,134	26,024	553,158
General Supplies	54,749	11,958	-	-	78,466
Other Objects	-	411	-	-	4,411
<b>Total instruction</b>	<b>87,897</b>	<b>217,667</b>	<b>527,134</b>	<b>26,024</b>	<b>874,680</b>
<b>Support services:</b>					
Salaries	6,962	-	-	-	6,962
Personal Services - Employee Benefits	787	46,255	-	-	47,042
Purchased Professional and Technical Services	-	1,999	3,918	-	5,917
Purchased Professional - Educational Services	5,848	-	-	-	5,848
Supplies & Materials	299	-	-	-	299
Other Objects	975	4,000	-	-	4,975
<b>Total support services</b>	<b>14,871</b>	<b>52,254</b>	<b>3,918</b>	<b>-</b>	<b>71,043</b>
<b>Facilities acquisition and construction services:</b>					
Non-instructional Equipment	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>102,768</b>	<b>269,921</b>	<b>527,134</b>	<b>26,024</b>	<b>945,723</b>
<b>Other Financing Sources (Uses)</b>					
Transfer to General Fund	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Bordertown Regional School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018**

	Title II, Part A Teacher & Principal Training & Recruiting		Title III, Part A English Language Acquisition		Title III, Immigrant 2017-2018	Title IV	Total Carried Forward
	2017-2018	2016-2017 Carryover	2017-2018	2016-2017 Carryover			
<b>REVENUES</b>							
Local Sources	\$ 39,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,288
State Sources	-	-	-	-	-	-	-
Federal Sources	-	32,175	5,635	18,745	220	6,000	63,480
<b>Total Revenues</b>	<b>39,288</b>	<b>32,175</b>	<b>5,635</b>	<b>18,745</b>	<b>220</b>	<b>6,000</b>	<b>102,768</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	1,550	25,000	-	6,598	-	-	33,148
General Supplies	37,738	-	-	11,011	-	6,000	54,749
<b>Total instruction</b>	<b>39,288</b>	<b>25,000</b>	<b>-</b>	<b>17,609</b>	<b>-</b>	<b>6,000</b>	<b>87,897</b>
<b>Support services:</b>							
Salaries	-	6,962	-	-	-	-	6,962
Personal Services - Employee Benefits	-	-	-	787	-	-	787
Purchased Professional - Educational Services	-	213	5,635	-	-	-	5,848
Other Purchased Services (400-500 series)	-	-	-	299	-	-	299
Supplies & Materials	-	-	-	50	220	-	975
<b>Total support services</b>	<b>-</b>	<b>7,175</b>	<b>5,635</b>	<b>1,136</b>	<b>220</b>	<b>-</b>	<b>14,871</b>
<b>Facilities acquisition and construction services:</b>							
Non-instructional Equipment	-	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>39,288</b>	<b>32,175</b>	<b>5,635</b>	<b>18,745</b>	<b>220</b>	<b>6,000</b>	<b>102,768</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to General Fund	-	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Bordentown Regional School District**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

	Bordentown Regional School District Education Foundation Grant 2017-2018	Teacher Quality Mentoring Program 2017-2018	Total Carried Forward
<b>REVENUES</b>			
Local Sources	\$ 37,738	\$ 1,550	\$ 39,288
<b>Total Revenues</b>	<b>37,738</b>	<b>1,550</b>	<b>39,288</b>
<b>EXPENDITURES</b>			
<b>Instruction:</b>			
Salaries of Teachers	-	1,550	1,550
General Supplies	37,738	-	37,738
<b>Total instruction</b>	<b>37,738</b>	<b>1,550</b>	<b>39,288</b>
<b>Support services:</b>			
Supplies & Materials	-	-	-
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities acquisition and const. serv.:</b>			
Non-instructional Equipment	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>37,738</b>	<b>1,550</b>	<b>39,288</b>
<b>Other Financing Sources (Uses)</b>			
Transfer to General Fund	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**F. Capital Projects Fund**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		CANCELLATION OF SDA GRANT	TRANSFER TO DEBT SERVICE	UNEXPENDED BALANCE 2018
			PRIOR YEAR	CURRENT YEAR			
Renovations to Clara Barton Elementary School	6/19/2002	\$ 1,831,755	\$ 1,745,118	\$ -	\$ -	\$ -	\$ 86,637
Renovations to MacFarland Elementary School	6/19/2002	1,613,832	1,546,754	-	-	-	67,078
Renovations to Peter Muschal Elementary School	6/19/2002	923,063	872,960	-	-	-	50,103
Renovations to Bordentown Middle School	6/19/2002	2,324,235	2,125,154	-	-	(37,771)	161,310
Subtotal - Remaining Referendum Project Balance	6/19/2002	6,692,885	6,289,986	-	-	(37,771)	365,128
Total		\$ 6,692,885	\$ 6,289,986	\$ -	\$ -	\$ (37,771)	\$ 365,128

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Other Financing Sources/(Uses)</b>	
Transfer to Debt Service	<u>(37,771)</u>
Total Other Financing Sources/(Uses)	<u>(37,771)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(37,771)
Fund Balance - Beginning	<u>402,899</u>
Fund Balance - Ending	<u><u>\$ 365,128</u></u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS TO CLARA BARTON ELEMENTARY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**ADDITIONAL PROJECT INFORMATION**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS TO MACFARLAND ELEMENTARY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**ADDITIONAL PROJECT INFORMATION**

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



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS TO PETER MUSCHAL ELEMENTARY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**ADDITIONAL PROJECT INFORMATION**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS TO BORDENTOWN MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 669,693	\$ -	\$ 669,693	\$ 669,693
Bond Proceeds & Transfers	1,654,542	-	1,654,542	1,654,542
<b>Total Revenues</b>	<b>2,324,235</b>	<b>-</b>	<b>2,324,235</b>	<b>2,324,235</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	185,264		185,264	405,875
Construction Services	1,862,980		1,862,980	1,918,360
Other Objects	4,529		4,529	-
<b>Total Expenditures</b>	<b>2,052,773</b>	<b>-</b>	<b>2,052,773</b>	<b>2,324,235</b>
<b>Other Financing Sources/(Uses)</b>				
Transfer to Debt Service	(72,381)	(37,771)	(110,152)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(72,381)</b>	<b>(37,771)</b>	<b>(110,152)</b>	<b>-</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>				
	<b>\$ 199,081</b>	<b>\$ (37,771)</b>	<b>\$ 161,310</b>	<b>\$ -</b>

**ADDITIONAL PROJECT INFORMATION**

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

**G. Proprietary Funds**

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**Enterprise Funds**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2018**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2018
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 202,308	\$ 697,144	\$ 899,452
Accounts Receivable:			
State	456	12,533	12,989
Federal	17,758	-	17,758
Local	-	2,655	2,655
Inventories	8,990	-	8,990
Total Current Assets	229,512	712,332	941,844
Noncurrent Assets:			
Furniture, Machinery & Equipment	524,023	-	524,023
Accumulated Depreciation	(433,236)	-	(433,236)
Total Capital Assets	90,787	-	90,787
Total Assets	320,299	712,332	1,032,631
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	40,139	2,224	42,363
Unearned Revenue	20,709	319,883	340,592
Total Current Liabilities	60,848	322,107	382,955
Total Liabilities	60,848	322,107	382,955
<b>NET POSITION</b>			
Net Investment in Capital Assets	90,787	-	90,787
Unrestricted Net Position	168,664	390,225	558,889
Total Net Position	\$ 259,451	\$ 390,225	\$ 649,676

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**AS OF JUNE 30, 2018**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2018
<b>Operating Revenue:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 284,318	\$ -	\$ 284,318
Daily Sales - Nonreimbursable Programs	139,837	-	139,837
Special Function	27,886	-	27,886
Community Service Activities			
Tuition, Trips and Rentals	-	1,028,710	1,028,710
Total Operating Revenue	452,041	1,028,710	1,480,751
<b>Operating Expenses:</b>			
Salaries	312,807	702,681	1,015,488
Employee Benefits	-	123,695	123,695
Supplies and Materials	30,382	46,802	77,184
Other Purchased Services	131,763	165,800	297,563
Other Expenses	43,458	17,738	61,196
Depreciation	21,820		21,820
Cost of Sales - Reimbursable Programs	214,997		214,997
Cost of Sales - Nonreimbursable Programs	66,539		66,539
Total Operating Expenses	821,766	1,056,716	1,878,482
Operating (Loss)/Gain	(369,725)	(28,006)	(397,731)
<b>Nonoperating Revenues:</b>			
State Sources:			
State School Lunch Program	7,601	-	7,601
Adult Basic Skill Program	-	51,643	51,643
Federal Sources:			
National School Lunch Program	221,406	-	221,406
National School Breakfast Program	56,937	-	56,937
Healthy Hunger-Free Kids Act	8,745	-	8,745
Food Distribution Program	66,441	-	66,441
Total Nonoperating Revenues	361,130	51,643	412,773
Net Income/(Loss)	(8,595)	23,637	15,042
Operating Transfer In/(Out) - Capital Assets	-	(36,955)	(36,955)
Change in Net Position	(8,595)	(13,318)	(21,913)
Total Net Position - Beginning	268,046	403,543	671,589
Total Net Position - Ending	\$ 259,451	\$ 390,225	\$ 649,676



**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2018**

	FOOD SERVICE FUND	COMMUNITY DISTRICT ALLIANCE	2018
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 442,511	\$ 1,025,594	\$ 1,468,105
Payments to Employees	(312,807)	(702,681)	(1,015,488)
Payments for Employee Benefits	-	(123,695)	(123,695)
Payments to Suppliers	(472,452)	(228,652)	(701,104)
Net Cash Provided/(Used) by Operating Activities	(342,748)	(29,434)	(372,182)
Cash Flows From Investing Activities:			
Purchase of Equipment	(18,558)	(36,955)	(55,513)
Net Cash Provided by Investing Activities	(18,558)	(36,955)	(55,513)
Cash Flows From Noncapital Financing Activities:			
State Sources	7,570	46,575	54,145
Federal Sources	353,039	-	353,039
Net Cash Provided by Noncapital Financing Activities	360,609	46,575	407,184
Net Increase/(Decrease) in Cash & Cash Equivalents	(697)	(19,814)	(20,511)
Cash & Cash Equivalents, July 1	203,005	716,958	919,963
Cash & Cash Equivalents, June 30	\$ 202,308	\$ 697,144	\$ 899,452

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (369,725)	\$ (28,006)	\$ (397,731)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	21,820	-	21,820
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	14,816	-	14,816
(Increase)/Decrease in Accounts Receivable, Net	-	(1,764)	(1,764)
Increase/(Decrease) in Accounts Payable	(129)	1,688	1,559
Increase/(Decrease) in Deferred Revenues	(9,530)	(1,352)	(10,882)
Total Adjustments	26,977	(1,428)	25,549
Net Cash Provided/(Used) by Operating Activities	\$ (342,748)	\$ (29,434)	\$ (372,182)

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## **H. Fiduciary Fund**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>PRIVATE PURPOSE</u>		<u>AGENCY</u>		<u>TOTALS</u>
	<u>UNEMPLOYMENT</u>		<u>PAYROLL</u>	<u>STUDENT</u>	
	<u>COMPENSATION</u>	<u>SCHOLARSHIP</u>	<u>FUND</u>	<u>ACTIVITY</u>	
	<u>TRUST</u>				
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 33,699	\$ 141,558	\$ 821,161	\$ 155,868	\$ 1,152,286
Total Assets	<u>\$ 33,699</u>	<u>\$ 141,558</u>	<u>\$ 821,161</u>	<u>\$ 155,868</u>	<u>\$ 1,152,286</u>
<b>LIABILITIES</b>					
Payroll Deductions & Withholdings			\$ 821,161	\$ -	\$ 821,161
Due to Student Groups			<u>-</u>	<u>155,868</u>	<u>155,868</u>
Total Liabilities			<u>\$ 821,161</u>	<u>\$ 155,868</u>	<u>977,029</u>
<b>NET POSITION</b>					
Restricted for Unemployment Trust Claims & Other Purposes	\$ 33,699	\$ -			\$ 33,699
Restricted for Scholarships	<u>-</u>	<u>141,558</u>			<u>141,558</u>
Total Net Position	<u>\$ 33,699</u>	<u>\$ 141,558</u>			<u>\$ 175,257</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**FIDUCIARY FUND**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2018**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIPS	TOTALS
<b>ADDITIONS:</b>			
Local Sources:			
Contributions	\$ 29,505	\$ 24,000	\$ 53,505
Total Contributions	29,505	24,000	53,505
Investment Earnings:			
Interest on Investments	20	1,390	1,410
Total Investment Earnings	20	1,390	1,410
Total Additions	29,525	25,390	54,915
<b>DEDUCTIONS:</b>			
Unemployment Claims	31,732	-	31,732
Scholarship Payments	-	24,788	24,788
Total Deductions	31,732	24,788	56,520
Change in Net Position	(2,207)	602	(1,605)
Net Position - Beginning of Year	35,906	140,956	176,862
Net Position - End of Year	\$ 33,699	\$ 141,558	\$ 175,257

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	JULY 1, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2018
Bordentown Regional Elementary Schools	\$ 27,149	\$ 55,146	\$ 48,299	\$ 33,996
Bordentown Regional Middle School	38,258	63,302	66,174	35,386
Bordentown Regional High School	90,054	261,471	265,039	86,486
Total	<u>\$ 155,461</u>	<u>\$ 379,919</u>	<u>\$ 379,512</u>	<u>\$ 155,868</u>

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<b>ASSETS</b>				
Cash & Cash Equivalents:				
Payroll	\$ 73,325	\$ 26,696,907	\$ 25,949,071	\$ 821,161
Total Assets	<u>\$ 73,325</u>	<u>\$ 26,696,907</u>	<u>\$ 25,949,071</u>	<u>\$ 821,161</u>
<b>LIABILITIES</b>				
Net Payroll Deductions & Withholdings	73,107	26,696,907	25,948,853	821,161
Interfund Account Payable	218	-	218	-
Total Liabilities	<u>\$ 73,325</u>	<u>\$ 26,696,907</u>	<u>\$ 25,949,071</u>	<u>\$ 821,161</u>

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## **I. Long-Term Debt**

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2018**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY	INTEREST RATE	BALANCE JUNE 30, 2017	ISSUED	REDEEMED	BALANCE JUNE 30, 2018
2016 School Refunding Bonds	11/10/2016	\$ 27,355,000	1/15/2019	4.000%	\$ 27,100,000	\$ -	\$ 1,320,000	\$ 25,780,000
			1/15/2020	4.000%				
			1/15/2021	4.000%				
			1/15/2022	4.000%				
			1/15/2023	5.000%				
			1/15/2024	5.000%				
			1/15/2025	5.000%				
			1/15/2026	5.000%				
			1/15/2027	5.000%				
			1/15/2028	5.000%				
			1/15/2029	4.000%				
			1/15/2030	4.000%				
			1/15/2031	4.000%				
		1/15/2032	4.000%					
		1/15/2033	3.000%					
2010 School Bonds for Renovations and Improvements at the High School Complex to Include Solar Energy and Athletic Fields	3/12/2010	8,499,000	3/1/2019	3.000%	5,499,000	-	575,000	4,924,000
			3/1/2020	3.250%				
			3/1/2021	3.500%				
			3/1/2022	3.500%				
			3/1/2023	3.500%				
			3/1/2024	3.500%				
		3/1/2025	3.500%					
Total					\$ 32,599,000	\$ -	\$ 1,895,000	\$ 30,704,000

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2018**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2017	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2018
<b>2014-15</b>								
1 Cab Utility Tractor & Accessories	12/1/2014	36 Months	4.00%	\$ 38,731	\$ 8,983	\$ -	\$ 8,983	\$ -
6 54 Passenger School Buses	3/6/2015	7 Years	1.67%	525,000	369,867	-	79,812	290,055
2017 Ford F-350	3/3/2017	36 Months	5.65%	38,929	34,757	-	12,425	22,332
<b>TOTAL</b>					<b>\$ 413,607</b>	<b>\$ -</b>	<b>\$ 101,220</b>	<b>\$ 312,387</b>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,874,360		\$ 2,874,360	\$ 2,874,360	\$ -
State Sources:					
Debt Service Aid Type II	199,222		199,222	199,222	-
<b>Total Revenues</b>	<b>3,073,582</b>	-	<b>3,073,582</b>	<b>3,073,582</b>	-
Expenditures:					
Regular Debt Service:					
Interest on Bonds	1,347,927		1,347,927	1,347,927	-
Redemption of Principal	1,895,000		1,895,000	1,895,000	-
<b>Total Expenditures</b>	<b>3,242,927</b>	-	<b>3,242,927</b>	<b>3,242,927</b>	-
Other Financing Sources/(Uses):					
Transfer From Capital Projects Fund	169,345	-	169,345	37,771	(131,574)
<b>Total Other Financial Sources/(Uses)</b>	<b>169,345</b>	-	<b>169,345</b>	<b>37,771</b>	<b>(131,574)</b>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	(131,574)	(131,574)
Fund Balance July 1, 2017	131,574	-	131,574	131,574	-
<b>Fund Balance June 30, 2018</b>	<b>\$ 131,574</b>	<b>\$ -</b>	<b>\$ 131,574</b>	<b>\$ -</b>	<b>\$ (131,574)</b>

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**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 12,472,045	\$ 11,784,533	\$ 10,577,418	\$ 11,311,755	\$ 11,513,485	\$ 12,122,145	\$ 12,214,431	\$ 12,400,387	\$ 6,666,723	\$ 13,454,206
Restricted	3,644,809	2,564,705	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161
Unrestricted	(15,908,415)	(15,061,536)	(13,209,537)	(14,581,412)	(1,039,381)	(1,230,770)	(977,100)	(482,412)	(2,174,163)	(1,751,761)
<b>Total Governmental Activities</b>	<b>208,439</b>	<b>(712,298)</b>	<b>(1,243,875)</b>	<b>(2,427,438)</b>	<b>11,583,296</b>	<b>12,749,135</b>	<b>13,349,020</b>	<b>13,172,197</b>	<b>12,796,776</b>	<b>13,260,606</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	90,787	94,049	92,380	112,580	132,455	156,353	183,596	227,164	244,294	95,152
Unrestricted	558,889	577,540	525,030	497,158	482,860	397,382	309,183	102,974	150,547	17,471
<b>Total Business-Type Activities</b>	<b>649,676</b>	<b>671,589</b>	<b>617,410</b>	<b>609,738</b>	<b>615,315</b>	<b>553,735</b>	<b>492,779</b>	<b>330,138</b>	<b>394,841</b>	<b>112,623</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	12,562,832	11,878,582	10,669,798	11,424,335	11,645,940	12,278,498	12,398,027	12,627,551	6,911,017	13,549,358
Restricted	3,644,809	2,564,705	1,388,244	842,219	1,109,192	1,857,760	2,111,689	1,254,222	8,304,216	1,558,161
Unrestricted	(15,349,526)	(14,483,996)	(12,684,507)	(14,084,254)	(556,521)	(833,388)	(667,917)	(379,438)	(2,023,616)	(1,734,290)
<b>Total District Net Position</b>	<b>\$ 858,115</b>	<b>\$ (40,709)</b>	<b>\$ (626,465)</b>	<b>\$ (1,817,700)</b>	<b>\$ 12,198,611</b>	<b>\$ 13,302,870</b>	<b>\$ 13,841,799</b>	<b>\$ 13,502,335</b>	<b>\$ 13,191,617</b>	<b>\$ 13,373,229</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 10,535,966	\$ 10,480,471	\$ 9,965,239	\$ 12,720,994	\$ 12,885,266	\$ 12,270,882	\$ 11,782,331	\$ 11,412,860	\$ 11,871,087	\$ 12,507,348
Special Education	3,469,473	3,377,838	3,139,589	3,781,151	4,064,402	4,200,979	4,393,784	4,459,110	4,399,350	3,080,964
Other Instruction	739,484	828,427	858,422	1,026,179	1,035,910	949,973	909,103	780,307	839,047	738,265
School Sponsored	796,478	817,591	809,589	903,586	896,352	877,030	813,316	837,571	797,930	760,495
Support Services:										
Tuition	1,403,336	1,614,797	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912
Student & Instruction Related Services	5,772,075	5,807,888	5,606,567	6,458,910	5,867,320	5,492,798	4,705,990	4,589,935	4,815,094	4,798,095
School Administrative Services	1,582,254	1,552,632	1,486,937	515,428	584,012	720,066	506,363	484,317	498,491	516,934
General & Business Administrative Services	637,961	522,019	496,433	1,878,967	1,771,923	1,837,361	1,829,094	1,737,331	1,745,775	1,723,832
Central Office & Technology Services	704,166	717,657	664,378	801,699	755,325	709,560	724,576	650,674	637,213	639,013
Plant Operations & Maintenance	3,778,797	3,807,687	3,576,440	4,371,506	4,342,287	4,053,655	4,128,597	4,343,102	4,492,522	4,501,470
Pupil Transportation	2,283,414	2,586,046	1,927,589	2,550,631	2,530,435	2,542,987	2,421,515	2,355,307	2,244,822	2,227,234
Allocated Benefits	-	-	-	6,714,526	2,811,542	3,183,332	2,474,537	2,158,567	2,055,060	2,004,611
Unallocated Benefits	12,745,811	7,310,413	17,766,768	-	-	-	-	-	-	-
Special Schools	-	-	-	4,477	-	-	-	-	-	-
Interest on Long-Term Debt	1,325,162	1,256,569	1,783,349	1,874,615	1,941,677	1,973,098	2,001,334	2,072,048	1,832,474	1,805,871
On-Behalf TPAF Pension & Social Security Contributions	8,662,050	4,464,162	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	37,392	20,590	-	-	-	-	-	-	-	-
Unallocated Depreciation	1,852,521	1,635,975	1,708,492	1,702,526	1,724,580	1,865,929	2,056,443	1,360,714	1,364,802	1,395,099
Amortization of Debt Issuance Costs	-	-	-	-	-	23,478	23,478	23,478	21,846	21,265
Unallocated Compensated Absences	-	-	145,112	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>56,326,340</b>	<b>46,800,762</b>	<b>51,743,787</b>	<b>47,193,317</b>	<b>42,727,585</b>	<b>41,907,648</b>	<b>39,974,567</b>	<b>38,586,035</b>	<b>39,117,896</b>	<b>38,679,408</b>
Business-Type Activities:										
Community District Alliance	1,056,716	1,058,297	1,018,752	992,079	904,975	814,073	701,470	675,613	629,355	836,681
Food Service	821,766	795,927	792,625	751,901	731,614	696,724	784,264	741,888	543,626	668,933
<b>Total Business-Type Activities Expense</b>	<b>1,878,482</b>	<b>1,854,224</b>	<b>1,811,377</b>	<b>1,743,980</b>	<b>1,636,589</b>	<b>1,510,797</b>	<b>1,485,734</b>	<b>1,417,501</b>	<b>1,172,981</b>	<b>1,505,614</b>
<b>Total District Expenses</b>	<b>58,204,822</b>	<b>48,654,986</b>	<b>53,555,164</b>	<b>48,937,297</b>	<b>44,364,174</b>	<b>43,418,445</b>	<b>41,460,301</b>	<b>40,003,536</b>	<b>40,290,877</b>	<b>40,185,022</b>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	-	-	-	881,361	722,944	899,221	881,504	1,041,527	919,689	1,148,999
Operating Grants & Contributions	15,422,930	5,440,043	11,709,591	7,817,957	3,975,830	4,403,431	3,761,352	3,515,934	3,279,942	3,186,749
<b>Total Governmental Activities Program Revenues</b>	<b>15,422,930</b>	<b>5,440,043</b>	<b>11,709,591</b>	<b>8,699,318</b>	<b>4,698,774</b>	<b>5,302,652</b>	<b>4,642,856</b>	<b>4,557,461</b>	<b>4,199,631</b>	<b>4,335,748</b>
Business-Type Activities:										
Charges for Services:										
Food Service	452,041	448,143	408,372	412,591	414,681	399,383	426,936	436,567	459,476	484,032
Community District Alliance	1,028,710	1,045,617	986,957	943,985	946,733	815,745	857,343	583,040	680,671	675,696
Operating Grants & Contributions	412,773	424,494	434,585	413,459	381,865	356,625	364,096	333,191	315,051	283,184
<b>Total Business Type Activities Program Revenues</b>	<b>1,893,524</b>	<b>1,918,254</b>	<b>1,829,914</b>	<b>1,770,035</b>	<b>1,743,279</b>	<b>1,571,753</b>	<b>1,648,375</b>	<b>1,352,798</b>	<b>1,455,198</b>	<b>1,442,912</b>
<b>Total District Program Revenues</b>	<b>17,316,454</b>	<b>7,358,297</b>	<b>13,539,505</b>	<b>10,469,353</b>	<b>6,442,053</b>	<b>6,874,405</b>	<b>6,291,231</b>	<b>5,910,259</b>	<b>5,654,829</b>	<b>5,778,660</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net/(Expense)/Revenue:										
Governmental Activities:	(40,903,410)	(41,360,719)	(40,034,196)	(38,493,999)	(38,028,811)	(36,604,996)	(35,331,711)	(34,028,574)	(34,918,265)	(34,343,660)
Business-Type Activities	15,042	64,030	18,537	26,055	106,690	60,956	162,641	(64,703)	282,217	(62,702)
Total District-Wide Net Expense	(40,888,368)	(41,296,689)	(40,015,659)	(38,467,944)	(37,922,121)	(36,544,040)	(35,169,070)	(34,093,277)	(34,636,048)	(34,406,362)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	28,841,670	27,980,272	27,203,066	26,630,061	25,579,178	24,613,704	24,131,082	23,744,262	23,191,599	22,299,615
Taxes Levied for Debt Service	2,874,360	3,256,422	3,260,409	3,043,674	2,712,127	2,712,124	2,680,506	2,680,506	2,676,172	2,588,064
Unrestricted Grants & Contributions	8,897,162	8,988,893	8,580,348	8,366,014	8,317,443	8,167,105	7,762,512	7,182,384	7,792,162	7,532,102
EDA Grant not restricted to specific functions	-	-	-	-	-	-	-	-	358,898	-
Tuition Received	527,883	833,054	1,047,875	-	-	-	-	-	-	-
Rents and Royalties	2,287	2,025	3,287	457	676	2,122	5,014	6,199	20,964	-
Investment Earnings	-	-	-	783,395	488,150	510,056	479,398	723,078	345,220	250,276
Miscellaneous Income	471,234	694,432	695,517	-	-	-	-	-	-	-
Transportation Fees from Other LEA's Within State	172,596	138,367	113,504	-	-	-	-	-	-	-
Transfers	36,955	(1,142)	(26,407)	30,592	45,110	-	-	-	-	-
Extraordinary Item - Fire Loss Impairment-Buses	-	-	-	-	-	-	-	(92,775)	-	-
Extraordinary Item - Insurance Proceeds for Fire Loss- Buses	-	-	-	-	-	-	-	-	-	-
Special Item - Capital Lease Buyout	-	-	-	-	-	-	450,022	246,668	-	-
Cancellation of Account Receivables/ Payables	-	(27)	20	-	-	-	-	(86,527)	-	-
Prior Year Write-Offs (net)	-	-	762	-	-	-	-	-	-	-
Total Governmental Activities	41,824,147	41,892,296	40,877,619	38,854,955	37,142,684	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348
Business-Type Activities:										
Transfers	(36,955)	(9,851)	(10,865)	(30,592)	(45,110)	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	(1,040)	-	-	-	-	-	-
Total Business-Type Activities	(36,955)	(9,851)	(10,865)	(31,632)	(45,110)	-	-	-	-	-
Total District-Wide	41,787,192	41,882,445	40,866,754	38,823,323	37,097,574	36,005,111	35,508,534	34,403,995	34,385,015	32,731,348
Change in Net Position:										
Governmental Activities	920,737	531,577	843,423	360,956	(886,127)	(599,885)	176,823	375,421	(533,250)	(1,612,312)
Business-Type Activities	(21,913)	54,179	7,672	(5,577)	61,580	60,956	162,641	(64,703)	282,217	(62,702)
Total District	\$ 898,824	\$ 585,756	\$ 851,095	\$ 355,379	\$ (824,547)	\$ (538,929)	\$ 339,464	\$ 310,718	\$ (251,033)	\$ (1,675,014)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,405	\$ 912,273
Unreserved	-	-	-	-	-	-	-	-	23,608	487,105
Restricted	3,279,681	2,030,232	716,311	842,219	1,109,192	1,608,911	1,729,906	929,984	-	-
Assigned	1,357,185	1,569,650	1,975,437	1,331,249	559,498	761,457	569,552	652,052	-	-
Unassigned	70,352	132,684	98,700	(245,081)	(448,346)	(298,121)	(248,268)	(126,589)	-	-
<b>Total General Fund</b>	<b>4,707,218</b>	<b>3,732,566</b>	<b>2,790,448</b>	<b>1,928,387</b>	<b>1,220,344</b>	<b>2,072,247</b>	<b>2,051,190</b>	<b>1,455,447</b>	<b>733,013</b>	<b>1,399,378</b>
<b>All Other Governmental Funds:</b>										
Restricted	365,128	402,899	1,074,832	-	-	-	-	-	5,041,460	149,460
Assigned, Reported in:										
Capital Projects Fund	-	-	-	452,899	708,844	957,697	1,339,484	2,178,263	-	-
Debt Service Fund	-	-	-	-	-	(4)	(4)	(4)	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	2,012	532,461
Debt Service Fund	-	131,574	-	-	-	-	-	-	148,285	818
<b>Total All Other Governmental Funds</b>	<b>\$ 365,128</b>	<b>\$ 534,473</b>	<b>\$ 1,074,832</b>	<b>\$ 452,899</b>	<b>\$ 708,844</b>	<b>\$ 957,693</b>	<b>\$ 1,339,480</b>	<b>\$ 2,178,259</b>	<b>\$ 5,191,757</b>	<b>\$ 682,739</b>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Taxes Local	\$ 31,716,030	\$ 31,236,694	\$ 30,463,475	\$ 29,673,735	\$ 28,291,305	\$ 27,325,828	\$ 26,811,588	\$ 26,424,768	\$ 25,867,771	\$ 24,887,679
Tuition Charges	527,883	833,054	1,047,875	881,361	722,944	899,221	881,504	1,041,527	922,089	1,166,594
Transportation	172,596	138,367	113,504	457	676	2,122	5,014	6,199	20,964	61,291
Interest Earnings	-	-	-	698,804	417,481	445,099	419,237	656,484	341,702	261,227
Miscellaneous	473,521	696,457	698,804	656,405	417,481	445,099	419,237	656,484	341,702	261,227
Local Sources	-	-	-	206,035	147,054	147,054	134,377	139,377	70,127	67,764
State Sources	13,802,223	13,427,684	12,347,288	11,736,072	11,350,455	11,627,980	10,342,697	9,350,449	9,399,187	9,803,262
Federal Sources	977,525	1,001,252	1,044,160	967,074	942,818	942,556	1,181,167	1,348,069	2,031,815	915,589
<b>Total Revenue</b>	<b>47,669,778</b>	<b>47,333,508</b>	<b>45,715,106</b>	<b>44,121,139</b>	<b>41,878,505</b>	<b>41,389,860</b>	<b>39,775,584</b>	<b>38,966,873</b>	<b>38,653,655</b>	<b>37,163,406</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	10,535,966	10,480,471	9,965,239	10,257,059	10,130,247	10,019,740	9,577,867	9,482,923	10,005,949	10,644,014
Special Education Instruction	3,469,473	3,377,838	3,139,589	3,186,798	3,288,128	3,425,294	3,608,899	3,776,138	3,729,164	2,560,531
Other Special Instruction	-	-	-	816,252	801,629	781,318	735,627	624,840	674,688	623,779
Other Instructional	739,484	828,427	858,422	761,321	737,922	733,924	706,974	704,413	678,015	657,324
School Sponsored	796,478	817,591	809,589	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	1,403,336	1,614,797	1,808,883	1,888,122	1,516,554	1,206,520	1,204,106	1,320,514	1,502,383	1,960,912
Student & Instruction	-	-	-	-	-	-	-	-	-	-
Related Services	5,772,075	5,807,888	5,606,567	5,449,824	4,772,649	4,662,160	3,982,886	3,826,634	4,038,281	4,096,468
School Administrative	1,582,254	1,552,632	1,486,937	1,504,693	1,524,861	1,491,828	1,439,956	1,434,687	1,423,889	1,395,819
General & Business	1,342,127	1,239,676	1,160,811	1,174,904	1,178,899	1,117,063	1,093,738	1,010,093	984,007	1,017,299
Administration Services	-	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	3,874,172	3,891,616	3,720,150	3,822,782	3,689,763	3,573,345	3,603,386	3,849,549	4,011,396	4,098,322
Pupil Transportation	2,283,414	2,372,456	1,715,380	1,770,620	1,762,287	1,704,136	1,647,528	1,557,314	1,519,994	1,599,234
Allocated Benefits	-	-	594,917	-	-	-	-	-	-	-
Unallocated Benefits	6,333,256	6,078,790	9,861,969	9,309,738	9,634,426	9,246,000	8,232,012	7,566,334	7,403,035	6,623,538
On-Behalf TPAF Pension and Social Security Contributions	4,938,998	4,464,162	-	-	-	-	-	-	-	-
<b>Expenditures (continued):</b>										
Special Schools	-	-	-	4,477	-	-	-	-	-	-
Capital outlay	550,511	1,121,324	312,122	840,747	778,737	444,597	608,882	5,968,179	2,577,558	600,306
Debt service:										
Principal	1,895,000	2,216,381	1,880,000	1,775,000	1,455,000	1,540,000	1,465,000	1,030,000	1,155,000	1,090,000
Interest & Other Charges	1,347,927	1,279,150	1,624,290	1,701,790	1,753,265	1,804,665	1,855,180	1,887,427	1,684,187	1,726,776
<b>Total Expenditures</b>	<b>46,864,471</b>	<b>47,143,199</b>	<b>44,544,865</b>	<b>44,264,127</b>	<b>43,024,367</b>	<b>41,750,590</b>	<b>39,762,041</b>	<b>44,039,045</b>	<b>41,387,546</b>	<b>38,694,322</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>805,307</b>	<b>190,309</b>	<b>1,170,241</b>	<b>(142,988)</b>	<b>(1,145,862)</b>	<b>(360,730)</b>	<b>13,543</b>	<b>(5,072,172)</b>	<b>(2,733,891)</b>	<b>(1,530,916)</b>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing Sources/(Uses):										
Prior Year Receivable	-	-	-	(28)	-	-	-	-	-	(17,594)
Proceeds of Refunding Bonds	-	30,997,105	-	-	-	-	-	-	8,499,000	-
Payment to Refunded Debt Escrow Agent	-	(30,823,415)	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-
(Nonbudgeted)	-	38,929	-	563,731	-	-	-	-	698,509	145,704
Cancellation of Account Payable	-	-	20	-	-	-	-	-	-	-
Cancellation of Account Receivable	-	(27)	-	-	-	-	-	-	-	-
Other	-	-	-	790	-	-	(9,911)	-	-	-
Transfers in	-	-	(17)	286,807	294,436	764,670	326,407	6,199	8,165	22,390
Transfers Out	-	(1,142)	(26,390)	(256,214)	(249,326)	(764,670)	(326,407)	(6,199)	(8,165)	(22,390)
<b>Total Other Financing Sources/</b>										
(Uses)	-	211,450	(26,387)	595,086	45,110	-	(9,911)	-	9,197,509	128,110
Special & Extraordinary Items (Uses):										
Copier Lease Buyout	-	-	-	-	-	-	(696,690)	(86,526)	-	-
Insurance Proceeds from	-	-	-	-	-	-	-	-	-	-
Fire Loss - Buses	-	-	-	-	-	-	450,022	246,668	-	-
<b>Total Other Financing Sources/(Uses)</b>										
	-	249,210	(52,774)	-	-	-	(246,668)	160,142	-	-
<b>Net Change in Fund Balances</b>	\$ 805,307	\$ 401,759	\$ 1,143,854	\$ 452,098	\$ (1,100,752)	\$ (360,730)	\$ (243,036)	\$ (4,912,030)	\$ 6,463,618	\$ (1,402,806)
Debt Service as a Percentage of										
Noncapital Expenditures	7.00%	7.60%	7.92%	8.01%	7.59%	8.10%	8.48%	7.66%	7.32%	7.39%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION REVENUE	RESTRICTED			SOLAR SREC'S	P.I.L.O.T.	MISCELLANEOUS	TOTAL
			RENTALS	FUEL CO-OP					
2018	\$ 10,812	\$ 412,196	\$ 1,219	\$ 93,896	\$ 85,150	\$ -	\$ 414,900	\$ 1,018,173	
2017	2,810	833,054	2,025	147,686	105,373	66,695	310,278	1,667,777	
2016	2,515	1,038,395	3,288	153,468	114,275	60,038	295,798	1,557,063	
2015	1,852	881,361	2,257	206,035	91,823	31,935	341,800	1,257,345	
2014	2,386	805,876	14,733	152,826	69,318	-	212,206	1,447,155	
2013	1,026	899,221	10,284	147,054	65,095	-	324,475	1,192,982	
2012	2,845	886,704	-	-	120,764	-	182,669	1,592,040	
2011	4,032	1,041,527	-	-	69,326	-	477,155	1,324,012	
2010	12,758	919,689	-	-	-	-	391,565	1,504,646	
2009	38,402	1,166,594	-	-	-	-	299,650	1,398,417	

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
<b>Bordentown Township</b>												
2018	\$ 38,222,725	\$ 858,120,773	\$ 1,814,600	\$ 201,200	\$ 190,043,430	\$ 31,303,789	\$ 34,707,800	\$ 1,154,414,317	\$ 3,192,718	\$ 1,157,607,035	2.128%	1,346,288,715
2017	42,441,925	857,230,173	1,938,200	243,100	188,835,830	30,786,689	34,707,800	1,156,183,717	3,138,486	1,159,322,203	2.090%	1,336,837,548
2016	34,563,000	856,370,143	3,275,200	217,800	195,968,230	31,785,689	34,707,800	1,156,887,862	3,215,382	1,160,103,244	1.905%	1,281,120,896
2015	30,989,400	856,847,870	3,282,200	217,800	197,933,630	32,639,389	34,707,800	1,156,618,089	3,036,590	1,159,654,679	1.875%	1,280,644,111
2014	31,600,800	851,703,725	1,789,600	257,500	219,945,806	34,548,800	34,707,800	1,174,554,031	3,159,995	1,177,714,026	1.873%	1,300,579,669
2013	37,400,800	841,210,500	2,017,200	269,200	205,437,900	34,952,500	34,707,800	1,155,999,778	3,603,878	1,159,599,778	1.826%	1,280,524,125
2012	48,400,900	839,651,800	2,098,900	269,200	205,987,000	35,082,500	34,707,800	1,166,198,100	4,683,360	1,170,881,460	1.767%	1,307,261,379
2011	63,821,300	1,057,960,900	2,476,400	272,200	269,614,600	45,462,200	43,036,900	1,482,644,500	4,524,928	1,487,169,428	1.371%	1,403,246,154
2010	64,306,800	1,055,478,400	2,476,400	272,600	280,438,000	45,765,900	44,299,900	1,493,038,000	4,797,374	1,497,835,374	1.332%	1,467,699,588
2009	65,906,700	1,058,439,300	2,476,400	238,700	285,255,600	49,643,600	46,645,400	1,508,605,700	4,393,296	1,512,998,996	1.282%	1,464,805,397
<b>Bordentown City</b>												
2018	\$ 5,074,900	\$ 241,903,400	\$ -	\$ -	\$ 46,189,600	\$ 14,635,600	\$ 25,036,300	\$ 332,839,800	\$ 500,198	\$ 333,339,998	1.969%	368,888,259
2017	4,888,100	241,501,000	-	-	45,814,100	12,335,600	25,016,300	329,555,100	464,447	330,019,547	1.915%	344,467,683
2016	4,990,900	242,244,200	-	-	46,255,100	12,650,600	25,016,300	331,157,100	483,323	331,640,423	2.039%	337,951,070
2015	4,812,700	243,789,600	-	-	46,689,200	12,902,700	25,016,300	333,210,500	446,106	333,656,606	1.978%	340,006,383
2014	4,853,700	244,895,500	-	-	46,988,000	16,502,700	25,181,300	338,421,200	450,733	338,871,933	1.784%	345,321,007
2013	4,806,700	245,552,200	-	-	50,460,900	16,552,600	25,985,000	343,357,400	512,096	343,869,496	1.676%	350,412,636
2012	5,908,300	292,188,050	-	-	53,331,700	16,517,600	26,575,300	394,520,950	556,037	395,076,987	1.399%	358,885,692
2011	6,178,400	293,129,600	-	-	55,828,300	18,017,600	27,775,300	400,929,200	503,525	401,432,725	1.364%	379,955,730
2010	7,496,400	293,955,600	-	-	54,322,300	16,517,600	28,155,300	400,447,200	351,264	400,798,464	1.345%	388,607,227
2009	7,496,400	293,763,600	-	-	54,322,300	16,517,600	28,155,300	400,255,200	351,264	400,606,464	1.282%	392,220,463
<b>Borough of Fieldsboro</b>												
2018	\$ 1,908,100	\$ 38,704,900	\$ -	\$ -	\$ 1,901,800	\$ 10,300,000	\$ -	\$ 52,814,800	\$ 46,094	\$ 52,860,894	1.874%	56,275,519
2017	1,908,100	38,838,800	-	-	1,901,800	10,300,000	-	52,948,700	48,801	52,997,501	1.744%	51,852,636
2016	1,908,100	38,611,200	-	-	1,901,800	10,300,000	-	52,721,100	48,577	52,769,677	1.677%	46,507,072
2015	1,788,600	39,044,400	-	-	1,901,800	10,300,000	-	53,034,800	49,127	53,083,927	1.637%	46,784,058
2014	1,788,600	42,093,200	-	-	1,901,800	10,300,000	-	56,083,600	48,871	56,132,471	1.556%	49,470,443
2013	1,775,300	41,982,000	-	-	1,901,800	10,300,000	-	55,959,100	54,353	56,013,453	1.545%	49,366,214
2012	1,775,300	41,872,600	-	-	2,083,600	10,300,000	-	56,031,500	44,879	56,076,379	1.446%	53,210,739
2011	1,775,300	41,974,800	-	-	2,365,400	10,300,000	-	56,415,500	44,879	56,460,379	1.409%	57,558,897
2010	1,775,300	42,010,400	-	-	2,365,400	10,300,000	-	56,451,100	59,909	56,511,009	1.437%	54,739,394
2009	1,775,300	42,160,800	-	-	2,365,400	13,800,000	-	60,101,500	65,050	60,166,550	1.397%	58,280,374

Source: District records Tax list summary & Municipal Tax Assessor



**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

(rate per \$100 of assessed value)

**TOWNSHIP OF BORDENTOWN**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			of Bordentown	Municipal Open Space	County Library/Other	Burlington County	
	Basic Rate <sup>a</sup>	Service <sup>b</sup>	Total Direct					
2009	1.149	0.133	1.282	0.336		0.068	0.298	1.984
2010	1.205	0.136	1.341	0.390		0.068	0.287	2.086 R
2011	1.234	0.137	1.371	0.379	0.030	0.068	0.315	2.163
2012	1.590	0.176	1.766	0.522	0.030	0.081	0.355	2.754 R
2013	1.648	0.178	1.826	0.549	0.045	0.034	0.365	2.819
2014	1.687	0.186	1.873	0.544	0.046	0.034	0.366	2.863
2015	1.771	0.207	1.978	0.540	0.075	0.035	0.370	2.998
2016	1.823	0.215	2.039	0.540	0.074	0.035	0.370	3.058
2017	1.872	0.218	2.090	0.541	0.076	0.082	0.384	3.173
2018	1.934	0.194	2.128	0.541	0.076	0.082	0.384	3.211

**CITY OF BORDENTOWN**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			City of Bordentown	County Open Space	County Library/Other	Burlington County	
	Basic Rate <sup>a</sup>	Service <sup>b</sup>	Total Direct					
2009	1.149	0.133	1.282	0.735		0.068	0.298	2.383 R
2010	1.216	0.138	1.354	0.764		0.069	0.306	2.493
2011	1.223	0.137	1.360	0.794		0.068	0.300	2.522
2012	1.260	0.140	1.400	0.811		0.067	0.290	2.568
2013	1.513	0.164	1.677	0.954	0.015	0.032	0.348	3.026 R
2014	1.607	0.177	1.784	0.973	0.016	0.032	0.344	3.149
2015	1.678	0.197	1.875	0.992	0.043	0.034	0.363	3.307
2016	1.704	0.201	1.905	1.012	0.041	0.032	0.341	3.331
2017	1.715	0.200	1.915	1.021	0.042	0.033	0.352	3.363
2018	1.790	0.179	1.969	1.021	0.042	0.033	0.352	3.417

**BOROUGH OF FIELDSBORO**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt			Borough of Fieldsboro	County Open Space	County Library/Other	Burlington County	
	Basic Rate <sup>a</sup>	Service <sup>b</sup>	Total Direct					
2009	1.252	0.145	1.397	0.689		0.071	0.316	2.473
2010	1.301	0.147	1.448	0.680		0.071	0.314	2.513
2011	1.268	0.141	1.409	0.680		0.071	0.314	2.474
2012	1.301	0.144	1.445	0.669		0.075	0.329	2.518
2013	1.394	0.151	1.545	0.569	0.014	0.031	0.332	2.491
2014	1.402	0.154	1.556	0.569	0.014	0.029	0.311	2.479
2015	1.465	0.172	1.637	0.569	0.037	0.03	0.313	2.586
2016	1.5	0.177	1.677	0.569	0.039	0.030	0.322	2.637
2017	1.562	0.182	1.744	0.568	0.041	0.032	0.343	2.728
2018	1.703	0.171	1.874	0.568	0.041	0.032	0.343	2.858

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

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

R Reassessment year

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

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

	2018		2009	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE RANK	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE RANK
<b>BORDENTOWN TOWNSHIP</b>				
WW Grainger, Inc		1		
Dunns Mill Rd Retail LLC		2		
Bordentown Investment LLC		3	6	
Moshulu Realty LLC		4	9	
HPT PSC Properties Trust, DBA: TCA		5	4	
Hedding Hotels, LLC		6		
Colfin 2015-4 Industrial Owner, LLC		7		
Rt 206 Bordentown Realty, LLC		8		
Bordentown Realty, Inc		9		
Laurel Run LLC		10		
Rock-IDI Central Crossing, LLC			1	
Public Service Electric and Gas			2	
Bordentown V.F. LLC			3	
Central Crossing Bus Park Bldg II, LLC			5	
Kerry Fahey c/o Thompson Tax & Acct.			7	
Hunter Industries, Inc.			8	
KOR			10	
Total	\$ -		\$ -	
Total Municipal Assessment	<u>\$ 1,159,322,203</u>		<u>\$ 698,446,486</u>	
<b>BORDENTOWN CITY</b>				
Park Apartments		1	2	
OD/NJ, LLC		2		
Schino Property Management, LLC.		3	3	
Cranberry Park		4		
Storage Depot of Bordentown, LLC		5	4	
Lucas Bordentown, LLC		6		
Thompson Realty Co. of Princeton		7	7	
J&B Bordentown, LLC		8		
860 Rt 206 Associates LLC		9	9	
Land Holding		10		
Ocean Spray Cranberries			1	
Bob Maguire Chevrolet			5	
Bordentown New Valley Realty			6	
Riverview Gardens			8	
R&W Tire			10	
Total	\$ -		\$ -	
Total Municipal Assessment	<u>\$ 330,019,547</u>		<u>\$ 402,442,264</u>	
<b>BOROUGH OF FIELDSBORO</b>				
Stepan Chemical		1	1	
Individual #1		2	3	
Balon Real Estate, LLC		3		
Reddy Holding, LLC		4	2	
Individual # 2		5	4	
Individual # 3		6	5	
Individual # 4		7	6	
Individual # 5		8	7	
Individual # 6		9	8	
Individual # 7		10	9	
Individual # 8			10	
Total	\$ -		\$ -	
Total Municipal Assessment	<u>\$ 52,997,501</u>		<u>\$ 28,938,466</u>	

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
<b>Bordentown Township</b>			
2017	39,109,133	38,536,811	98.54%
2016	38,234,984	37,817,282	98.91%
2015	37,418,378	36,517,398	97.59%
2014	35,228,117	34,879,814	99.01%
2013	35,560,199	34,442,130	96.86%
2012	34,378,206	33,903,048	98.62%
2011	33,598,186	33,202,342	98.82%
2010	32,943,260	32,690,253	99.23%
2009	31,892,057	31,486,722	98.73%
2008	31,172,847	30,838,124	98.93%
<b>Bordentown City</b>			
2017	11,184,464	10,902,874	97.48%
2016	11,061,946	10,732,562	97.02%
2015	11,034,024	10,693,230	96.91%
2014	10,693,203	10,267,168	96.02%
2013	10,436,703	10,033,759	96.14%
2012	10,051,489	9,580,737	95.32%
2011	10,176,142	9,597,984	94.32%
2010	9,952,334	9,589,673	96.36%
2009	9,571,273	9,240,199	96.54%
2008	9,286,951	8,994,125	96.85%
<b>Borough of Fieldsboro</b>			
2017	1,445,772	1,392,301	96.30%
2016	1,391,536	1,344,482	96.62%
2015	1,373,802	1,297,264	94.43%
2014	1,392,299	1,312,349	94.26%
2013	1,400,857	1,343,514	95.91%
2012	1,412,586	1,331,565	94.26%
2011	1,396,830	1,327,881	95.06%
2010	1,413,906	1,347,402	95.30%
2009	1,487,919	1,417,056	95.24%
2008	1,465,632	1,390,578	94.88%

Source: Municipal records.

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

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES					TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES				
2018	\$ 30,704,000	\$ -	\$ -	\$ 312,387	\$ -	\$ 31,016,387	N/A	N/A
2017	32,599,000	-	-	413,607	-	33,012,607	3.50%	1,993
2016	37,664,000	-	-	470,375	-	38,134,375	4.42%	2,314
2015	39,544,000	-	-	559,538	-	40,103,538	4.44%	2,453
2014	41,319,000	-	-	-	-	41,319,000	4.79%	2,572
2013	42,774,000	-	-	96,170	-	42,870,170	5.23%	2,703
2012	44,314,000	-	-	188,954	-	44,502,954	5.48%	2,801
2011	45,779,000	-	-	357,098	-	46,136,098	5.88%	2,907
2010	46,809,000	-	-	516,534	-	47,325,534	6.27%	2,986
2009	39,215,000	250,000	-	71,916	-	39,536,916	5.78%	2,736

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

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Debt per Capita	Population *	Taxable Value of Property
2018	\$ 30,704,000	\$ -	\$ 30,704,000	1.99%	\$ 1,863	16,479	\$ 1,542,339,251
2017	32,599,000	-	32,599,000	2.11%	1,978	16,463	1,542,339,251
2016	37,664,000	-	37,664,000	2.44%	2,304	16,479	1,544,513,344
2015	39,544,000	-	39,544,000	2.56%	2,419	16,349	1,546,395,212
2014	41,319,000	-	41,319,000	2.63%	2,572	16,062	1,572,718,430
2013	42,774,000	-	42,774,000	2.67%	2,697	15,862	1,599,482,727
2012	44,314,000	-	44,314,000	2.73%	2,789	15,887	1,622,034,826
2011	45,779,000	-	45,779,000	2.36%	2,884	15,872	1,943,115,532
2010	46,809,000	-	46,809,000	2.39%	2,953	15,850	1,955,144,847
2009	39,215,000	-	39,215,000	1.99%	2,714	14,448	1,973,772,010

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

\* Current year population estimated at the previous year amount.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018**

<u>Governmental Unit</u>	DECEMBER 31, 2017 DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Bordentown Township	\$ 26,790,405	100.00%	\$ 26,790,405
Bordentown City	2,184,925	100.00%	2,184,925
Fieldsboro Borough	262,592	100.00%	262,592
Other Debt:			
Bordentown Sewer Authority	17,533,707	100.00%	17,533,707
Burlington County	314,942,084	3.57%	11,253,310
Subtotal, Overlapping Debt			58,024,939
Bordentown Regional School District Bonded Debt - June 30, 2017			30,704,000
Total Direct & Overlapping Debt			<u>\$ 88,728,939</u>

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

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	68,469,829	68,469,829	67,728,025	68,242,015	69,654,030	75,302,140	75,332,196	75,736,915	74,681,041	74,681,041
Total Net Debt Applicable to Limit	30,704,000	32,599,000	37,664,000	39,544,000	41,319,000	42,774,000	44,314,000	45,779,000	46,809,000	39,215,000
Legal Debt Margin	\$ 37,765,829	\$ 35,870,829	\$ 30,064,025	\$ 28,698,015	\$ 28,335,030	\$ 32,528,140	\$ 31,018,196	\$ 29,957,915	\$ 27,872,041	\$ 35,466,041
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.84%	47.61%	57.95%	59.32%	56.80%	58.82%	60.44%	62.68%	52.51%	60.89%

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

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

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

Average Equalized Valuation of Taxable Property

1,711,745,716

Debt Limit (4 % of Average Equalization Value)

68,469,829

Net Bonded School Debt

30,704,000

Legal Debt Margin

37,765,829

Source: Abstract Ratables and District Records

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

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PERSONAL INCOME (b)</u>	<u>PER CAPITA PERSONAL INCOME (c)</u>	<u>UNEMPLOYMENT RATE (d)</u>
<b>Bordentown Township</b>				
2017	12,095	N/A	N/A	3.50%
2016	12,223	\$ 694,413,076	\$ 56,812	3.70%
2015	11,935	659,134,245	55,227	4.20%
2014	11,625	624,808,875	53,747	5.30%
2013	11,423	591,540,055	51,785	4.40%
2012	11,427	587,233,530	51,390	8.80%
2011	11,414	570,186,370	49,955	8.50%
2010	11,384	546,967,048	48,047	8.70%
2009	10,068	479,730,132	47,649	8.20%
2008	10,102	483,037,232	47,816	9.20%
<b>Bordentown City</b>				
2017	3,835	N/A	N/A	3.70%
2016	3,848	\$ 218,612,576	\$ 56,812	3.70%
2015	3,882	214,391,214	55,227	5.10%
2014	3,903	209,774,541	53,747	5.50%
2013	3,907	202,323,995	51,785	8.80%
2012	3,925	201,705,750	51,390	9.60%
2011	3,921	195,873,555	49,955	9.30%
2010	3,928	188,728,616	48,047	9.50%
2009	3,820	182,019,180	47,649	9.00%
2008	3,830	183,135,280	47,816	9.20%
<b>Fieldsboro Borough</b>				
2017	533	N/A	N/A	4.80%
2016	533	\$ 30,280,796	\$ 56,812	4.80%
2015	532	29,380,764	55,227	8.80%
2014	534	28,700,898	53,747	11.50%
2013	532	27,549,620	51,785	8.30%
2012	535	27,493,650	51,390	15.50%
2011	537	26,825,835	49,955	15.00%
2010	538	25,849,286	48,047	15.30%
2009	560	26,683,440	47,649	14.50%
2008	563	26,920,408	47,816	9.20%

Source:

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

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

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

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



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

<b>EMPLOYER</b>	<b>2018</b>		<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>
	<b>EMPLOYEES</b>	<b>RANK</b>	

*Information not available*

<b>2009</b>
-------------

*Information not available*

Source: Comprehensive Annual Financial Reports of Individual School Districts

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

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction:										
Regular	165	169	174	177	171	174	150	142	140	139
Special Education	72	72	78	86	96	107	106	92	86	70
Other Instruction	13	14	16	17	13	14	13	13	11	15
Adult/Continuing Education	3	5	5	4	4	4	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	32	32	36	37	35	33	33	33	38	40
School Administrative Services	42	43	42	43	46	42	61	58	63	61
General Administrative Services	2	2	2	2	2	2	1	1	1	1
Plant Operations & Maintenance	41	43	46	44	43	42	41	43	44	41
Pupil Transportation	46	43	39	37	36	35	35	35	38	39
Business & Other Support Services	1	1	1	1	1	1	1	1	1	1
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>417</b>	<b>424</b>	<b>439</b>	<b>448</b>	<b>447</b>	<b>454</b>	<b>441</b>	<b>418</b>	<b>422</b>	<b>407</b>

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			HIGH SCHOOL	AVERAGE		% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	SCHOOL		DAILY ENROLLMENT (ADE) (c)	DAILY ATTENDANCE (ADA) (d)		
2018	2,504	\$ 43,071,033	\$ 17,201	0.67%	211	12.0:1	14.0:1	13.0:1	2,561	2,464	2.77%	96.21%	
2017	2,489	\$ 42,526,344	\$ 17,086	21.68%	212	11.0:1	13.0:1	12.0:1	2,492	2,382	-0.04%	95.59%	
2016	2,558	\$ 40,728,453	\$ 14,041	0.35%	211	13.3:1	14.0:1	14.0:1	2,493	2,391	12.45%	95.91%	
2015	2,574	\$ 36,015,036	\$ 13,992	-0.58%	218	13.0:1	14.0:1	14.0:1	2,217	2,146	-11.71%	96.80%	
2014	2,561	\$ 36,042,451	\$ 14,074	2.84%	213	12.3:1	13.0:1	14.0:1	2,511	2,429	0.68%	96.73%	
2013	2,503	\$ 34,253,248	\$ 13,685	3.99%	214	11.1:1	11.0:1	9.5:1	2,494	2,379	2.80%	95.39%	
2012	2,464	\$ 32,426,539	\$ 13,160	-1.01%	212	10.3:1	12.0:1	11.5:1	2,426	2,347	0.71%	96.74%	
2011	2,461	\$ 32,718,416	\$ 13,295	0.01%	217	9.3:1	10.9:1	11.8:1	2,409	2,335	0.38%	96.93%	
2010	2,480	\$ 32,968,346	\$ 13,294	-1.65%	215	10.1:1	10.8:1	11.8:1	2,400	2,321	-1.40%	96.71%	
2009	2,427	\$ 32,806,502	\$ 13,517	0.99%	224	10.9:1	10.5:1	12.7:1	2,434	2,275	4.64%	93.47%	

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)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>Elementary</u></b>										
Clara Barton Elementary School (1953)										
Square Feet	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432
Capacity (students)	346	346	346	346	346	346	346	346	346	346
Enrollment	221	254	249	237	247	253	240	235	247	240
Peter Muschal Elementary School (1953)										
Square Feet	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	537	553	612	642	622	602	608	580	543	515
<b><u>Intermediate School</u></b>										
MacFarland Intermediate School (1924)										
Square Feet	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
Capacity (students)	334	334	334	334	334	334	334	334	334	334
Enrollment	344	352	345	381	394	405	406	409	379	387
<b><u>Middle School</u></b>										
Bordertown Regional Middle School (1965)										
Square Feet	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720
Capacity (students)	545	545	545	545	545	545	545	545	545	545
Enrollment	532	541	541	524	535	563	577	614	590	626
<b><u>High School</u></b>										
Bordertown Regional High School (2006)										
Square Feet	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000
Capacity (students)	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Enrollment	723	712	716	694	705	738	743	720	730	736
<b><u>Other</u></b>										
James F. Black Administration Building										
Square Feet	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
Transportation (1990)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2017

Elementary = 3

Middle School = 1

High School = 1

Other = 2

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

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

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>School Facilities</b>										
James Black Dist. Admin. Building	7,195	5,418	5,733	6,121	5,133	5,218	5,550	2,838	2,965	3,496
Transportation / Bus Building	10,793	7,740	7,166	7,651	6,416	6,522	6,937	4,745	4,952	5,846
Bordentown Regional Middle School	166,393	142,420	131,136	140,009	117,404	119,353	128,333	83,250	86,887	102,567
Clara Barton School	91,741	81,273	73,809	78,803	66,080	67,177	71,450	48,811	50,944	60,137
MacFarland Intermediate School	115,126	99,850	92,440	98,695	82,760	84,134	89,486	58,686	61,250	72,303
Peter Muschal School	156,499	134,680	123,254	131,593	110,347	112,179	119,315	79,064	82,518	97,409
Bordentown Regional High School	351,673	302,643	283,053	302,205	253,414	257,620	272,621	180,306	188,184	222,142
	899,420	774,024	716,591	765,077	641,554	652,203	693,692	457,700	477,700	563,900
Other Facilities	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<u>899,420</u>	<u>774,024</u>	<u>716,591</u>	<u>765,077</u>	<u>641,554</u>	<u>652,203</u>	<u>693,692</u>	<u>457,700</u>	<u>477,700</u>	<u>563,900</u>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2018**  
**UNAUDITED**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED**

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

Source: District Records

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bordentown Regional School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Bordentown Regional School District's basic financial statements, and have issued our report thereon dated January 18, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
January 18, 2019

EXHIBIT K-2

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

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

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

We have audited the Bordentown Regional School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2018. The Bordentown Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## **Opinion on Each Major Federal and State Program**

In our opinion, the Bordentown Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
January 18, 2019

BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CEDA NUMBER	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2018	UNEARNED REVENUE AT JUNE 30, 2018	DUE TO GRANTOR AT JUNE 30, 2018
<b>U.S. DEPARTMENT OF EDUCATION:</b>													
<b>General Fund:</b>													
Medical Assistance Program (SEMI)	93.778	1705NJSMAP	\$ 73,225	9/1/17-8/31/18	\$ -	\$ -	\$ 73,117	\$ (73,225)	\$ -	\$ -	\$ (108)	\$ -	\$ -
<b>Total General Fund</b>													
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
<b>Special Revenue:</b>													
Special Education Cluster:													
L.D.E.A. Part B, Basic Regular	84.027	H027A170100	527,134	7/1/17-6/30/18	(51,216)	-	541,052	(527,134)	-	-	(37,298)	-	-
L.D.E.A. Part B, Preschool	84.173	H173A170114	26,024	7/1/17-6/30/18	-	-	-	(26,024)	-	-	(26,024)	-	-
Total Special Education Cluster													
Title I, Part A	84.010	S010A160030	297,998	7/1/16-6/30/17	22,418	-	19,876	(19,876)	-	-	(13,042)	-	22,418
Title I, Part A	84.010	S010A170030	296,731	7/1/17-6/30/18	22,418	-	276,755	(289,797)	-	-	(13,042)	-	-
Subtotal													
Title II, Part A Improving Teacher Quality	84.367A	S367A160029	47,696	7/1/16-6/30/17	(13,994)	-	21,629	(5,635)	-	-	-	2,000	-
Title II, Part A Improving Teacher Quality	84.367A	S367A170029	50,882	7/1/17-6/30/18	-	-	24,010	(32,175)	-	-	(8,165)	-	-
Title II, Part A Improving Teacher Quality	84.367A	N/A	76,188	7/1/14-6/30/15	9,413	-	-	-	-	-	-	-	9,413
Title II, Part A Improving Teacher Quality	84.367A	N/A	53,556	9/1/08-8/31/11	58	-	-	-	-	-	-	-	58
Title II, Part A Improving Teacher Quality	84.367A	N/A	51,490	9/1/09-8/31/10	1,564	-	-	-	-	-	-	-	1,564
Subtotal													
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	459	9/1/10-8/31/11	10	-	-	-	-	-	-	-	10
Title II, Part D Enhancing Education Through Technology	84.281D	N/A	2,300	9/1/09-8/31/10	91	-	-	-	-	-	-	-	91
Subtotal													
Title III, English Language Acquisition & Enhancement	84.365A	S365A160030	5,993	7/1/16-6/30/17	(366)	-	1,071	(705)	-	-	-	-	-
Title III, English Language Acquisition & Enhancement	84.365A	S365A170030	46,037	7/1/17-6/30/18	-	-	15,355	(18,965)	-	-	(3,610)	-	-
Title III, English Language Acquisition & Enhancement	84.365A	N/A	37,462	7/1/14-6/30/15	475	-	-	-	-	-	-	-	475
Subtotal													
Title IV - Student Support and Academic Enrichment (ESSA)	84.424	S424A170031	10,000	7/1/17-6/30/18	-	-	1,000	(6,000)	-	-	(5,000)	-	-
Title IV, Safe & Drug Free Schools & Communities	84.186	N/A	6,298	9/1/09-8/31/10	22	-	-	-	-	-	-	-	22
Governor's Initiative: Enhancing & Expanding In-District Program Options for Students With Disabilities - Yr 2	84.027A	N/A	150,000	6/1/08-6/1/09	5,191	-	-	-	-	-	-	-	5,191
Total Special Revenue Fund													
Total U.S. Department of Education													
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
<b>Enterprise Fund:</b>													
Child Nutrition Cluster:													
Noncash Assistance:	10.550	181N304N1099	56,710	7/1/17-6/30/18	11,463	-	56,710	(54,978)	-	-	-	1,732	-
Food Distribution Program	10.550	171N304N1099	54,442	7/1/16-6/30/17	11,463	-	-	(11,463)	-	-	(11,463)	-	-
Subtotal													
Cash Assistance:	10.553	181N304N1099	56,937	7/1/17-6/30/18	(3,858)	-	53,159	(56,937)	-	-	(3,778)	-	-
School Breakfast Program	10.553	171N304N1099	57,390	7/1/16-6/30/17	(3,858)	-	57,017	(56,937)	-	-	(3,778)	-	-
Subtotal													
National School Lunch Program	10.555	181N304N1099	221,406	7/1/17-6/30/18	-	-	207,951	(221,406)	-	-	(13,455)	-	-
National School Lunch Program	10.555	171N304N1099	220,905	7/1/16-6/30/17	(12,854)	-	-	-	-	-	-	-	-
Subtotal													
National School Lunch HHFKA Perf. Based Programs	10.592	181N304N1099	8,745	7/1/17-6/30/18	(556)	-	8,220	(8,745)	-	-	(525)	-	-
National School Lunch HHFKA Perf. Based Programs	10.592	171N304N1099	9,280	7/1/16-6/30/17	(556)	-	556	-	-	-	-	-	-
Subtotal													
Total Child Nutrition Cluster													
Total Enterprise Fund													
Total U.S. Department of Agriculture													
Total Federal Financial Assistance													

BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/ PROGRAM/TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2018	UNEARNED REVENUE AT JUNE 30, 2018	DUE TO GRANTOR AT JUNE 30, 2018	MEMO		
													BUDGETARY EXPENDITURES	RECEIVABLE	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
State Aid Cluster:															
Equalization Aid	495-034-5120-078	\$ 6,422,773	7/1/17-6/30/18	\$ -	\$ 6,422,773	\$ (6,422,773)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,451	\$ 6,422,773
Categorical Special Education Aid	495-034-5120-089	1,470,071	7/1/17-6/30/18	-	1,470,071	(1,470,071)	-	-	-	-	-	-	-	129,423	1,470,071
Categorical Security Aid	495-034-5120-084	71,779	7/1/17-6/30/18	-	71,779	(71,779)	-	-	-	-	-	-	-	6,319	71,779
Under Adequacy Aid	495-034-5120-096	33,986	7/1/17-6/30/18	-	33,986	(33,986)	-	-	-	-	-	-	-	2,992	33,986
PARCC Readiness Aid	495-034-5120-098	25,530	7/1/17-6/30/18	-	25,530	(25,530)	-	-	-	-	-	-	-	2,530	25,530
Per Pupil Growth Aid	495-034-5120-097	25,530	7/1/17-6/30/18	-	25,530	(25,530)	-	-	-	-	-	-	-	2,248	25,530
Professional Learning Community Aid	495-034-5120-101	25,720	7/1/17-6/30/18	-	25,720	(25,720)	-	-	-	-	-	-	-	2,265	25,720
Total State Aid Cluster		8,075,389		-	8,075,389	(8,075,389)	-	-	-	-	-	-	-	710,946	8,075,389
<b>Categorical Transportation Aid</b>															
Extraordinary Aid	495-034-5120-014	204,608	7/1/17-6/30/18	-	204,608	(204,608)	-	-	-	(338,254)	-	-	-	18,013	204,608
Extraordinary Aid	495-034-5120-044	338,254	7/1/17-6/30/18	-	-	(338,254)	-	-	-	-	-	-	-	-	338,254
Extraordinary Aid	495-034-5120-044	395,865	7/1/16-6/30/17	(395,865)	-	-	-	-	-	-	-	-	-	-	-
Additional Nonpublic School Transportation Aid	495-034-5120-014	22,278	7/1/17-6/30/18	-	22,278	(22,278)	-	-	-	(22,278)	-	-	-	-	22,278
Additional Nonpublic School Transportation Aid	495-034-5120-014	15,850	7/1/16-6/30/17	(15,850)	-	-	-	-	-	-	-	-	-	-	-
Dept. of Children & Families Homeless Tuition Aid	495-034-5120-005	61,164	7/1/17-6/30/18	-	15,850	(61,164)	-	-	-	(61,164)	-	-	-	-	61,164
Dept. of Children & Families Homeless Tuition Aid	495-034-5120-005	25,725	7/1/16-6/30/17	(25,725)	-	-	-	-	-	-	-	-	-	-	-
Lead Water Testing for Schools Aid	495-034-5120-104	8,352	7/1/16-6/30/17	(8,352)	-	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	100-034-5094-003	1,178,587	7/1/17-6/30/18	-	1,178,587	(1,178,587)	-	-	-	-	-	-	-	-	1,178,587
On-Behalf TPAF Pension Contribution	495-034-5094-002	2,283,148	7/1/17-6/30/18	-	1,178,587	(2,283,148)	-	-	-	-	-	-	-	-	2,283,148
On-Behalf TPAF Post Retirement Medical Contribution	495-034-5094-001	1,474,637	7/1/17-6/30/18	-	2,283,148	(1,474,637)	-	-	-	-	-	-	-	-	1,474,637
On-Behalf TPAF Long-Term Disability Insurance	495-034-5094-004	2,626	7/1/17-6/30/18	-	2,626	(2,626)	-	-	-	-	-	-	-	-	2,626
<b>Total General Fund</b>		(445,792)		13,664,787	(13,640,691)	-	-	-	-	(421,696)	-	-	-	728,959	13,640,691
<b>Special Revenue Fund:</b>															
Character Education Aid	495-034-5120-053	5,661	7/1/05-6/30/06	132	-	-	-	-	-	-	132	-	-	-	-
Governor's School of Excellence Award	100-034-5063-298	25,000	9/1/05-6/30/06	4,979	-	-	-	-	-	-	4,979	-	-	-	-
<b>Total Special Revenue Fund</b>		5,111		5,111	-	-	-	-	-	-	5,111	-	-	-	-
<b>Enterprise Fund:</b>															
Adult Basic Skills Grant Program	3-67144-9701	51,643	7/1/17-6/30/18	-	39,110	(51,643)	-	-	-	(12,533)	-	-	-	-	51,643
Adult Basic Skills Grant Program	3-67144-9701	75,351	7/1/16-6/30/17	(7,465)	7,465	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>		(7,465)		(7,465)	46,575	(51,643)	-	-	-	(12,533)	-	-	-	-	51,643
<b>Debt Service Fund:</b>															
Debt Service Aid Type II	100-034-5120-125	199,222	7/1/17-6/30/18	-	199,222	(199,222)	-	-	-	-	-	-	-	-	199,222
<b>Total Debt Service Fund</b>		-		-	199,222	(199,222)	-	-	-	-	-	-	-	-	199,222
<b>Total State Department of Education</b>															
		(448,146)		13,910,584	(13,891,556)	-	-	-	-	(434,229)	5,111	-	-	728,959	13,891,556
<b>NJ School Development Authority:</b>															
Capital Projects Fund:															
BRMS - Partial Roof Replacement	0475-055-14-G2VB	473,492	7/1/15-6/30/17	(351,980)	-	-	-	-	-	(351,980)	-	-	-	-	-
<b>Total Capital Projects Fund</b>		-		(351,980)	-	-	-	-	-	(351,980)	-	-	-	-	-
<b>Total NJ School Development Authority</b>															
		-		(351,980)	-	-	-	-	-	(351,980)	-	-	-	-	-
<b>State Department of Agriculture:</b>															
Enterprise Fund:															
National School Lunch Program (State Share)	100-010-3350-023	7,601	7/1/17-6/30/18	-	7,145	(7,601)	-	-	-	(456)	-	-	-	-	7,601
National School Lunch Program (State Share)	100-010-3350-023	7,126	7/1/16-6/30/17	(425)	425	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>		(425)		(425)	7,570	(7,601)	-	-	-	(456)	-	-	-	-	7,601
<b>Total State Department of Agriculture</b>															
		(425)		(425)	7,570	(7,601)	-	-	-	(456)	-	-	-	-	7,601
<b>Total State Financial Assistance</b>															
		(800,551)		13,918,154	(13,899,157)	\$ -	\$ -	\$ -	\$ -	(786,665)	\$ 5,111	\$ -	\$ -	\$ 728,959	\$ 13,899,157

Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08:  
 On-Behalf TPAF Pension Contributions (Nonbudgeted) 2,283,148  
 On-Behalf TPAF Post-Retirement Medical (Nonbudgeted) 1,474,637  
 On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted) 2,626  
**Total for State Financial Assistance Subject to New Jersey OMB Circular 04-04 and/or 15-08**  
 \$ (10,138,746)



**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

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

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

**Note 3. Relationship to Basic Financial Statements**

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 3. Relationship to Basic Financial Statements (continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$37,690) for the general fund and (\$2,135) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 73,225	\$ 13,603,001	\$ 13,676,226
Special Revenue Fund	904,300	-	904,300
Debt Service Fund	-	199,222	199,222
Food Service Fund	353,529	7,601	361,130
Community District Alliance Fund	-	51,643	51,643
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,331,054</u>	<u>\$ 13,861,467</u>	<u>\$ 15,192,521</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Bordentown Regional School District had no loan balances outstanding at June 30, 2018.

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

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

**Financial Statements**

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

Internal control over financial reporting:

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

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

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

**Federal Awards**

Internal control over major programs:

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

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

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.010	S010A170030	Title I, Part A Grants to Local Education Agencies
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

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

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs	<u>\$750,000.00</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u>   </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	<u>   </u> yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u>   </u> yes <u> X </u> no
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u>   </u> yes <u> X </u> no
Identification of major programs:	

**State Grant/Project Number(s)**

**Name of State Program**

<u>495-034-5120-078</u>	State Aid - Public:
<u>495-034-5120-084</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Categorical Security Aid</u>
<u>495-034-5120-083</u>	<u>Categorical Special Education Aid</u>
<u>495-034-5120-083</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Section II – Financial Statement Findings**

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

None.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.