

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT

Columbus, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NEW JERSEY**



YEAR ENDED JUNE 30, 2018

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
RICHARD KAZ**

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TABLE OF CONTENTS

| | PAGE |
|--|------|
| INTRODUCTORY SECTION (First Section) | |
| Letter of Transmittal | 1 |
| Organizational Chart | 11 |
| Roster of Officials | 12 |
| Consultants and Advisors | 13 |
| FINANCIAL SECTION (Second Section) | |
| Independent Auditor's Report | 17 |
| REQUIRED SUPPLEMENTARY INFORMATION – PART I | |
| Management's Discussion and Analysis | 23 |
| BASIC FINANCIAL STATEMENTS | |
| A. Government-Wide Financial Statements: | |
| A-1 Statement of Net Position | 37 |
| A-2 Statement of Activities | 38 |
| B. Fund Financial Statements: | |
| B-1 Balance Sheet | 43 |
| B-2 Statement of Revenues, Expenditures and Changes in Fund Balances | 44 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 43 |
| Proprietary Funds: | |
| B-4 Statement of Net Position | 49 |
| B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position | 50 |
| B-6 Statement of Cash Flows | 51 |
| Fiduciary Funds: | |
| B-7 Statement of Fiduciary Net Position | 55 |
| B-8 Statement of Changes in Fiduciary Net Position | 56 |
| Notes to Financial Statements | 59 |
| REQUIRED SUPPLEMENTARY INFORMATION – PART II | |
| C. Budgetary Comparison Schedules | |
| C-1 Budgetary Comparison Schedule – General Fund | 101 |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund | 113 |
| Notes to the Required Supplementary Information - Part II | |
| C-3 Budget-to-GAAP Reconciliation | 117 |
| REQUIRED SUPPLEMENTARY INFORMATION – PART III | |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) | |
| L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS | 123 |
| L-2 Schedule of the School District Contributions - PERS | 124 |
| L-3 Schedule of the District's Proportionate Share of the Net Pension | |

TABLE OF CONTENTS

| | PAGE |
|--|------|
| Liability - TPAF | 125 |
| M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75) | |
| M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB | 129 |
| Notes to the Required Supplementary Information - Part III | 133 |
| OTHER SUPPLEMENTARY INFORMATION | |
| D. School Based Budget Schedules Fund (if applicable): | |
| D-1 Combining Balance Sheet | N/A |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual | N/A |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual | N/A |
| E. Special Revenue Fund: | |
| E-1 Combining Schedule of Program Revenues & Expenditures - Special Revenue Fund – Budgetary Basis | 141 |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis | N/A |
| F. Capital Projects Fund: | |
| F-1 Summary Schedule of Project Expenditures | 147 |
| F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis | 148 |
| F-2a Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis - Renovations to High School | 149 |
| F-2b Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis - High School Building Project | 150 |
| F-2c Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis - Upgrades to Geothermal System | 151 |
| F-2d Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis - Boiler Replacement Project | 152 |
| G. Proprietary Funds: | |
| Enterprise Fund: | |
| G-1 Combining Schedule of Net Position | N/A |
| G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position | N/A |
| G-3 Combining Schedule of Cash Flows | N/A |
| Internal Service Fund – | |
| G-4 Combining Schedule of Net Position | N/A |
| G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position | N/A |
| G-6 Combining Schedule of Cash Flows | N/A |
| H. Fiduciary Funds: | |
| H-1 Combining Statement of Fiduciary Net Position | 155 |
| H-2 Combining Statement of Changes in Fiduciary Net Position | 156 |
| H-3 Student Activity Agency Fund - Schedule of Receipts & | |

TABLE OF CONTENTS

| | PAGE |
|---|------|
| Disbursements | 157 |
| H-4 Payroll Agency Fund - Schedule of Receipts & Disbursements | 157 |
| H-5 Athletic Agency Fund - Schedule of Receipts and Disbursements | N/A |
| | |
| I. Long-Term Debt: | |
| I-1 Schedule of Serial Bonds Payable | 161 |
| I-2 Schedule of Obligations Under Capital Leases | 162 |
| I-3 Debt Service Fund - Budgetary Comparison Schedule | 163 |
| I-4 Schedule of Early Retirement Incentive Plan Loans Payable | N/A |

STATISTICAL SECTION (Unaudited)

(Third Section)

| | |
|--|-----|
| Financial Trends: | |
| J-1 Net Position by Component | 169 |
| J-2 Changes in Net Position | 170 |
| J-3 Fund Balances – Governmental Funds | 172 |
| J-4 Changes in Fund Balances – Governmental Funds | 173 |
| J-5 General Fund - Other Local Revenue by Source | 174 |
| Revenue Capacity: | |
| J-6 Assessed Value & Actual Value of Taxable Property | 177 |
| J-7 Direct and Overlapping Property Tax Rates | 178 |
| J-8 Principal Property Taxpayers | 179 |
| J-9 Property Tax Levies and Collections | 180 |
| Debt Capacity: | |
| J-10 Ratios of Outstanding Debt by Type | 183 |
| J-11 Ratios of Net General Bonded Debt Outstanding | 184 |
| J-12 Ratios of Overlapping Governmental Activities Debt | 185 |
| J-13 Legal Debt Margin Information | 186 |
| Demographic & Economic Information: | |
| J-14 Demographic & Economic Statistics | 189 |
| J-15 Principal Employers | 190 |
| Operating Information: | |
| J-16 Full-Time Equivalent District Employees by Function/Program | 193 |
| J-17 Operating Statistics | 194 |
| J-18 School Building Information | 195 |
| J-19 Schedule of Required Maintenance | 196 |
| J-20 Insurance Schedule | 197 |

SINGLE AUDIT SECTION

(Fourth Section)

| | |
|--|-----|
| 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 | 201 |
| K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08 | 203 |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A | 204 |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B | 200 |
| K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance | 207 |
| K-6 Schedule of Findings and Questioned Cost - Part I | 209 |
| K-7 Schedule of Findings and Questioned Costs - Part II & III | 211 |
| K-8 Summary Schedule of Prior Year Audit Findings | 213 |

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INTRODUCTORY SECTION

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Northern Burlington County Regional School District

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District Web Page
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February 20, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Northern Burlington County Regional School District for the fiscal year ended June 30, 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 Northern Burlington County Regional School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

The Northern Burlington County Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14 and GASB Statement No. 39 and amended by GASB No. 61. The Northern Burlington County Regional Board of Education and its two schools constitute the district's reporting entity.

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

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

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

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

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

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

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

Mathematics

The most recent Northern Burlington School Performance Report is the drive to focus most attention to Mathematics. Based on results from state testing as well as observation data and teacher and student feedback, high school

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mathematics, in particular Algebra 1 and Geometry needs to be an area of focus. Currently, meeting or exceeding expectations on the state assessment for Algebra 1 is a graduation requirement. If students do not meet that requirement, the students will need to be remediated and given opportunities to take the assessment again. The budgetary focus is to provide resources and data to mathematics teachers as well as professional development opportunities to be proactive as well as reactive to this requirement. Teachers will continue to engage in professional development opportunities to analyze the various available reports such as Student Rosters, Content Standards Rosters and released items to understand the expectations of the rigorous New Jersey Student Learning Standards including the Mathematical Practices. It is critical to identify weaknesses and strengths in these expectations to realign curriculum and lesson plans to match these expectations. Resources such as ALEKS, a research based online individualized learning path, as well as a new Geometry Resource will provide teachers and students an improved experience in foundational knowledge that will provide a greater accessibility to higher mathematics. Differentiation in instruction to address all student needs in mathematics will be a strong focus when purchasing resources and supplies.

Computer Science

The budgetary focus for Computer Science is to provide greater accessibility to courses that will provide solid foundational knowledge for further exploration beyond high school in college or career. Currently there are two foundational courses and one entry level college course. Providing our teachers with increased professional development opportunities to explore additional and more current computer science skills and knowledge is a budgetary focus.

Science

The implementation of the New Jersey Student Learning Assessment for Science this year will focus attention in science to align lesson plans, curricula and resources to the expectations of the NJSLs as well as the assessment. The middle school implementation of the IQWST program is a primary budgetary focus. The program allows teachers to truly address the NJSLs in content as well as in engineering practices. Continued professional development as well as providing the necessary resources for a successful implementation solidifies the foundation prior to high school for our students. In high school science, increasing attention to the expectations of the standards through professional development, articulation, curriculum alignment and lesson planning as well as providing consistent maintenance of supplies and equipment will be the focus for all budgetary decisions.

English Language Arts

The English Language Arts/Literacy program continues to focus on progressive instructional methods and on the inclusion of oral and written expressions, detailed aspects of multiple genres, and analysis of varied types of literary and informational texts aligned to the New Jersey Student Learning Standards. Teachers utilize PARCC evidence statements and released items along with data and rubrics to work with students to demonstrate on grade level expectations. Data informed revisions to the district's balanced assessment system will provide teachers with the opportunity to design and implement activities and assessments to generate evidence of student growth and knowledge in creative ways. Further, students are expected to demonstrate application of those concepts and skills throughout the articulated curricula in grades 7-12. The content and skills in each unit build upon one another so all standards are addressed in a coherent and logical way across the grade spans. Specifically, the courses include common vocabulary and grammar instruction, and integrate art, music, media, civics and social studies. The teachers will continue to innovate through digital resources and OER at all levels and are supported by the Media Specialists and Facilitators of Instructional Technology in each building. More work on the curriculum will enhance the courses' ability to incorporate efficiency and organization based technologies. Anticipated revisions for 2019 include further literacy alignment with Social Studies and English Language Arts as well as additional modern novel selections added to multiple courses.

Social Studies

Revisions to the social studies curricula reflect will reflect a more defined model of periodization in history. Data obtained from PARCC evidence and the balanced assessment system informed the revisions in curriculum that places facts and ideas in appropriate frameworks and meaning. Social Studies 7-12 reimagines curriculum to encourage and assess more cognitive sophistication in historical thinking skills such as weighing evidence investigating change over

time, and comparing historical accounts. Course curricula will be modified to provide more opportunities for contextualization, appropriate timelines modern day issues and more current social phenomena. The district social studies program continues to focus on the incorporation of source documents and the shared responsibility of implementing the 2016 New Jersey Student Learning Standards with Language Arts. The curriculum in all social studies courses will continue to sharpen students' use of technology and integration of effective tools for teaching and learning.

Visual and Performing Arts

The district continues to reference the NJDOE adoption of the National Arts Standards from the National Coalition of Core Arts Standards (NCCAS). Lessons and activities have been revised to ensure students are prepared for graduation and to facilitate maximization of opportunities in fine art, music, and theatre beyond graduation. Instructional resources, including material goods and various technologies have been implemented to support student success. Northern Burlington students continue to perform very well in co-curricular competitions, such as New Jersey Drama Forensics League (NJDFL), Teen Arts Festivals, and All State Band and Chorus. We anticipate revised VPA standards from the NJDOE in 2019.

21st Century Life and Careers

Applied Technology, Business, and Agriscience curricula have been improved to incorporate new resources and materials in real world learning activities for students to practice essential life skills in analysis, development, design and problem solving. Courses once covering Agricultural Mechanics are being revised to meet new standards and provide a well-rounded experience in courses titled Agricultural Power, Structural & Technical Systems. Accounting, Marketing, and Entrepreneurship courses continue to increase student participation in the co-curricular activities to include DECA (Distributive Education Clubs of America) and FBLA (Future Business Leaders of America). An on-line version of Personal Economics and Career Planning is being constructed at Northern. Making this course more accessible to our students from off campus allows for more flexibility in student's course scheduling. Web Design and Animation in Web Design are being re-tooled as semester courses to improve access for more students. All Child Development sections are supported by experienced upperclassmen modeling and facilitating instructional strategies while using technology with the preschool aged children. Applied Technology teachers are attending the International Technology and Engineering Educators Association (ITEEA) conference in preparation of revising our introductory problem solving and engineering programs.

Comprehensive Health and Physical Education

During the 2017-2018 school year, the format of all courses was revised to include a quarter of Health and three quarters of Physical Education. All district health and physical education courses measure and monitor students' development of knowledge and skills that influence life-long healthy behaviors within the context of self, family, school, and the local and global community. Students are introduced to, and begin to develop an understanding of national and international public health and safety issues. Other units include wellness, driver's education, first aid/CPR, sex education/Sexually transmitted infections (STIs), teen dating violence, fitness, nutrition, drug/alcohol abuse and family life. Physical fitness is promoted through participation in a variety of athletic games, competitions, and Fitness gram. Team-building skills are strongly emphasized through adventure education (outdoor ropes course and rock climbing) and advanced leadership skills are offered to students in grade 12 through the courses Peer Leadership and Lifetime Information for Everyone (LIFE). Teachers will receive training on the ropes course and rock climbing, and also engage in peer observation for the purpose of learning instructional strategies in other content areas. During the upcoming curriculum revision cycle, Health Grades 7, 8, 9, and 12 will be revised from the semester to quarter format. Adaptive Physical Education, Peer Leadership, and Life will also be updated.

World Languages

The World Language department uses locally developed assessments to measure student progress in the three modes of communication: interpersonal (conversational skills) interpretive (reading and listening comprehension) and presentational (writing and speaking skills). The World Language teachers collaborate on the selection of authentic materials that encourage active learning and support the development of conceptual understanding. World language teachers meet regularly to ensure there is consistency between the same courses taught in both the middle school and high school. Beginning with the 2018-2019 school year, the World Language Department will expand its offerings

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to include an additional AP Course and three honor's courses. The curricula for Honors World Language courses (Chinese Honors IV, French Honors IV, Spanish Honors IV) and AP Chinese Language will be revised this summer with an August 2018 BOE approval date and a September 2018 implementation of curriculums.

Technology

All courses at Northern have integrated Standard 8.1, the use of digital tools, such as Google Classroom and its numerous plug-ins, to access, manage, evaluate, and synthesize information in order to solve problems individually, collaborate, create, and communicate knowledge. Teachers are now actively participating as members of state professional associations and attending professional development seminars that focus on current careers and workplace skills. Applied Technology courses address NJSLS 8.2 and continue learning through the incorporation of additional design, problem solving, and engineering resources.

ECONOMIC CONDITION AND OUTLOOK

The district completed the 2017-2018 fiscal year with an average daily enrollment of 2,200 students which is an increase of 69 students over the previous year's average daily enrollment. The table presents the annual pupil enrollment, as of October 15, for the current and previous nine school years.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2017-2018 | 2,200 | 3.24% |
| 2016-2017 | 2,131 | 2.85% |
| 2015-2016 | 2,072 | -3.54% |
| 2014-2015 | 2,148 | 6.81% |
| 2013-2014 | 2,011 | 0.00% |
| 2012-2013 | 2,011 | 1.26% |
| 2011-2012 | 1,986 | 4.31% |
| 2010-2011 | 1,904 | 3.70% |
| 2009-2010 | 1,836 | 0.77% |
| 2008-2009 | 1,822 | -1.41% |

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

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

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

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

We recognize that the State is in a financial crisis and want to assure our residents that the Northern Burlington County Regional School District is doing its part to maintain a responsible budget. The district's administration

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closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing.

Maintaining our School System

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

Northern Burlington is also working hard to manage aging facilities. In March of 2018 a building referendum for approximately \$39.7 million was approved at the polls. The Board of Education is very appreciative of the support from the community and will now implement a spending plan that reflects the pending renovation and new construction projects outlined in the High School referendum. The FY'19 spending plan maintains the maintenance for these facilities and considers the new revenues that will be available to complete the project.

The Board remains committed to continue its practice of presenting budgets within the tax levy caps. With a history of shortage in State Aid support that simply does not adequately fund this increase in the student population; the Board of Education continues to offer spending plans with modest increases in local property tax increases. For FY'19 NB has been advised that it can anticipate additional state aid. The Board will use this state aid to keep taxes at the 2% cap and maintain programs. Moreover, the Board will now appropriate increased fund balance for debt service to offset tax impact in the FY'19 budget. Furthermore, the Board will anticipate increased Federal Impact Aid appropriations to support the 2018-2019 spending plan. Finally, the Board is planning to complete two facility projects that were not included in the March 2018 referendum. The first is to include two classrooms to the 300 & 400 hall connection outlined in the March 2018 referendum. The second is to construct a training center so that the two classrooms currently being used as a weight room can be repurposed into classrooms. The additional classrooms will allow the administration to scheduled classes in these classrooms while renovations to existing classrooms is underway.

Academic priorities for FY'19 once again find focus in providing equity and equality for all students. The district has strong focus on providing advanced academic programs as well as support programs for at risk students. In September 2017 Northern Burlington introduced its first Air force Junior ROTC program and the FY '19 spending plan supports the growth of this program.

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












Finally, the Board of Education continues to support the administration's efforts to decrease out of district special education placement costs and increase tuition revenue opportunities within the district. It should be noted that when this administration identifies the ability to service students 'in house' these placements are oftentimes challenged by the parents. As a result, increased legal fees are realized and ultimately, the legal decision most often does not support this effort. Instead, the district is forced to pay higher tuition rates and increase services beyond

what the professionals in this district have determined to be quite appropriate for the needs of the child. Until this process is improved, the district's ability to better control these costs will not be realized.

Raising Standards and Expanding Opportunities

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

Academic Priorities include:

-  Mathematics teachers focus deeply on the data now available from state assessments in order to identify both overall trends and drill down to individual student performance to inform instruction.
-  The number of students identified as ready to begin high school coursework in mathematics during middle school continues to increase. The district supports sections for all students who qualify for advancement.
-  The district supports qualified students' access to Gifted and Talented education by increasing the number of sections to meet requests.
-  Counselors are expanding the use of AP Potential as provided by The College Board based on PSAT scores to increase students' access to high level coursework. Subsequently, access to AP Studio Art 2D is increasing to students in Grade 11. Chorale/Women's Chorale are proposed for flexible 3 or 4 credits to pair with days that students have science labs, to increase access to specialized coursework. Sections of AP American Government and Politics, AP Psychology, and Current Issues are being added to provide more students access to specialized college level coursework.
-  The addition of the Air Force Junior Reserve Officer Training Corps (AFJROTC) provides a new avenue to develop students' understanding of aerospace science and develop leadership skills.
-  Elevating course weighting from college prep to honors for Human Anatomy and Physiology and level four world language courses will support the rigor of these courses.
-  The Agriscience department is excited for the opportunity to rethink the mechanics course offerings. The deletion of Diesel Engines and Turf Equipment Maintenance and Equipment Maintenance and Repair will provide a three course sequence, adjust the grade levels, and revise course titles to reflect national standards. This redesign enables us to meet industry demands and provides flexibility.
-  In the Business Department, Web Design and Applications will split from a full year course into two semester courses titled Web Design, and Animation in Web Design. This will provided needed flexibility in semester offerings for students.
-  A district developed online version of Personal Economics and Career Planning will increase avenues for students to obtain credit.
-  The ongoing revision of locally designed benchmark assessments enables teachers in all departments to assess the essential skills and provide students with opportunities to demonstrate their understanding of critical content standards.
-  Instructional technologies such as chrome books, interactive whiteboards, and Google Docs for Education software are sustained and expanded. Teachers are supported in their implementation by peer coaches called Facilitators of Instructional Technology.

Building Professionalism

Each summer the Central Administration coordinates and presents an "Administrative Retreat." This is a carefully crafted professional development program that is designed to build capacity in critical areas of the administrative team. The retreat focus for the summer of 2018 will include a professional development day with Todd Whitaker. Todd is a motivational speaker, educator, and writer who focuses on building the capacity of the administrative team.

It should also be noted that the Northern Burlington County Regional School District administrators and faculty are proud to implement its locally developed teacher assessment and principal assessment tools. Both tools have been approved by the Department of Education. Moreover, the central administration has

been working with the Superintendent to revise the administrative evaluation tool to reflect the more recent *Professional Standards for Educational Leaders*. The tool will be put into practice for FY'19.

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

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

The school district passed a referendum on March 13, 2018 that will fund necessary high school facilities upgrades and renovations. The building project focuses on health, safety and security, core infrastructure, academics, and fiscal responsibility. It will improve the current school climate and bolster academic opportunities for students and staff members, as well as prepare for the future.

The successful bond referendum will connect the old junior high school building to the original high school building creating a closed campus, update 58 year old mechanical systems such as boilers, HVAC, electric, plumbing, etc., provide air conditioning throughout the entire school, replace sections of roofs on each school building and add nine additional classrooms. It is anticipated that the project will go out to bid in the fall 2018 and start construction in January 2019.

With the passing of the March 2018 referendum, the Board is now planning to appropriate capital reserve to initiate two capital projects. The first is to add two classrooms to the 300/400 connecting hallway. The second is to construct a training center to relocate the current center and 'free up' the area for repurposing into two classrooms. This project will add three new classrooms to the High School facility and allow administrators to schedule class instruction in these areas while existing classrooms are being renovated.

Through a comprehensive maintenance plan the district continues to service all major mechanical systems (time clock, bus lock rolling gate, elevators, air compressors, hot water heaters, hot water boiler heating system, fire suppression limited area sprinkler, kitchen fire suppression system, extinguishers, unit heaters and ventilator filter, cleaning and blower motor replacements, generator maintenance, gym equipment servicing and repair, gym floor refinishing, etc.) Service all grease traps and waste water holding tanks. Concrete sidewalk replacement. Parking lot paving and curb stop repairs and replacements. Add additional emergency-generator lighting and emergency circuits. Installation of casework in 5 classrooms (300 hallway). Construction asphalt of cart path connecting middle school and high school athletic fields.

Further, the school district will continue to replace metal halide light fixtures with LED fixtures. Each summer the building and grounds staff continues to paint areas that need restoring. This summer it is anticipated that NB will paint all the gym lockers in the middle school using an electrostatic paint sprayer.

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

The strategic plan for the replacement of analog security cameras and expansion of digital security cameras continues to be supported through the use of federal impact aid funds. The school district will install close to 30 digital security cameras in the middle school; replacing old analog security cameras at the middle school that outlived their useful life.

The Board is very happy to have passed the March 13, 2018 special election and looks forward to improving the safety of the high school campus and updating the soon to be 60 year old high school building. For updates and news on the various capital projects/improvements of the high school please visit www.nbreferendum.com.

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

During the 2018-2019 school year, the Board of Education and its administration will continue to strive for excellence through the maintenance of the strategic plan that will guide instruction, facilities, and technology decision-making for the next five years. This process has included the crossover of the district's strategic planning process from the accreditation for growth (AFG) model to the Excellence By Design (ExBD) model as well as a rethinking of technologies to improve instruction and a reimagining of facilities for the year 2020. The Board and its administration will also be planning for the completion of the additions and renovations to the High School as outlined in the referendum.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

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

OTHER INFORMATION

INDEPENDENT AUDIT

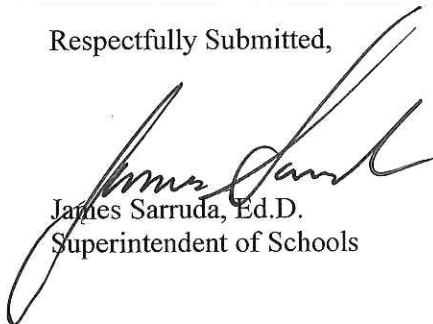
State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed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

AWARDS AND ACKNOWLEDGEMENTS


The Northern Burlington County Regional School District Board of Education has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal fiscal controls are well effective and consistently implemented. The School District plans to continue its sound fiscal management practices to meet the challenges of the future. Correspondingly, we are pleased to report that the School District was awarded the Certificate of Excellence (COE) in Financial Reporting for the fiscal year ended June 30, 2017 from the Association of School Business Officials International (ASBO). For many years, the Association of School Business Officials has offered a Certificate of Excellence in Financial Reporting Program and this program has been the "gold standard" for school districts wanting to demonstrate superior accounting practices and reporting procedures to the communities they serve. Northern Burlington earned this honor.

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,



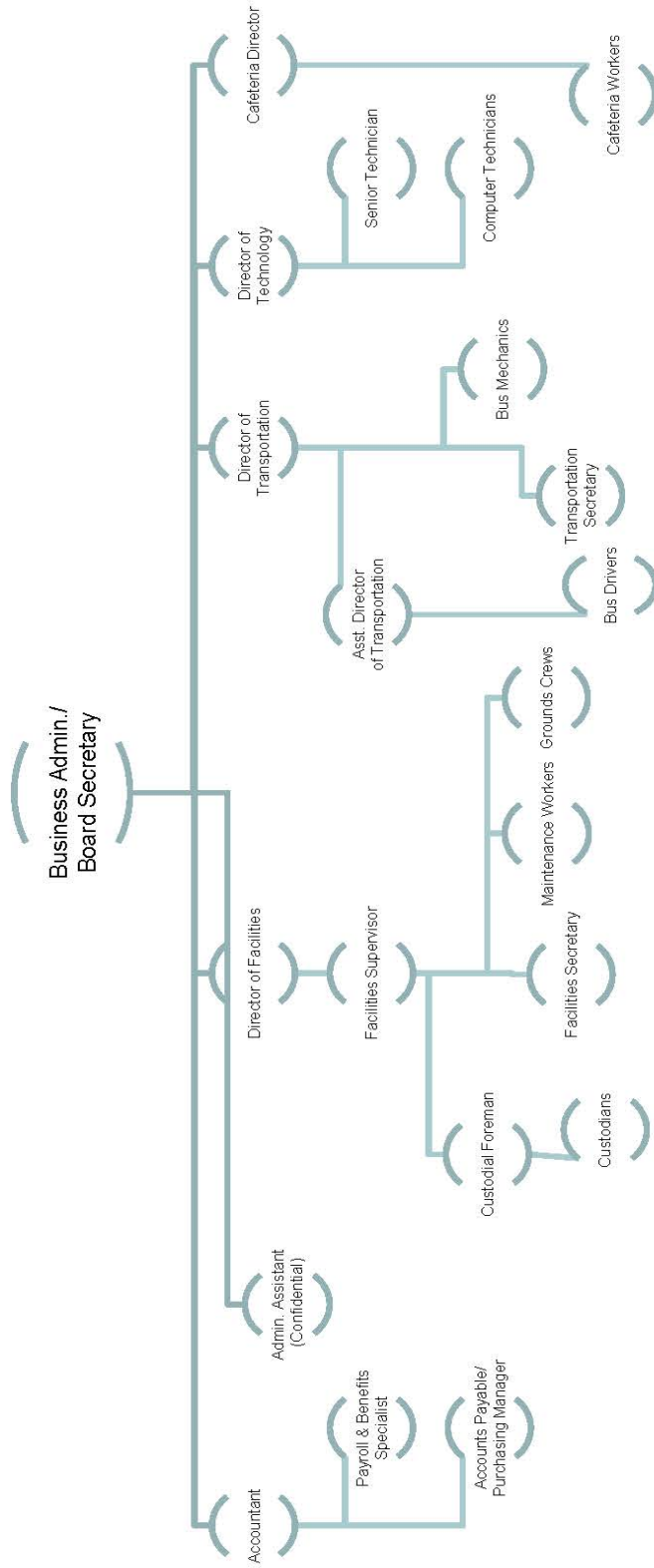
James Sarruda, Ed.D.
Superintendent of Schools



Richard Kaz, Jr.
School Business Administrator/
Board Secretary

Proudly serving the communities of
Chesterfield Township Mansfield Township North Hanover Township Springfield Township

Business Office



**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2018**

Members of the Board of Education

TERM EXPIRES

| | |
|--|------------|
| Kevin Zimmer, President | 12/31/2019 |
| Gerry Spence, Vice President | 12/31/2018 |
| Megan Riffle | 12/31/2019 |
| Marcial Mojena | 12/31/2018 |
| Paul Narwid | 12/31/2018 |
| Matthew Varava | 12/31/2020 |
| Michael Crawford | 12/31/2019 |
| Angela Reading | 12/31/2020 |
| Lt. Col. Timothy Motley, McGuire-Dix-Lakehurst Joint Military Base Liason | |

Other Officials

Dr. James Sarruda, Superintendent of Schools
Richard Kaz, School Business Administrator/Board Secretary
Joseph Monzo, Treasurer of School Monies
Stephen J. Mushinski, Esq., Solicitor

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
COLUMBUS, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2018**

AUDITOR/AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

TD Bank
Lumberton, New Jersey

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FINANCIAL SECTION

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INDEPENDENT AUDITORS REPORT

Honorable President and Members
of the Board of Education
Northern Burlington County Regional School District
County of Burlington
Columbus, NJ 08022

Report on the Financial Statements

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

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 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 February 20, 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 Frenia
Certified Public Accountant
Public School Accountant, # 1011

Medford, New Jersey
February 20, 2019

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The Discussion and Analysis (MD&A) of Northern Burlington County Regional School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2017-2018) and the prior fiscal year (2016-2017) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018 fiscal year are as follows:

-  Northern Burlington formally reserved \$1,396,752.38 of unanticipated Federal Impact Aid and withdrew \$199,800.38 for spending bringing the total reserve to \$8,734,562.86 at fiscal year-end.
-  Northern Burlington formally transferred \$446,836.81 by Board Resolution and additional \$7,605.40 in interest into a capital reserve account to fund future capital projects bringing the total balance in the capital reserve to \$3,369,274.21 at fiscal year-end.
-  The overall General Fund fund balance (budgetary basis) increased \$908,901.87 from the prior fiscal year to \$15,930,310.21 at June 30, 2018.
-  At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$2,029,575.89. Chapter 73, Public Law of 2004 ("S1701") limits the amount of unassigned fund balance to 2% of the adjusted general fund expenditures plus certain allowable adjustments. Total general fund expenditures were \$35,555,446.43 (less on-behalf TPAF and capital lease expenditures) and the allowable adjustments totaled \$1,320,182.
-  The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$791,336.89. The difference between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$1,238,239 which was recognized as revenue on a budgetary basis but not on a GAAP basis.
-  The School District's Transportation Program and Food Service Fund each increased their net position in the amount of \$61,498.46 and \$76,709.62 respectively.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

This document contains the large number of funds used by the School District to provide programs and activities. The view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2018?” The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting takes into account all of the current year’s revenues and expenditures, regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Governmental Funds

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

Proprietary Funds

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

Fiduciary funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The School District as a Whole (continued)

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

Table 1 provides a summary of the School District's net position for fiscal year 2018 compared to fiscal year 2017.

**Table 1
Summary of Net Position**

| | June 30, <u>2018</u> | June 30, <u>2017</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|----------------------------------|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Current & Other Assets | 16,360,393.73 | 16,040,964.00 | 319,429.73 | 2.0% |
| Capital Assets, Net | 34,270,476.67 | 34,481,182.00 | (210,705.33) | -0.6% |
| Total Assets | 50,630,870.40 | 50,522,146.00 | 108,724.40 | 0.2% |
| Deferred Outflow of Resources | 4,291,815.80 | 4,679,537.00 | (387,721.20) | -8.3% |
| Current and other Liabilities | 801,666.80 | 784,249.00 | 17,417.80 | 2.2% |
| Noncurrent Liabilities | 28,902,880.49 | 31,706,738.00 | (2,803,857.51) | -8.8% |
| Total Liabilities | 29,704,547.29 | 32,490,987.00 | (2,786,439.71) | -8.6% |
| Deferred Inflow of Resources | 2,916,961.00 | 696,867.00 | 2,220,094.00 | 318.6% |
| Net Position: | | | | |
| Net Investment in Capital Assets | 21,386,037.98 | 20,268,183.00 | 1,117,854.98 | 5.5% |
| Restricted | 3,633,105.97 | 3,551,380.00 | 81,725.97 | 2.3% |
| Unrestricted (Deficit) | (2,717,966.04) | (1,805,734.00) | (912,232.04) | 50.5% |
| Total Net Position | 22,301,177.91 | 22,013,829.00 | 287,348.91 | 1.3% |

The School District's combined net position was \$22,289,700.35 on June 30, 2018. This was an increase of \$275,871 or 1.25% from the prior year. Below are explanations for the large fluctuations from prior to current year:

- The District's largest component of net position is the \$21,386,038 of net investment in capital assets. The increase of 5.5% is primarily due to the pay down of debt related to capital assets in the amount of \$975,000.
- The decrease in noncurrent liabilities is primarily due to the net decrease of \$2,189,063 in net pension liability.
- Deferred Outflows decreased 8.30%, primarily due to the decrease in deferred outflows related to pensions related to GASB 68.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The School District as a Whole (continued)

Table 2 provides a summary of the School District's changes in net position for fiscal year 2018 compared to fiscal year 2017.

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

| | June 30, <u>2018</u> | June 30, <u>2017</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|--|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | 1,824,223.18 | 1,735,954.00 | 88,269.18 | 5.1% |
| Operating Grants & Contributions | 6,442,731.55 | 4,336,278.00 | 2,106,453.55 | 52.9% |
| General Revenues: | | | | |
| Property Taxes | 21,868,631.00 | 21,893,615.00 | (24,984.00) | -0.1% |
| Federal & State Aid | 15,506,597.97 | 15,791,291.00 | (284,693.03) | -1.8% |
| Other General Revenues | 489,069.64 | 501,085.00 | (12,015.36) | -2.4% |
| Special Items: | | | | |
| Gain/(Loss) on Fixed Asset Appraisal | - | 115,897.00 | (115,897.00) | 100.0% |
| Total Revenues | 46,316,853.50 | 44,374,120.00 | 1,942,733.50 | 4.4% |
| Function/Program Expenditures: | | | | |
| Regular Instruction | 17,623,129.81 | 15,609,532.00 | 2,013,597.81 | 12.9% |
| Special Education Instruction | 2,991,930.74 | 3,156,549.00 | (164,618.26) | -5.2% |
| Other Instruction | 2,721,998.49 | 2,314,690.00 | 407,308.49 | 17.6% |
| Tuition | 2,674,130.21 | 2,467,936.00 | 206,194.21 | 8.4% |
| Student & Instruction Related Services | 7,035,091.31 | 5,118,253.00 | 1,916,838.31 | 37.5% |
| General Administrative | 1,078,486.18 | 1,883,179.00 | (804,692.82) | -42.7% |
| School Administrative Services | 1,845,331.63 | 1,408,038.00 | 437,293.63 | 31.1% |
| Central Services | 774,983.60 | 611,997.00 | 162,986.60 | 26.6% |
| Administrative Info. Technology | 93,557.51 | 74,448.00 | 19,109.51 | 25.7% |
| Plant Operations & Maintenance | 4,592,177.90 | 3,892,840.00 | 699,337.90 | 18.0% |
| Pupil Transportation | 3,670,562.01 | 3,041,971.00 | 628,591.01 | 20.7% |
| Interest & Other Charges | 700,971.64 | 791,183.00 | (90,211.36) | -11.4% |
| Food Service | 798,384.57 | 784,501.00 | 13,883.57 | 1.8% |
| Regional Transportation | 686,738.69 | 702,410.00 | (15,671.31) | -2.2% |
| Adult Schools | 111,294.37 | 60,351.00 | 50,943.37 | 84.4% |
| Technology | 299,689.27 | 245,868.00 | 53,821.27 | 21.9% |
| Total Expenditures | 46,029,504.59 | 42,163,746.00 | 5,534,711.93 | 13.1% |
| | | | | |
| Change In Net Position | 287,348.91 | 2,210,374.00 | (3,591,978.43) | -162.5% |
| Net Position - Beginning | 22,013,829.00 | 19,803,455.00 | 2,210,374.00 | 11.2% |
| Net Position - Ending | 22,301,177.91 | 22,013,829.00 | (1,381,604.43) | -6.3% |

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The School District as a Whole (continued)

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

- The School District’s regular and instruction increased by \$2,013,597.81. The primary reason for the increase is due to the always increasing TPAF salaries and wages, health benefit costs, and on-behalf benefits for teachers.
- The School District’s student and instruction related services increased by \$1,916,838.31. from the prior year. The primary reason for the increase was due to the increase of salaries and additional professional services related to social worker services
- The School District’s tuition increased \$206,194.21 from the prior fiscal year. The primary reason was due to the increase in tuition rates from the prior fiscal year.

Financial Analysis of the Government’s Funds

All governmental funds (i.e., general fund, special revenue fund, capital project fund and debt service fund) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$42,511,851.16 and expenditures were \$42,616,799.71. The net change in fund balance for the year was an increase of \$160,051.45 As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Table 3 provides a summary of the governmental funds revenues for fiscal year 2018 compared to fiscal year 2017.

**Table 3
Summary of Governmental Funds Revenues**

| | <u>June 30,</u> <u>2018</u> | <u>June 30,</u> <u>2017</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|-----------------|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Local sources: | | | | |
| Local Tax Levy | 21,868,631.00 | 21,893,615.00 | (24,984.00) | -0.1% |
| Tuition | 95,617.73 | 138,365.00 | (42,747.27) | -30.9% |
| Transportation | 124,653.37 | 146,470.00 | (21,816.63) | -14.9% |
| Miscellaneous | 271,761.25 | 225,733.00 | 46,028.25 | 20.4% |
| Federal Sources | 3,045,750.43 | 2,976,372.00 | 69,378.43 | 2.3% |
| State Sources | 17,105,437.38 | 16,949,537.00 | (155,900.38) | -0.9% |
| Total Revenues | <u>42,511,851.16</u> | <u>42,330,092.00</u> | <u>(130,041.60)</u> | -0.3% |

Revenues decreased by \$130,041.60 or -0.3% over the prior year. Below are explanations for the large fluctuations from prior to current year:

- The tax levy decrease \$24,984 or -0.1% from the prior year was based on the tax rates struck by the townships.
- The decrease in tuition is related to two less students received by the District during fiscal year 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Analysis of the Government's Funds (continued)

Table 4 is summary of governmental fund expenditures for fiscal year 2018 compared to fiscal year 2017.

**Table 4
Summary of Governmental Funds Expenditures**

| | June 30, <u>2018</u> | June 30, <u>2017</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|--|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Instruction: | | | | |
| Regular Instruction | 17,623,129.81 | 9,573,928.00 | 8,074,377.75 | 8.43% |
| Special Education Instruction | 2,991,930.74 | 2,066,403.00 | (119,556.83) | -5.79% |
| Other Instruction | 2,721,998.49 | 1,669,641.00 | 1,015,560.54 | 6.08% |
| Support Services and Undistributed | | | | |
| Costs: | | | | |
| Tuition | 2,674,130.21 | 2,328,426.00 | 345,704.21 | 14.85% |
| Student & Instruction Related Services | 7,035,091.31 | 4,182,828.00 | 2,852,263.31 | 68.19% |
| General Administrative Services | 1,078,486.18 | 601,135.00 | 477,351.18 | 79.41% |
| School Administrative Services | 1,845,331.63 | 1,125,354.00 | 719,977.63 | 63.98% |
| Central Services | 774,983.60 | 472,884.00 | 302,099.60 | 63.88% |
| Administrative Info. Technology | 93,557.51 | 58,139.00 | 35,418.51 | 60.92% |
| Plant Operations and Maintenance | 4,592,177.90 | 2,995,136.00 | 1,597,041.90 | 53.32% |
| Pupil Transportation | 3,670,562.01 | 2,074,314.00 | 1,596,248.01 | 76.95% |
| Interest & Other Charges | 700,971.64 | - | 700,971.64 | 100% |
| Employee Benefits | - | 9,698,743.00 | (9,698,743.00) | -100.00% |
| Capital Outlay | - | 2,430,778.00 | (2,430,778.00) | -100.00% |
| Debt Service | - | 3,543,802.00 | (3,543,802.00) | -100.00% |
| Total Expenditures | <u>45,802,351.03</u> | <u>42,821,511.00</u> | <u>(898,303.97)</u> | -2.10% |

Governmental fund expenditures decreased \$898,303.97 over the prior year or -2.10%. Below are explanations for the large fluctuations from prior to current year:

- This decrease in capital outlay is primarily attributed to the capital outlay expenditure in the amount of \$2,200,000.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

General Fund Budgeting Highlights

Final budgeted revenues was \$34,352,692, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded estimated revenues by \$2,158,381.31.

Final budgeted appropriations was \$37,693,016.34, which was an increase of \$17,406.89 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$2,137,569.91.

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$17,168,549.21 at June 30, 2018, an increase of \$955,563.88 from the prior year.

Proprietary Funds

Table 5 is summary of combined proprietary fund revenues and expenses for fiscal year 2018 compared to fiscal year 2017.

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

| | June 30, <u>2018</u> | June 30, <u>2017</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|--|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Operating Revenues: | | | | |
| Charges for service: | | | | |
| Daily Sales - Reimbursable Programs | \$ 279,302.66 | \$ 294,037.00 | \$ (14,734.34) | -5.01% |
| Daily Sales - Nonreimbursable Programs | 387,826.81 | 301,483.00 | 86,343.81 | 28.64% |
| Transportation Fees | 743,737.15 | 780,772.00 | (37,034.85) | -4.74% |
| Other Fees | 413,356.56 | 359,662.00 | 53,694.56 | 14.93% |
| Total Operating Revenues | <u>1,824,223.18</u> | <u>1,735,954.00</u> | 88,269.18 | 5.08% |
| Operating Expenses | <u>1,896,106.90</u> | <u>1,793,130.00</u> | 102,976.90 | 5.74% |
| Operating Income/(Loss) | <u>(71,883.72)</u> | <u>(57,176.00)</u> | (14,707.72) | 25.72% |
| Nonoperating Revenues/(Expenses) | <u>185,600.16</u> | <u>28,567.00</u> | 157,033.16 | 549.70% |
| Change in Net Position | 113,716.44 | (28,609.00) | 142,325.44 | -497.48% |
| Net Position - Beginning | <u>531,027.00</u> | <u>559,636.00</u> | (28,609.00) | -5.11% |
| Net Position - Ending | <u>\$ 644,743.44</u> | <u>\$ 531,027.00</u> | \$ 113,716.44 | 21.41% |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Proprietary Funds (continued)

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

The Food Service Enterprise Fund's net position increased by \$65,232.06 to \$300,910.06. In fiscal year 2017 the net position of the food service fund increased by \$2,135. The food services program continues to be self-sustaining.

The Regional Transportation Enterprise Fund's net position increased by \$61,498.46 to \$140,502.46. In fiscal year 2017, the net position of the transportation service fund decreased by \$84,169.

The Adult School Fund' net position decreased by \$15,702.37 to \$161,389.63.

The Technology Fund's net position decreased by \$8,789.27 to \$30,463.73.

Capital Assets

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

**Table 6
Summary of Capital Assets**

| <u>Capital Assest (Net of Depreciator</u> | <u>June 30,</u> <u>2018</u> | <u>June 30,</u> <u>2017</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|---|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Land | \$ 640,900.00 | \$ 640,900.00 | \$ - | 0.0% |
| Construction in Progress | 1,062,520.00 | - | 1,062,520.00 | 100.0% |
| Land Improvements | 4,016,432.73 | 4,378,848.00 | (362,415.27) | -8.3% |
| Building and Improvements | 26,928,137.68 | 27,783,542.00 | (855,404.32) | -3.1% |
| Equipment | 1,622,486.26 | 1,677,892.00 | (55,405.74) | -3.3% |
| | <u>\$ 34,270,476.67</u> | <u>\$ 34,481,182.00</u> | <u>\$ (210,705.33)</u> | -0.6% |

Combined depreciation expense for the year was \$1,627,526.88. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Debt Administration

At the end of the current fiscal year, the School District had total bonded debt outstanding of \$10,545,000 which is a decrease of \$975,000 from the prior year. Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

The other largest component of the School District's long-term debt is the net pension liability related to PERS. During fiscal year 2018 the net pension liability decreased \$2,189,063 to \$11,929,741. The \$11,929,741 is the net pension liability as of the June 30, 2018 measurement date. More information on Pensions can be found in Note 8 of this report.

At December 31, 2017, the School District's overall legal debt limit was \$85,935,856.84. The School District's net debt applicable to the limit was \$10,545,000.00 or 10.93% of the debt limit. More information can be found in the Statistical Section of this report (J-13).

For the Future

The Northern Burlington County Regional School District's Board of Education and its administration continue to implement financial strategies that establish and maintain a responsible fiscal position. Together, the Board of Education and its administration have developed a spending plan as outlined in the approved 2018-2019 budget that will not only support the continued success and growth of all the academic programs but also provide for the necessary resources to raise student performance standards and insure the continued success of all students.

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

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

For the Future (continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

District renewed its' shared services agreement with the Mansfield Township Police Department for vehicle maintenance of their police vehicles. Further, the District maintains its shared service agreements with Hainesport Township Elementary School District for Technology services.

Also, the school district upgraded its infrastructure by rewiring the entire high school for digital security cameras. The district continues to upgrade the wiring in the middle school for digital security cameras. Fifteen digital security cameras were installed. While it appears the Fiscal Year 2019 budget cannot afford any capital improvements the Board of Education is desirous of upgrading security cameras on the school campus and expanding coverage. A strategic plan for the replacement of analog security cameras and expansion of digital security cameras has been developed.

After a failed \$65 million referendum in September of 2015, the Northern Burlington Board of Education will present a special referendum to its community during Fiscal Year 2019, with the intent of addressing the critical facility needs in the high school. This is a \$39.76 million project that will provide renovations to the core facilities including HVAC, electrical, and roofing upgrades. New instructional spaces will include a media center and an expanded cafeteria. In addition, renovated applied technology labs, science labs, and agriscience classrooms will complete the project.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|--|------------------------------------|-------------------------------------|------------------|
| ASSETS: | | | |
| Cash & Cash Equivalents | \$ 12,527,712.98 | \$ 421,994.92 | \$ 12,949,707.90 |
| Receivables, Net (Note 4) | 346,113.41 | 102,003.31 | 448,116.72 |
| Inventory | - | 18,634.09 | 18,634.09 |
| Restricted Cash & Cash Equivalents | 2,943,935.02 | - | 2,943,935.02 |
| Capital Assets, Net (Note 5) | | | |
| Non-Depreciable | 1,703,420.00 | - | 1,703,420.00 |
| Depreciable | 32,462,378.97 | 104,677.70 | 32,567,056.67 |
| Total Assets | 49,983,560.38 | 647,310.02 | 50,630,870.40 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Related to Pensions (Note 8) | 4,070,907.00 | - | 4,070,907.00 |
| Related to Loss on Debt Refunding | 220,908.80 | - | 220,908.80 |
| Total Deferred Outflow of Resources | 4,291,815.80 | - | 4,291,815.80 |
| LIABILITIES: | | | |
| Accounts Payable | 138,425.41 | - | 138,425.41 |
| Due to Other Governments | 505,060.03 | - | 505,060.03 |
| Unearned Revenue | 11,563.74 | 2,566.58 | 14,130.32 |
| Accrued Interest | 144,051.04 | - | 144,051.04 |
| Noncurrent Liabilities (Note 7): | | | |
| Due Within One Year | 1,527,615.51 | - | 1,527,615.51 |
| Due in More Than One Year | 27,375,264.98 | - | 27,375,264.98 |
| Total Liabilities | 29,701,980.71 | 2,566.58 | 29,704,547.29 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Related to Pensions (Note 8) | 2,916,961.00 | - | 2,916,961.00 |
| Total Deferred Inflow of Resources | 2,916,961.00 | - | 2,916,961.00 |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 21,281,360.28 | 104,677.70 | 21,386,037.98 |
| Restricted for: | | | |
| Capital Projects | 3,093,037.88 | - | 3,093,037.88 |
| Debt Service | 2.35 | - | 2.35 |
| Unrestricted (Deficit) | (2,717,966.04) | 540,065.74 | (2,177,900.30) |
| Total Net Position | \$ 21,656,434.47 | \$ 644,743.44 | \$ 22,301,177.91 |

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | | |
|---|------------------|----------------------|----------------------------------|---|-------------------------|--------------------------|--------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | CAPITAL GRANTS & CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular Instruction | \$ 17,623,129.81 | \$ - | \$ 4,263,129.25 | \$ - | \$ (13,360,000.56) | \$ - | \$ (13,360,000.56) |
| Special Education Instruction | 2,991,930.74 | - | 718,781.24 | - | (2,586,132.93) | - | (2,586,132.93) |
| Other Instruction | 2,721,998.49 | - | 653,932.73 | - | (2,352,811.79) | - | (2,352,811.79) |
| Support Services: | | | | | | | |
| Tuition | 2,674,130.21 | - | 642,433 | - | (2,311,435.92) | - | (2,311,435.92) |
| Student & Instruction Related Services | 7,035,091.31 | - | 1,791,325.43 | - | (5,979,701.03) | - | (5,979,701.03) |
| General Administrative | 1,078,486.18 | - | 259,095 | - | (932,210.29) | - | (932,210.29) |
| School Administrative Services | 1,845,331.63 | - | 443,322 | - | (1,595,047.92) | - | (1,595,047.92) |
| Central Services | 774,983.60 | - | 186,182 | - | (669,871.99) | - | (669,871.99) |
| Administrative Info. Technology | 93,557.51 | - | 22,476 | - | (80,868.23) | - | (80,868.23) |
| Plant Operations & Maintenance | 4,592,177.90 | - | 1,139,437 | - | (3,948,892.88) | - | (3,948,892.88) |
| Pupil Transportation | 3,670,562.01 | - | 881,816 | - | (3,172,720.93) | - | (3,172,720.93) |
| Interest & Other Charges | 700,971.64 | - | - | - | (700,971.64) | - | (700,971.64) |
| Total Governmental Activities | 45,802,351.05 | - | 6,442,731.55 | - | (37,690,666.14) | - | (37,690,666.14) |
| Business-Type Activities: | | | | | | | |
| Food Service | 798,384.57 | 689,494.03 | 185,600.16 | - | - | 76,709.62 | 76,709.62 |
| Regional Transportation | 686,738.69 | 748,237.15 | - | - | - | 61,498.46 | 61,498.46 |
| Adult School | 111,294.37 | 95,592.00 | - | - | - | (15,702.37) | (15,702.37) |
| Technology | 299,689.27 | 290,900.00 | - | - | - | (8,789.27) | (8,789.27) |
| Total Business-Type Activities | 1,896,106.90 | 1,824,223.18 | 185,600.16 | - | - | 113,716.44 | 113,716.44 |
| Total Primary Government | \$ 46,029,504.59 | \$ 1,824,223.18 | \$ 6,628,331.71 | \$ - | (37,690,666.14) | 113,716.44 | (37,576,949.70) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 20,561,877.00 | - | 20,561,877.00 |
| Property Taxes, Levied for Debt Service | | | | | 1,306,754.00 | - | 1,306,754.00 |
| Federal & State Aid Restricted | | | | | 93,196.31 | - | 93,196.31 |
| Federal & State Aid Not Restricted | | | | | 15,413,401.66 | - | 15,413,401.66 |
| Tuition Charges | | | | | 95,617.73 | - | 95,617.73 |
| Transportation Charges | | | | | 124,653.37 | - | 124,653.37 |
| Miscellaneous | | | | | 268,798.54 | - | 268,798.54 |
| Total General Revenues | | | | | 37,864,298.61 | - | 37,864,298.61 |
| Change In Net Position | | | | | 173,632.47 | 113,716.44 | 287,348.91 |
| Net Position - Beginning | | | | | 21,482,802.00 | 531,027.00 | 22,013,829.00 |
| Net Position - Ending | | | | | \$ 21,656,434.47 | \$ 644,743.44 | \$ 22,301,177.91 |

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

B. Fund Financial Statements

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Governmental Funds

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

| | MAJOR FUNDS | | | | TOTAL GOVERNMENTAL FUNDS |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | |
| ASSETS | | | | | |
| Cash & Cash Equivalents | \$ 12,204,005.01 | \$ - | \$ 372,613.96 | \$ 2.35 | \$ 12,576,621.32 |
| Receivables, Net: | | | | | |
| Interfund Receivable | 640,059.50 | - | - | - | 640,059.50 |
| Due from Other Governments: | | | | | |
| Federal | - | 74,304.67 | - | - | 74,304.67 |
| State | 245,182.00 | - | - | - | 245,182.00 |
| Other | 25,321.74 | - | - | - | 25,321.74 |
| Other Accounts Receivable | 1,305.00 | - | - | - | 1,305.00 |
| Other Current Assets | - | - | - | - | - |
| Restricted Cash & Cash Equivalents | 2,943,935.02 | - | - | - | 2,943,935.02 |
| Total Assets | \$ 16,059,808.27 | \$ 74,304.67 | \$ 372,613.96 | \$ 2.35 | \$ 16,506,729.25 |
| LIABILITIES & FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | \$ - | \$ 48,908.34 | \$ - | \$ - | \$ 48,908.34 |
| Accounts Payable | 129,498.06 | 136.56 | 8,790.79 | - | 138,425.41 |
| Intergovernmental Payable: | | | | | |
| State | - | 13,696.03 | - | - | 13,696.03 |
| Interfund Payable | - | - | 640,059.50 | - | 640,059.50 |
| Unearned Revenue | - | 11,563.74 | - | - | 11,563.74 |
| Total Liabilities | 129,498.06 | 74,304.67 | 648,850.29 | - | 852,653.02 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve | 3,369,274.21 | - | - | - | 3,369,274.21 |
| Capital Projects | - | - | (276,236.33) | - | (276,236.33) |
| Debt Service | - | - | - | 2.35 | 2.35 |
| Committed to: | | | | | |
| Reserve for Impact Aid | 8,734,562.86 | - | - | - | 8,734,562.86 |
| Reserve for Legal Remediation | 395,500.00 | - | - | - | 395,500.00 |
| Assigned to: | | | | | |
| Designated for | | | | | |
| Subsequent Year | 1,616,596.00 | - | - | - | 1,616,596.00 |
| Other Purposes | 1,023,040.25 | - | - | - | 1,023,040.25 |
| Unassigned | 791,336.89 | - | - | - | 791,336.89 |
| Total Fund Balances | 15,930,310.21 | - | (276,236.33) | 2.35 | 15,654,076.23 |
| Total Liabilities & Fund Balances | \$ 16,059,808.27 | \$ 74,304.67 | \$ 372,613.96 | \$ 2.35 | |
| Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$58,552,172.85 and the accumulated depreciation is \$24,386,373.88. 34,165,798.97 | | | | | |
| Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds. | | | | | |
| Deferred Outflows Related to Pensions 4,070,907.00 | | | | | |
| Deferred Inflows Related to Pensions (2,916,961.00) | | | | | |
| Deferred Outflow Related to the Loss on Bond Refunding of Debt 220,908.80 | | | | | |
| Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (144,051.04) | | | | | |
| Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in due to other governments in the government-wide statement of net position. (491,364.00) | | | | | |
| Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (28,902,880.49) | | | | | |
| Net Position of Governmental Activities | | | | | <u>\$ 21,656,434.47</u> |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2018**

| | MAJOR FUNDS | | | | TOTAL GOVERNMENTAL FUNDS |
|---|------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 20,561,877.00 | \$ - | \$ - | \$ 1,306,754.00 | \$ 21,868,631.00 |
| Tuition Charges | 95,617.73 | - | - | - | 95,617.73 |
| Transportation Charges | 124,653.37 | - | - | - | 124,653.37 |
| Miscellaneous | 268,798.54 | 2,962.71 | - | - | 271,761.25 |
| Total Local Sources | 21,050,946.64 | 2,962.71 | - | 1,306,754.00 | 22,360,663.35 |
| State Sources | 17,028,763.99 | 21,124.39 | - | 55,549.00 | 17,105,437.38 |
| Federal Sources | 2,500,675.67 | 545,074.76 | - | - | 3,045,750.43 |
| Total Revenues | 40,580,386.30 | 569,161.86 | - | 1,362,303.00 | 42,511,851.16 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular Instruction | 9,951,066.77 | 430,298.98 | - | - | 10,381,365.75 |
| Special Education Instruction | 1,946,846.17 | - | - | - | 1,946,846.17 |
| Other Instruction | 1,771,201.54 | - | - | - | 1,771,201.54 |
| Support Services: | | | | | |
| Tuition | 1,740,053.70 | - | - | - | 1,740,053.70 |
| Attendance & Social Work Services | 255,068.41 | - | - | - | 255,068.41 |
| Health Services | 438,524.27 | - | - | - | 438,524.27 |
| Student & Instruction Related Services | 3,782,918.23 | 101,215.57 | - | - | 3,884,133.80 |
| General Administrative | 701,769.82 | - | - | - | 701,769.82 |
| School Administrative Services | 1,200,755.34 | - | - | - | 1,200,755.34 |
| Central Services | 504,281.01 | - | - | - | 504,281.01 |
| Administrative Information Technology | 60,877.77 | - | - | - | 60,877.77 |
| Plant Operations & Maintenance | 3,086,209.31 | - | - | - | 3,086,209.31 |
| Pupil Transportation | 2,388,430.82 | - | - | - | 2,388,430.82 |
| Employee Benefits | 6,535,778.40 | - | - | - | 6,535,778.40 |
| On Behalf TPAF Pension and Social Security Contributions | 4,116,038.00 | - | - | - | 4,116,038.00 |
| Capital Outlay | 888,585.25 | 37,647.31 | 648,850.29 | - | 1,575,082.85 |
| Debt Service: | | | | | |
| Principal | 428,766.62 | - | - | 975,000.00 | 1,403,766.62 |
| Interest & Other Charges | 139,313.00 | - | - | 487,303.13 | 626,616.13 |
| Total Expenditures | 39,936,484.43 | 569,161.86 | 648,850.29 | 1,462,303.13 | 42,616,799.71 |
| Excess/(Deficiency) of Revenues Over Expenditures | 643,901.87 | - | (648,850.29) | (100,000.13) | (104,948.55) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | - | - | - | 100,000.00 | 100,000.00 |
| Transfers Out | - | - | (100,000.00) | - | (100,000.00) |
| Capital Lease (Non-Budgeted) | 265,000.00 | - | - | - | 265,000.00 |
| Total Other Financing Sources (Uses) | 265,000.00 | - | (100,000.00) | 100,000.00 | 265,000.00 |
| Net Changes in Fund Balances | 908,901.87 | - | (748,850.29) | (0.13) | 160,051.45 |
| Fund Balance, July 1 | 15,021,408.34 | - | 472,613.96 | 2.48 | 15,494,024.78 |
| Fund Balance, June 30 | \$ 15,930,310.21 | \$ - | \$ (276,236.33) | \$ 2.35 | \$ 15,654,076.23 |

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

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

| | | |
|---|---|----------------------|
| Total Net Changes in Fund Balances - Governmental Funds (B-2) | | \$ 160,051.45 |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period. | | |
| | Depreciation Expense | (1,627,526.88) |
| | Retirement of Fully Depreciated Capital Asset | 667,384.00 |
| | Capital Outlays | 1,435,769.85 |
| | Retirement of Fully Depreciated Capital Asset | <u>(667,384.00)</u> |
| | | (191,757.03) |
| Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. | | |
| | | (418,363.44) |
| Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | | |
| | | 1,554,503.00 |
| Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. | | |
| | Capital Lease Proceeds | <u>(265,000.00)</u> |
| | | (265,000.00) |
| Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows: | | |
| | Amortization of Premium on Bonds | 56,050.51 |
| | Amortization of Loss on Bond Refunding | <u>(16,992.98)</u> |
| | | 39,057.53 |
| Repayment of annual other postemployment benefits is an expenditure in the governmental funds, but the repayment of benefits decreases long-term liabilities in the statement of net position and is not reported in the statement of activities. | | |
| | | (630,118.00) |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). | | |
| | | 25,899.96 |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | | |
| | | <u>(100,641.00)</u> |
| Change in Net Position of Governmental Activities | | <u>\$ 173,632.47</u> |

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Proprietary Funds

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

| | MAJOR FUNDS | | | | | |
|----------------------------------|--|--|-------------------------|----------------------------|---------------|--|
| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | | |
| | FOOD SERVICE FUND | REGIONAL TRANSPORTATION PROGRAM | ADULT SCHOOL | TECHNOLOGY FUND | TOTALS | |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash & Cash Equivalents | \$ 200,690.05 | \$ 68,207.51 | 146,143.63 | \$ 6,953.73 | \$ 421,994.92 | |
| Accounts Receivable: | | | | | | |
| Federal | 5,892.83 | - | - | - | 5,892.83 | |
| State | 305.53 | - | - | - | 305.53 | |
| Other Receivables | - | 72,294.95 | - | 23,510.00 | 95,804.95 | |
| Inventories | 18,634.09 | - | - | - | 18,634.09 | |
| Total Current Assets | 225,522.50 | 140,502.46 | 146,143.63 | 30,463.73 | 542,632.32 | |
| Noncurrent Assets: | | | | | | |
| Capital Assets | 460,239.95 | - | 15,246.00 | - | 475,485.95 | |
| Less: Accumulated Depreciation | (370,808.25) | - | - | - | (370,808.25) | |
| Total Capital Assets, Net | 89,431.70 | - | 15,246.00 | - | 104,677.70 | |
| Total Noncurrent Assets | 89,431.70 | - | 15,246.00 | - | 104,677.70 | |
| Total Assets | 314,954.20 | 140,502.46 | 161,389.63 | 30,463.73 | 647,310.02 | |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Unearned Revenue | 2,566.58 | - | - | - | 2,566.58 | |
| Total Current Liabilities | 2,566.58 | - | - | - | 2,566.58 | |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 89,431.70 | - | 15,246.00 | - | 104,677.70 | |
| Unrestricted | 222,955.92 | 140,502.46 | 146,143.63 | 30,463.73 | 540,065.74 | |
| Total Net Position | \$ 312,387.62 | \$ 140,502.46 | \$ 161,389.63 | \$ 30,463.73 | \$ 644,743.44 | |

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2018**

| | MAJOR FUNDS | | | | |
|---|--|--|-------------------------|----------------------------|----------------------|
| | BUSINESS-TYPE | | | | |
| | ACTIVITIES - ENTERPRISE FUNDS | | | | |
| | FOOD SERVICE FUND | REGIONAL TRANSPORTATION PROGRAM | ADULT SCHOOL | TECHNOLOGY FUND | TOTALS |
| Operating Revenues: | | | | | |
| Charges for Services: | | | | | |
| Daily Sales - Reimbursable Programs | \$ 279,302.66 | \$ - | \$ - | \$ - | \$ 279,302.66 |
| Daily Sales - Non-Reimbursable Programs | 387,826.81 | - | - | - | 387,826.81 |
| Special Functions | 9,819.19 | - | - | - | 9,819.19 |
| Miscellaneous | 12,545.37 | - | - | - | 12,545.37 |
| Transportation Fees | - | 743,737.15 | - | - | 743,737.15 |
| Other Fees | - | 4,500.00 | 95,592.00 | 290,900.00 | 390,992.00 |
| Total Operating Revenues | 689,494.03 | 748,237.15 | 95,592.00 | 290,900.00 | 1,824,223.18 |
| Operating Expenses: | | | | | |
| Cost of Sales - Reimbursable Programs | 200,650.77 | - | - | - | 200,650.77 |
| Cost of Sales - Non-Reimbursable Programs | 140,430.00 | - | - | - | 140,430.00 |
| Salaries | 294,152.94 | 244,022.31 | 71,323.57 | 178,945.30 | 788,444.12 |
| Employee Benefits | 9,313.79 | 133,343.21 | - | 76,994.25 | 219,651.25 |
| Supplies and Materials | 33,634.81 | 82,037.62 | 1,004.69 | - | 116,677.12 |
| Depreciation | 22,724.23 | - | - | - | 22,724.23 |
| Management and Administrative Fees | 50,366.98 | - | - | - | 50,366.98 |
| Contracted Services | - | 217,930.05 | - | - | 217,930.05 |
| Repairs and Maintenance | 15,643.62 | - | - | - | 15,643.62 |
| Other | 31,467.43 | 9,405.50 | 38,966.11 | 43,749.72 | 123,588.76 |
| Total Operating Expenses | 798,384.57 | 686,738.69 | 111,294.37 | 299,689.27 | 1,896,106.90 |
| Operating Income/(Loss) | (108,890.54) | 61,498.46 | (15,702.37) | (8,789.27) | (71,883.72) |
| Nonoperating Revenues (Expenses): | | | | | |
| State Sources: | | | | | |
| State School Lunch Program | 7,171.08 | - | - | - | 7,171.08 |
| Federal Sources: | | | | | |
| National School Lunch Program | 127,415.67 | - | - | - | 127,415.67 |
| National School Breakfast Program | - | - | - | - | - |
| Food Distribution Program | 50,288.30 | - | - | - | 50,288.30 |
| Interest Revenue | 725.11 | - | - | - | 725.11 |
| Loss on Disposal of Capital Asset | - | - | - | - | - |
| Total Nonoperating Revenues/(Expenses) | 185,600.16 | - | - | - | 185,600.16 |
| Change in Net Position | 76,709.62 | 61,498.46 | (15,702.37) | (8,789.27) | 113,716.44 |
| Total Net Position - Beginning | 235,678.00 | 79,004.00 | 177,092.00 | 39,253.00 | 531,027.00 |
| Total Net Position - Ending | \$ 312,387.62 | \$ 140,502.46 | \$ 161,389.63 | \$ 30,463.73 | \$ 644,743.44 |

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

| | MAJOR FUNDS | | | | |
|---|--|--|-------------------------|----------------------------|-----------------|
| | BUSINESS-TYPE | | | | |
| | ACTIVITIES - ENTERPRISE FUNDS | | | | |
| | FOOD SERVICE FUND | REGIONAL TRANSPORTATION PROGRAM | ADULT SCHOOL | TECHNOLOGY FUND | TOTALS |
| Cash Flows From Operating Activities: | | | | | |
| Receipts from Customers | \$ 674,294.53 | \$ 719,071.20 | \$ 95,592.00 | \$ 277,100.00 | \$ 1,766,057.73 |
| Payments to Employees | (294,152.94) | (244,022.31) | (71,323.57) | (178,945.30) | (788,444.12) |
| Payments for Employee Benefits | (9,313.79) | (133,343.21) | - | (76,994.25) | (219,651.25) |
| Payments to Suppliers | (424,059.15) | (309,373.17) | (39,970.80) | (43,749.72) | (817,152.84) |
| Net Cash Provided by/(Used for) Operating Activities | (53,231.35) | 32,332.51 | (15,702.37) | (22,589.27) | (59,190.48) |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| State Sources | 7,171.08 | - | - | - | 7,171.08 |
| Federal Sources | 127,415.67 | - | - | - | 127,415.67 |
| Net Cash Provided by/(Used for) Noncapital Financing Activities | 134,586.75 | - | - | - | 134,586.75 |
| Cash Flows From Capital & Related Financing Activities: | | | | | |
| Purchases of Capital Assets | (3,775.95) | - | - | - | (3,775.95) |
| Net Cash Provided by/(Used for) Capital & Related Financing Activities | (3,775.95) | - | - | - | (3,775.95) |
| Cash Flows From Investing Activities: | | | | | |
| Interest | 725.11 | - | - | - | 725.11 |
| Net Cash Provided by/(Used for) Investing Related Activities | 725.11 | - | - | - | 725.11 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 78,304.56 | 32,332.51 | (15,702.37) | (22,589.27) | 72,345.43 |
| Balances - Beginning of Year | 122,385.49 | 35,875.00 | 161,846.00 | 29,543.00 | 349,649.49 |
| Balances - End of Year | \$ 200,690.05 | \$ 68,207.51 | \$ 146,143.63 | \$ 6,953.73 | \$ 421,994.92 |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities: | | | | | |
| Operating Income/(Loss) | \$ (108,890.54) | \$ 61,498.46 | \$ (15,702.37) | \$ (8,789.27) | \$ (71,883.72) |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities: | | | | | |
| Depreciation | 22,724.23 | - | - | - | 22,724.23 |
| Food Distribution Program | 50,288.30 | - | - | - | 50,288.30 |
| (Increase)/Decrease in Accounts Receivable, Net | (185.33) | (29,165.95) | - | (13,800.00) | (43,151.28) |
| (Increase)/Decrease in Inventories | (2,153.84) | - | - | - | (2,153.84) |
| Total Adjustments | 55,659.19 | (29,165.95) | - | (13,800.00) | 12,693.24 |
| Net Cash Provided/(Used) by Operating Activities | \$ (53,231.35) | \$ 32,332.51 | \$ (15,702.37) | \$ (22,589.27) | \$ (59,190.48) |

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

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Fiduciary Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

| | PRIVATE PURPOSE TRUST FUNDS | AGENCY FUNDS |
|---|--|-------------------------|
| ASSETS | | |
| Cash & Cash Equivalents | \$ 192,639.22 | \$ 348,688.88 |
| Total Assets | <u>192,639.22</u> | <u>\$ 348,688.88</u> |
| LIABILITIES | | |
| Accounts Payable | 2,148.00 | \$ - |
| Payable for Student Related Activities | - | 331,552.18 |
| Payroll Deductions & Withholdings | <u>-</u> | <u>17,136.70</u> |
| Total Liabilities | <u>2,148.00</u> | <u>\$ 348,688.88</u> |
| NET POSITION | | |
| Restricted - Held in Trust for Unemployment | | |
| Unemployment Claims | 58,378.91 | |
| Retirement Claims | <u>132,112.31</u> | |
| Total Net Position | <u>\$ 190,491.22</u> | |

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018**

| | UNEMPLOYMENT COMPENSATION TRUST | PRIVATE PURPOSE RETIREMENT FUND |
|--------------------------|--|--|
| | <u> </u> | <u> </u> |
| ADDITIONS | | |
| Contributions: | | |
| Plan Member | \$ 31,389.67 | \$ - |
| | <u> </u> | <u> </u> |
| Total Contributions | 31,389.67 | - |
| | <u> </u> | <u> </u> |
| Investment Earnings: | | |
| Interest | 156.59 | 335.25 |
| | <u> </u> | <u> </u> |
| Net Investment Earnings | 156.59 | 335.25 |
| | <u> </u> | <u> </u> |
| Total Additions | 31,546.26 | 335.25 |
| | <u> </u> | <u> </u> |
| DEDUCTIONS | | |
| Unemployment Claims | 15,981.44 | - |
| | <u> </u> | <u> </u> |
| Total Deductions | 15,981.44 | - |
| | <u> </u> | <u> </u> |
| Change in Net Position | 15,564.82 | 335.25 |
| Net Position - Beginning | 42,814.09 | 131,777.06 |
| | <u> </u> | <u> </u> |
| Net Position - Ending | <u>\$ 58,378.91</u> | <u>\$ 132,112.31</u> |

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The School 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 appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels 7th through 12th grade. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2018 of 2,204 students.

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

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

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

Component Units

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

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

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

The School District reports the following major proprietary funds:

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

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

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

D. Fiduciary Fund Financial Statements

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

The School District reports the following fiduciary funds:

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

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

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

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

Budgets/Budgetary Control

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Encumbrances

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

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

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

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

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

Tuition Receivable/Payable

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

Inventories

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

Interfund Receivables/Payables

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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 acquisition value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

| Description | Governmental Activities Estimated Lives | Business-Type Activities Estimated Lives |
|---------------------------|---|--|
| Land Improvements | 10-20 Years | N/A |
| Building and improvements | 10-50 Years | N/A |
| Furniture and Equipment | 5-20 Years | 5-12 Years |
| Vehicles | 5-10 Years | 4-6 Years |

Compensated Absences

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

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

Unearned Revenue

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

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

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.

Pensions

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

Fund Balance

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

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

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.

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.

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

Net Position

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 20, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On Spetember 27, 2018, the School District issued \$39,760,000 of General Obligation Bonds to be utilized for High School Building Improvement. The General Obligation Bonds were issued at varying interest rates of 3.00% to 4.00% and mature on September 1, 2048.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

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.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

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.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the School District’s bank balance of \$17,666,745.57 was exposed to custodial credit risk as follows:

| | | |
|--------------------------------|----|---------------|
| Insured under FDIC and GUDPA | \$ | 17,250,840.01 |
| Uninsured and Uncollateralized | | 415,905.56 |
| Total | \$ | 17,666,745.57 |

Investments

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

Note 3. Reserve Accounts

Capital Reserve

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 3. Reserve Accounts (Continued)

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

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

| | | |
|---------------------------------|----|--------------|
| Beginning Balance, July 1, 2017 | \$ | 2,914,832.00 |
| Increased by: | | |
| Interest Earnings | | 7,605.40 |
| Deposits Approved by Board | | 446,836.81 |
| | | 454,442.21 |
| Ending Balance, June 30, 2018 | \$ | 3,369,274.21 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

The School District established a maintenance reserve account in June of 2011 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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 balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2018, consisted of the following:

| <u>Description</u> | <u>Governmental Funds</u> | | Total Governmental Activities |
|--------------------|---------------------------|----------------------------|-------------------------------------|
| | General Fund | Special Revenue Fund | |
| Federal Awards | \$ - | \$ 74,304.67 | \$ 74,304.67 |
| State Awards | 245,182.00 | - | 245,182.00 |
| Tuition | 1,305.00 | - | 1,305.00 |
| Other | 25,321.74 | - | 25,321.74 |
| Total | \$ 271,808.74 | \$ 74,304.67 | \$ 346,113.41 |

| <u>Description</u> | <u>Proprietary Funds</u> | <u>Proprietary Funds</u> | Total Business-Type Activities |
|--------------------|--------------------------|---------------------------|--------------------------------------|
| | Food Service Fund | Other Enterprise Funds | |
| Federal Awards | \$ 5,892.83 | \$ - | \$ 5,892.83 |
| State Awards | 305.53 | - | 305.53 |
| Other | - | 95,804.95 | 95,804.95 |
| Total | \$ 6,198.36 | \$ 95,804.95 | \$ 102,003.31 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 5. Capital Assets

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

| | Governmental Activities | | | |
|--|-----------------------------------|------------------------|------------------------------|------------------------------------|
| | Balance July 1, <u>2017</u> | <u>Additions</u> | Retirements and Transfers | Balance June 30, <u>2018</u> |
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 640,900.00 | \$ - | \$ - | \$ 640,900.00 |
| Construction in Progress | - | 1,062,520.00 | - | 1,062,520.00 |
| Total Capital Assets not being depreciated | <u>640,900.00</u> | <u>1,062,520.00</u> | - | <u>1,703,420.00</u> |
| Capital Assets being depreciated: | | | | |
| Land Improvements | 7,767,527.00 | - | - | 7,767,527.00 |
| Buildings and Improvements | 42,150,309.00 | - | - | 42,150,309.00 |
| Equipment | 7,225,051.00 | 373,249.85 | (667,384.00) | 6,930,916.85 |
| Total Capital Assets being depreciated | <u>57,142,887.00</u> | <u>373,249.85</u> | <u>(667,384.00)</u> | <u>56,848,752.85</u> |
| Less: Accumulated Depreciation: | | | | |
| Land Improvements | (3,388,679.00) | (362,415.27) | - | (3,751,094.27) |
| Buildings and Improvements | (14,366,767.00) | (855,404.32) | - | (15,222,171.32) |
| Equipment | (5,670,785.00) | (409,707.29) | 667,384.00 | (5,413,108.29) |
| Total Accumulated Depreciation | <u>(23,426,231.00)</u> | <u>(1,627,526.88)</u> | <u>667,384.00</u> | <u>(24,386,373.88)</u> |
| Total Capital Assets being depreciated, net | <u>33,716,656.00</u> | <u>(1,254,277.03)</u> | - | <u>32,462,378.97</u> |
| Total Governmental Activities Capital Assets, net | <u>\$ 34,357,556.00</u> | <u>\$ (191,757.03)</u> | <u>\$ -</u> | <u>\$ 34,165,798.97</u> |
| | | | | |
| | Business-Type Activities | | | |
| | Balance July 1, <u>2017</u> | <u>Additions</u> | Retirements and Transfers | Balance June 30, <u>2018</u> |
| Business-Type Activities: | | | | |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Equipment | 471,710.00 | 3,775.95 | - | 475,485.95 |
| Total Capital Assets being depreciated | <u>471,710.00</u> | <u>3,775.95</u> | - | <u>475,485.95</u> |
| Less: Accumulated Depreciation: | | | | |
| Buildings | - | - | - | - |
| Equipment | (348,084.00) | (22,724.25) | - | (370,808.25) |
| Total Capital Assets being depreciated, net | <u>(348,084.00)</u> | <u>(22,724.25)</u> | - | <u>(370,808.25)</u> |
| Total Business-Type Activities Capital Assets, net | <u>\$ 123,626.00</u> | <u>\$ (18,948.30)</u> | <u>\$ -</u> | <u>\$ 104,677.70</u> |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 5. Capital Assets (Continued)

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

| <u>Governmental Activities</u> | |
|--|-----------------|
| Instruction: | |
| Regular Instruction | \$ 595,777.12 |
| Special Education Instruction | 111,727.73 |
| Other Instruction | 101,647.64 |
| Support Services: | |
| Tuition | 99,860.10 |
| Student & Instruction Related Services | 262,711.55 |
| General Administrative | 40,273.93 |
| School Administrative Services | 68,910.25 |
| Central Services | 28,940.23 |
| Administrative Info. Technology | 3,493.72 |
| Plant Operations & Maintenance | 177,114.74 |
| Pupil Transportation | 137,069.87 |
| | 1,627,526.88 |
| Total Depreciation Expense - Governmental Activities | \$ 1,627,526.88 |

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 | \$ 640,059.50 | \$ - |
| Capital Projects Fund | - | 640,059.50 |
| | \$ 640,059.50 | \$ 640,059.50 |

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.

A summary of interfund transfers is as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| Capital Projects Fund | \$ - | \$ 100,000.00 |
| Debt Service Fund | 100,000.00 | - |
| | \$ 100,000.00 | \$ 100,000.00 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations for the governmental and business-type activities:

| | Balance | | | Balance | Balance |
|--------------------------|-------------------------|----------------------|------------------------|-------------------------|------------------------|
| | June 30, 2017 | Additions | Reductions | June 30, 2018 | Due Within One Year |
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 11,520,000.00 | \$ - | \$ 975,000.00 | \$ 10,545,000.00 | \$ 940,000.00 |
| Capital Leases | 2,146,194.00 | 265,000.00 | 579,503.00 | 1,831,691.00 | 531,565.00 |
| Unamortized Bond | | | | | |
| Premiums | 784,707.00 | - | 56,050.51 | 728,656.49 | 56,050.51 |
| Compensated Absences | 1,289,234.00 | 100,641.00 | - | 1,389,875.00 | - |
| Net Pension Liability | 14,118,804.00 | - | 2,189,063.00 | 11,929,741.00 | - |
| OPEB Liability | 1,847,799.00 | 630,118.00 | - | 2,477,917.00 | - |
| | <u>\$ 31,706,738.00</u> | <u>\$ 995,759.00</u> | <u>\$ 3,799,616.51</u> | <u>\$ 28,902,880.49</u> | <u>\$ 1,527,615.51</u> |

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

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

On June 17, 2009, the School District issued \$2,731,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 2.50% to 4.50% and mature on July 15, 2024.

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

On September 27, 2018, the School District issued \$39,760,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 3.00% to 4.00% and mature on September 1, 2048.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 7. Long-Term Obligations (Continued)

| Fiscal Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|-------------------------|------------------------|-------------------------|
| 2019 | \$ 940,000.00 | \$ 406,887.50 | \$ 1,346,887.50 |
| 2020 | 940,000.00 | 380,050.00 | 1,320,050.00 |
| 2021 | 935,000.00 | 342,575.00 | 1,277,575.00 |
| 2022 | 925,000.00 | 304,925.00 | 1,229,925.00 |
| 2023 | 910,000.00 | 274,675.00 | 1,184,675.00 |
| 2024-2028 | 3,905,000.00 | 795,575.00 | 4,700,575.00 |
| 2029-2031 | 1,990,000.00 | 138,075.00 | 2,128,075.00 |
| | <u>\$ 10,545,000.00</u> | <u>\$ 2,642,762.50</u> | <u>\$ 13,187,762.50</u> |

Capital Lease Payable

The School District is leasing capital items and equipment under capital leases. All capital leases are for terms of five to ten years. 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> | <u>Total</u> |
|---|---------------------------------------|------------------------|
| | 2019 | \$ 611,640.00 |
| | 2020 | 611,640.00 |
| | 2021 | 559,289.00 |
| | 2022 | 56,522.00 |
| | 2023 | <u>56,522.00</u> |
| Total Minimum Lease Payments | | 1,895,613.00 |
| Less: Amount Representing Interest | | <u>(63,922.00)</u> |
| Present Value of Minimum Lease Payments | | <u>\$ 1,831,691.00</u> |

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

Bonds Authorized but not Issued

As of June 30, 2018, the School District had \$39,760,000 bonds authorized but not issued.

In Substance Defeased Debt

As of June 30, 2018, the School District did not have any in Substance Defeased Debt.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* 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.

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

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 \$11,929,741.00 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 0.0512481093%, which was an increase of 0.0035770367% 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 \$900,958.00 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:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | \$ 280,904.00 | \$ - |
| Changes of Assumptions | 2,403,432.00 | 2,394,620.00 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 81,233.00 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | 813,974.00 | 522,341.00 |
| School District contributions subsequent to measurement date | 491,364.00 | - |
| | <u>\$ 4,070,907.00</u> | <u>\$ 2,916,961.00</u> |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

\$491,285.00 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:

| Year Ending June 30, | | | |
|---------------------------------|----|---------------|--|
| 2019 | \$ | 275,024.00 | |
| 2020 | | 409,304.00 | |
| 2021 | | 270,825.00 | |
| 2022 | | (119,404.00) | |
| 2023 | | (173,167.00) | |
| | | \$ 662,582.00 | |
| | | \$ 662,582.00 | |

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 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 | - |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

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.

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 Rate | 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% |

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 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:

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 8. Pension Plans (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 Equivalents | 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.

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:

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

| | At 1% Decrease <u>(4.00%)</u> | At Current Discount Rate <u>(5.00%)</u> | At 1% Increase <u>(6.00%)</u> |
|---|--|--|--|
| School District's Proportionate Share of the Net Pension Liability | \$ 14,799,653.00 | \$ 11,929,741.00 | \$ 9,538,748.00 |

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 | 0.05125% | 0.04767% |

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.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$85,329,812.00. 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 0.126577695%, which was an increase of 0.002484455% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$5,911,217.00 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 8. Pension Plans (Continued)

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

| | |
|---------------------------|----------------------------|
| Inflation Rate | 2.25% |
| Salary Increases: | |
| 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:

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 8. Pension Plans (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 Equivalents | 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:

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 8. Pension Plans (Continued)

| | At 1% Decrease <u>(3.25%)</u> | At Current Discount Rate <u>(4.25%)</u> | At 1% Increase <u>(5.25%)</u> |
|--|--|--|--|
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | \$ 101,374,493.00 | \$ 85,329,812.00 | \$ 72,112,134.00 |

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 | 0.12656% | 0.12407% |

B. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

NORTHERN BURLINGTON REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

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.

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.

**NORTHERN BURLINGTON REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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:

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

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 \$24,759,291.00. 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 0.1369151594%, which was a decrease of 0.0003157182% 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 \$4,559,199.00 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.

**NORTHERN BURLINGTON REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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:

| | June 30, 2017 | | |
|--|---------------------------|-----------------------------|---------------------------|
| | 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 | \$ 87,179,854.52 | \$ 73,441,075.00 | \$ 62,543,344.51 |
| State of New Jersey's Total Nonemployer OPEB Liability | \$ 63,674,362,200.00 | \$ 53,639,841,858.00 | \$ 45,680,364,953.00 |
| | June 30, 2016 | | |
| | 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 | \$ 95,078,636.56 | \$ 79,363,065.00 | \$ 66,992,895.81 |
| State of New Jersey's Total Nonemployer OPEB Liability | \$ 69,283,705,084.00 | \$ 57,831,784,184.00 | \$ 48,817,654,566.00 |

**NORTHERN BURLINGTON REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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:

| | June 30, 2017 | | |
|--|----------------------|---------------------------------|----------------------|
| | 1% Decrease | Healthcare Cost Trend Rate * | 1% Increase |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 60,398,184.63 | \$ 73,441,075.00 | \$ 90,761,879.94 |
| State of New Jersey's Total Nonemployer OPEB Liability | \$ 44,113,584,560.00 | \$ 53,639,841,858.00 | \$ 66,290,599,457.00 |
| | June 30, 2016 | | |
| | 1% Decrease | Healthcare Cost Trend Rate * | 1% Increase |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 65,119,604.58 | \$ 79,363,065.00 | \$ 98,405,214.43 |
| 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.

Additional Information

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

| | <u>Deferred Outflows of</u> | <u>Deferred Inflows of</u> |
|--|-----------------------------|------------------------------|
| 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 2018 After June 30, 2017 Measurement Date ** | <u>1,190,373,242.00</u> | <u>-</u> |
| | <u>\$ 1,290,216,497.00</u> | <u>\$ (6,443,612,287.00)</u> |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information (continued):

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized 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:

| | |
|---|----------------------|
| Total OPEB Liability | |
| 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% |

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 \$1,894,665, \$994,760.00, \$1,223,724.00 and \$2,889.00, respectively.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)**

Note 11. Risk Management

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

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

| <u>Fiscal Year</u> | <u>School District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|--------------------------------------|-------------------------------|--------------------------|-----------------------|
| 2017-2018 | \$ - | \$ 31,546.26 | \$ 15,981.44 | \$ 58,378.91 |
| 2016-2017 | - | 50,691.09 | 71,614.00 | 42,814.09 |
| 2015-2016 | - | 29,534.00 | 56,174.00 | 63,737.00 |

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, health, student and other accident claims and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

The School District also participates in the **Burlington County Insurance Pool Joint Insurance Fund (BCIP JIF)** and the **School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)**. The Insurance Pools provides its members with the following coverages:

| | |
|---------------------------------------|--------------------------------|
| Property - Blanket Building & Grounds | General & Automotive Liability |
| Environmental Impairment Liability | Workers' Compensation |
| School Board Legal Liability | Excess Liability |
| Educator's Legal Liability | Comprehensive Crime Coverage |
| Pollution & Mold Legal Liability | Cyber Liability |

Joint Insurance Funds (JIFs) are simply a form of shared services for New Jersey Public Entities that enables them to pool their resources to insure for property, boiler and machinery, general and automobile liability, educator’s legal liability, pollution and mold liability, and workers’ compensation claims.

For more information on the Burlington County Insurance Pool Joint Insurance Fund please visit the website: <http://www.spelljif.com/>

Note 12. Contingencies

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

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

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

Waddell & Reed
Van Guard

Lincoln Investment Planning, Inc.
Siracusa

AXA Equitable
CitiStreet

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2018, the liability for compensated absences reported was \$1,389,875.00.

Note 15. Tax Abatements

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (Continued)

Note 15. Tax Abatements (Continued)

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

Note 16. 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 \$0.

Note 17. Fund Balances

General Fund – Of the \$15,930,310.21 General Fund fund balance at June 30, 2018, \$3,369,274.21 has been restricted for the Capital Reserve Account; \$8,734,562.86 has been committed to Reserve for Impact Aid; \$395,500.00 has been committed to Reserve for Legal Remediation; \$1,616,596.00 has been assigned - designated for subsequent year's expenditures; \$1,023,040.25 has been assigned to other purposes; and \$791,336.89 has been unassigned.

Debt Service Fund – Of the \$2.35 Debt Service Fund fund balance at June 30, 2018, \$2.35 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$2,717,966.04 at June 30, 2018. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

The School District capital project fund had a deficit in restricted fund balance in the amount of \$276,236.33 at June 30, 2018. The primary cause of this deficit is the School District did not receive proceeds of bonds related to the project as of June 30, 2018. This deficit in restricted fund balance for the capital projects fund does not indicate that the School District is facing financial difficulties.

Note 19. Subsequent Events

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 20, 2019 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed with the exception of the following.

On September 27, 2018 the Board of Education issued Bonds in the amount of \$39,760,000, to finance expenditures related to the High School Building project. The Board of Education awarded the sale of said bonds to Bank of America Merrill Lynch at an interest rate varying from 3.00% to 4.00%. This note will mature on September 1, 2048.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| ACCOUNT NUMBERS | ORIGINAL BUDGET | JUNE 30, 2018 | | FINAL BUDGET | ACTUAL | VARIANCE FINAL TO ACTUAL |
|---|------------------|------------------|------------------|------------------|--------|--------------------------|
| | | BUDGET TRANSFERS | BUDGET | | | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | \$ 20,561,877.00 | \$ - | \$ 20,561,877.00 | \$ 20,561,877.00 | \$ - | \$ 9,740.73 |
| Tuition From Other LEAs Within State | 85,877.00 | - | 85,877.00 | 95,617.73 | - | 24,653.37 |
| Transportation Fees From Other LEAs | 100,000.00 | - | 100,000.00 | 124,653.37 | - | 180,798.54 |
| Unrestricted Miscellaneous Revenues | 86,000.00 | 2,000.00 | 88,000.00 | 268,798.54 | - | - |
| Interest Earned on Capital Reserve Funds | 2,000.00 | (2,000.00) | - | - | - | - |
| Total Local Sources | 20,835,754.00 | - | 20,835,754.00 | 21,050,946.64 | - | 215,192.64 |
| State Sources: | | | | | | |
| School Choice Aid | 423,402.00 | - | 423,402.00 | 423,402.00 | - | - |
| Categorical Transportation Aid | 576,863.00 | - | 576,863.00 | 576,863.00 | - | - |
| Extraordinary Aid | - | - | - | 217,435.00 | - | 217,435.00 |
| Categorical Special Education Aid | 1,088,835.00 | - | 1,088,835.00 | 1,088,835.00 | - | - |
| Equalization Aid | 10,112,152.00 | - | 10,112,152.00 | 10,397,546.00 | - | 285,394.00 |
| Categorical Security Aid | 154,488.00 | - | 154,488.00 | 154,488.00 | - | - |
| Adjustment Aid | 8,302.00 | - | 8,302.00 | 8,302.00 | - | - |
| PARCC Readiness Aid | 21,780.00 | - | 21,780.00 | 21,780.00 | - | - |
| Per Pupil Growth Aid | 21,780.00 | - | 21,780.00 | 21,780.00 | - | - |
| Professional Learning Community Aid | 21,210.00 | - | 21,210.00 | 21,210.00 | - | - |
| Other State Aids | - | - | - | 27,747.00 | - | 27,747.00 |
| Nonbudgeted: | | | | | | |
| TPAF Pension (on-behalf) | - | - | - | 1,894,665.00 | - | 1,894,665.00 |
| TPAF Social Security (reimbursed) | - | - | - | 994,760.00 | - | 994,760.00 |
| TPAF Post Retirements | - | - | - | 1,223,724.00 | - | 1,223,724.00 |
| TPAF Long-Term Disability Insurance (on behalf) | - | - | - | 2,889.00 | - | 2,889.00 |
| Total State Sources | 12,428,812.00 | - | 12,428,812.00 | 17,075,426.00 | - | 4,646,614.00 |
| Federal Sources: | | | | | | |
| Impact Aid - 8002 or 8003 General | 1,075,000.00 | - | 1,075,000.00 | 2,358,123.81 | - | 1,283,123.81 |
| DoD Impact Aid Supplemental Program | - | - | - | 113,601.57 | - | 113,601.57 |
| Medicaid Reimbursement | 13,063.00 | - | 13,063.00 | 28,950.29 | - | 15,887.29 |
| Total Federal Sources | 1,088,063.00 | - | 1,088,063.00 | 2,500,675.67 | - | 1,412,612.67 |
| Total Revenues | 34,352,629.00 | - | 34,352,629.00 | 40,627,048.31 | - | 6,274,419.31 |
| Current Expense: | | | | | | |
| Regular Programs - Instruction: | | | | | | |
| Grades 6-8 - Salaries of Teachers | 3,105,772.00 | (91,824.95) | 3,013,947.05 | 2,988,054.93 | - | 25,892.12 |
| Grades 9-12 - Salaries of Teachers | 5,819,550.00 | (204,650.09) | 5,614,899.91 | 5,559,975.74 | - | 54,924.17 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|---|-----------------|-----------------|------------------|---------------|--------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 11-150-100-101 | 35,614.08 | (14,280.00) | 21,334.08 | 17,556.17 |
| Purchased Professional - Educational Services | 11-150-100-320 | 26,517.99 | (7,437.37) | 19,080.62 | 11,696.47 |
| Other Purchased Services | 11-150-100-500 | 1,700.00 | - | 1,700.00 | 596.77 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Professional - Educational Services | 11-190-100-320 | 240,500.00 | 178,238.56 | 418,738.56 | 403,028.44 |
| Purchased Technical Services | 11-190-100-340 | 134,650.00 | 6,418.00 | 141,068.00 | 134,009.29 |
| Other Purchased Services | 11-190-100-500 | 67,804.89 | (14,538.39) | 53,266.50 | 40,471.24 |
| General Supplies | 11-190-100-610 | 711,684.28 | 115,951.01 | 827,635.29 | 748,247.82 |
| Textbooks | 11-190-100-640 | 66,192.50 | (37,246.01) | 28,946.49 | 28,712.49 |
| Other Objects | 11-190-100-800 | 35,498.00 | (3,655.41) | 31,842.59 | 18,717.41 |
| Total Regular Programs - Instruction | | 10,245,483.74 | (73,024.65) | 10,172,459.09 | 9,951,066.77 |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 11-204-100-101 | 75,611.00 | 11,366.43 | 86,977.43 | 86,977.40 |
| Other Purchased Services | 11-204-100-500 | 100.00 | - | 100.00 | - |
| General Supplies | 11-204-100-610 | 2,000.00 | 150.00 | 2,150.00 | 2,100.59 |
| Textbooks | 11-204-100-640 | 4,798.00 | (500.00) | 4,298.00 | 3,515.14 |
| Other Objects | 11-204-100-800 | 900.00 | - | 900.00 | - |
| Total Learning and/or Language Disabilities | | 83,409.00 | 11,016.43 | 94,425.43 | 92,593.13 |
| Special Education - Instruction: | | | | | |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 11-212-100-101 | 200,440.00 | (3,484.68) | 196,955.32 | 196,548.40 |
| Purchased Professional - Educational Services | 11-212-100-320 | 10,000.00 | - | 10,000.00 | 6,072.98 |
| Other Purchased Services | 11-212-100-500 | 200.00 | - | 200.00 | - |
| General Supplies | 11-212-100-610 | 11,500.00 | 550.00 | 12,050.00 | 11,529.16 |
| Textbooks | 11-212-100-640 | 400.00 | (301.35) | 98.65 | 52.34 |
| Other Objects | 11-212-100-800 | 1,800.00 | (782.01) | 1,017.99 | 1,017.99 |
| Total Multiple Disabilities | | 224,340.00 | (4,018.04) | 220,321.96 | 215,220.87 |
| Special Education - Instruction: | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 11-213-100-101 | 1,558,605.00 | (20,464.78) | 1,538,140.22 | 1,529,875.97 |
| Purchased Professional - Educational Services | 11-213-100-320 | 175,968.54 | (34,512.87) | 141,455.67 | 105,253.12 |
| Other Purchased Services | 11-213-100-500 | 350.00 | - | 350.00 | 52.70 |
| General Supplies | 11-213-100-610 | 2,750.00 | - | 2,750.00 | 2,624.43 |
| Textbooks | 11-213-100-640 | 1,000.00 | - | 1,000.00 | 330.95 |
| Other Objects | 11-213-100-800 | 1,000.00 | - | 1,000.00 | 895.00 |
| Total Special Education - Instruction: | | 3,488,263.54 | (55,457.65) | 3,432,805.89 | 3,427,078.16 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|--|-----------------|-----------------|------------------|--------------|--------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Total Resource Room/Resource Center | | 1,739,673.54 | (54,977.65) | 1,684,695.89 | 45,663.72 |
| Total Special Education - Instruction | | 2,047,422.54 | (47,979.26) | 1,999,443.28 | 52,597.11 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 11-230-100-101 | - | 36,688.87 | 36,688.87 | - |
| General Supplies | 11-230-100-610 | 3,500.00 | - | 3,500.00 | 1,595.00 |
| Total Basic Skills/Remedial - Instruction | | 3,500.00 | 36,688.87 | 40,188.87 | 1,595.00 |
| Vocational Programs - Local - Instruction: | | | | | |
| Salaries of Teachers | 11-300-100-101 | 396,906.00 | (18,275.71) | 378,630.29 | 543.25 |
| Other Salaries for Instruction | 11-300-100-106 | 12,000.00 | 2.27 | 12,002.27 | - |
| Purchased Professional - Educational Services | 11-300-100-320 | 7,000.00 | 21,702.80 | 28,702.80 | 7,093.32 |
| Purchased Technical Services | 11-300-100-340 | 2,500.00 | (1,323.91) | 1,176.09 | 1,176.09 |
| Other Purchased Services | 11-300-100-500 | 13,700.00 | - | 13,700.00 | 8,519.58 |
| General Supplies | 11-300-100-610 | 42,770.00 | (175.00) | 42,595.00 | 774.77 |
| Other Objects | 11-300-100-800 | 1,280.00 | 175.00 | 1,455.00 | - |
| Total Vocational Programs - Local - Instruction | | 476,156.00 | 2,105.45 | 478,261.45 | 14,767.85 |
| School-Sponsored Coccircular/Extra Curricular Activities - Instruction: | | | | | |
| Salaries | 11-401-100-100 | 353,293.00 | 4,791.89 | 358,084.89 | 6,359.00 |
| Purchased Services | 11-401-100-500 | 11,225.00 | (7,592.20) | 3,632.80 | 2,489.80 |
| Supplies and Materials | 11-401-100-600 | 42,050.00 | 2,800.00 | 44,850.00 | 19,742.64 |
| Other Objects | 11-401-100-800 | 250.00 | - | 250.00 | 250.00 |
| Transfers to Cover Deficit (Agency Funds) | 11-401-100-930 | 3,000.00 | 1,500.00 | 4,500.00 | - |
| Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction | | 409,818.00 | 1,499.69 | 411,317.69 | 28,841.44 |
| School-Sponsored Athletics - Instruction: | | | | | |
| Salaries | 11-402-100-100 | 675,037.00 | (0.01) | 675,036.99 | 21,881.99 |
| Supplies and Materials | 11-402-100-600 | 176,089.96 | 423.73 | 176,513.69 | 7,715.87 |
| Transfers to Cover Deficit (Agency Funds) | 11-402-100-930 | 64,000.00 | 685.00 | 64,685.00 | - |
| Total School-Sponsored Athletics - Instruction | | 915,126.96 | 1,108.72 | 916,235.68 | 29,597.86 |
| Undistributed Expenditures - Instruction (Tuition): | | | | | |
| Tuition to Other LEAs Within State - Regular | 11-000-100-561 | 122,465.00 | (74,464.68) | 48,000.32 | 0.32 |
| Tuition to Other LEAs Within State - Special | 11-000-100-562 | 122,465.00 | (58,998.01) | 63,466.99 | 0.32 |
| Tuition to County Vocational School - Regular | 11-000-100-563 | 72,886.00 | (13,252.00) | 59,634.00 | - |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL | |
|---|-----------------|-----------------|------------------|--------------|--------------------------|------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Tuition to County Vocational School - Special | 11-000-100-564 | 43,130.00 | (21,865.00) | 21,265.00 | 16,746.32 | 4,518.68 |
| Tuition to County Special Services & Regular Day Schools | 11-000-100-565 | 459,893.00 | (368,665.82) | 91,227.18 | 67,996.45 | 23,230.73 |
| Tuition to Private School Disabled - Within State | 11-000-100-566 | 1,073,528.00 | 313,815.72 | 1,387,343.72 | 1,212,839.12 | 174,504.60 |
| Tuition to Private School Disabled & Other LEAs - Outside State | 11-000-100-567 | 270,488.00 | 9,267.67 | 279,755.67 | 271,371.14 | 8,384.53 |
| Total Undistributed Expenditures - Instruction (Tuition) | | 2,164,855.00 | (214,162.12) | 1,950,692.88 | 1,740,053.70 | 210,639.18 |
| Undistributed Expenditures Attendance and Social Work: | | | | | | |
| Salaries | 11-000-211-100 | 83,779.00 | - | 83,779.00 | 83,279.00 | 500.00 |
| Purchased Professional and Technical Services | 11-000-211-300 | 170,000.00 | 1,789.41 | 171,789.41 | 171,789.41 | - |
| Total Undistributed Expenditures Attendance and Social Work | | 253,779.00 | 1,789.41 | 255,568.41 | 255,068.41 | 500.00 |
| Undistributed Expenditures - Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 429,158.50 | (25,407.64) | 403,750.86 | 403,365.09 | 385.77 |
| Purchased Professional & Technical Services | 11-000-213-300 | 21,711.00 | 3,600.00 | 25,311.00 | 24,882.86 | 428.14 |
| Other Purchased Services | 11-000-213-500 | 300.00 | - | 300.00 | - | 300.00 |
| Supplies and Materials | 11-000-213-600 | 11,577.00 | 0.08 | 11,577.08 | 9,842.82 | 1,734.26 |
| Other Objects | 11-000-213-800 | 550.00 | - | 550.00 | 433.50 | 116.50 |
| Total Undistributed Expenditures - Health Services | | 463,296.50 | (21,807.56) | 441,488.94 | 438,524.27 | 2,964.67 |
| Undistributed Expenditures - Speech, OT, PT and Related Services: | | | | | | |
| Salaries | 11-000-216-100 | 69,285.00 | - | 69,285.00 | 69,284.82 | 0.18 |
| Purchased Professional - Educational Services | 11-000-216-320 | 138,500.00 | 108,765.00 | 247,265.00 | 226,365.22 | 20,899.78 |
| Travel | 11-000-216-580 | - | 175.00 | 175.00 | - | 175.00 |
| Supplies and Materials | 11-000-216-600 | 775.00 | (175.00) | 600.00 | 574.33 | 25.67 |
| Other Objects | 11-000-216-800 | 300.00 | - | 300.00 | 300.00 | - |
| Total Undistributed Expenditures - Speech, OT, PT and Related Services | | 208,860.00 | 108,765.00 | 317,625.00 | 296,524.37 | 21,100.63 |
| Undistributed Expenditures - Other Support Services - Extra Services: | | | | | | |
| Salaries | 11-000-217-100 | 154,432.00 | (0.06) | 154,431.94 | 152,566.30 | 1,865.64 |
| Purchased Professional - Educational Services | 11-000-217-320 | 740,260.40 | 196,856.00 | 937,116.40 | 873,695.83 | 63,420.57 |
| Total Undistributed Expenditures - Other Support Services - Extra Services | | 894,692.40 | 196,855.94 | 1,091,548.34 | 1,026,262.13 | 65,286.21 |
| Undistributed Expenditures - Guidance: Salaries of Other Professional Staff | 11-000-218-104 | 658,771.00 | (90,932.18) | 567,838.82 | 558,378.51 | 9,460.31 |
| Salaries of Secretaries & Clerical Assistants | 11-000-218-105 | 174,956.25 | 1,211.78 | 176,168.03 | 175,585.25 | 582.78 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL | |
|---|-----------------|-------------------|--------------------|-------------------|--------------------------|------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Purchased Professional - Educational Services | 11-000-218-320 | 4,000.00 | 38,780.00 | 42,780.00 | 39,860.00 | 2,920.00 |
| Other Purchased Professional and Technical Services | 11-000-218-390 | 30,380.00 | (7,555.65) | 22,824.35 | 21,324.35 | 1,500.00 |
| Other Purchased Services | 11-000-218-500 | 1,975.00 | - | 1,975.00 | 50.00 | 1,925.00 |
| Supplies and Materials | 11-000-218-600 | 6,664.00 | - | 6,664.00 | 5,628.36 | 1,035.64 |
| Other Objects | 11-000-218-800 | 3,365.00 | (650.01) | 2,714.99 | 400.00 | 2,314.99 |
| Total Undistributed Expenditures - Guidance | | 880,111.25 | (59,146.06) | 820,965.19 | 801,226.47 | 19,738.72 |
| Undistributed Expenditures - Child Study Teams: | | | | | | |
| Salaries of Other Professional Staff | 11-000-219-104 | 537,582.00 | (1,249.60) | 536,332.40 | 535,604.62 | 727.78 |
| Salaries of Secretaries & Clerical Assistants | 11-000-219-105 | 113,227.25 | 2,416.90 | 115,644.15 | 115,644.15 | - |
| Purchased Professional - Educational Services | 11-000-219-320 | 23,500.00 | (7,200.00) | 16,300.00 | 4,793.42 | 11,506.58 |
| Other Purchased Prof. and Tech. Services | 11-000-219-390 | 604.65 | - | 604.65 | 403.66 | 200.99 |
| Miscellaneous Purchased Services | 11-000-219-592 | 3,000.00 | (1,167.30) | 1,832.70 | 300.94 | 1,531.76 |
| Supplies and Materials | 11-000-219-600 | 7,900.28 | - | 7,900.28 | 6,780.32 | 1,119.96 |
| Other Objects | 11-000-219-800 | 3,900.00 | - | 3,900.00 | 3,764.00 | 136.00 |
| Total Undistributed Expenditures - Child Study Teams | | 689,714.18 | (7,200.00) | 682,514.18 | 667,291.11 | 15,223.07 |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | | |
| Salaries of Supervisors of Instruction | 11-000-221-102 | 297,538.00 | (43,494.18) | 254,043.82 | 252,479.62 | 1,564.20 |
| Salaries of Other Professional Staff | 11-000-221-104 | 55,704.00 | - | 55,704.00 | 40,123.00 | 15,581.00 |
| Salaries of Sec. and Clerical Assist. | 11-000-221-105 | 82,722.25 | 0.45 | 82,722.70 | 80,107.14 | 2,615.56 |
| Other Salaries | 11-000-221-110 | 137,571.00 | 800.03 | 138,371.03 | 119,396.36 | 18,974.67 |
| Purchased Professional - Educational Services | 11-000-221-320 | 110.87 | - | 110.87 | 41.92 | 68.95 |
| Other Purchased Services | 11-000-221-500 | 1,000.00 | - | 1,000.00 | - | 1,000.00 |
| Supplies and Materials | 11-000-221-600 | 9,000.00 | (5,140.66) | 3,859.34 | 3,797.37 | 61.97 |
| Other Objects | 11-000-221-800 | 11,550.00 | (4,438.52) | 7,111.48 | 7,111.48 | - |
| Total Undistributed Expenditures - Improvement of Instruction Services | | 595,196.12 | (52,272.88) | 542,923.24 | 503,056.89 | 39,866.35 |
| Undistributed Expenditures - Educational Media Services/Library: | | | | | | |
| Salaries | 11-000-222-100 | 161,226.00 | 405.92 | 161,631.92 | 161,631.88 | 0.04 |
| Purchased Professional and Technical Services | 11-000-222-300 | 29,572.40 | (265.19) | 29,307.21 | 23,713.70 | 5,593.51 |
| Other Purchased Services | 11-000-222-500 | 400.00 | (46.00) | 354.00 | - | 354.00 |
| Supplies and Materials | 11-000-222-600 | 39,346.99 | (897.35) | 38,449.64 | 29,105.64 | 9,344.00 |
| Other Objects | 11-000-222-800 | 775.00 | 46.00 | 821.00 | 766.00 | 55.00 |
| Total Undistributed Expenditures - Educational Media Services/Library | | 231,320.39 | (756.62) | 230,563.77 | 215,217.22 | 15,346.55 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|---|-----------------|-----------------|------------------|--------------|--------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Undistributed Expenditures - | | | | | |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 11-000-223-102 | 250,429.99 | (25,953.08) | 224,476.91 | 205,513.48 |
| Salaries of Other Professional Staff | 11-000-223-104 | 16,978.00 | - | 16,978.00 | 9,899.50 |
| Salaries of Secretarial and Clerical Asst. | 11-000-223-105 | 45,570.25 | 586.15 | 46,156.40 | 45,906.40 |
| Purchased Professional - Educational Services | 11-000-223-320 | 4,500.00 | 500.00 | 5,000.00 | 5,000.00 |
| Other Purchased Services | 11-000-223-500 | 7,500.00 | (4,978.75) | 2,521.25 | 276.25 |
| Supplies and Materials | 11-000-223-600 | 9,250.00 | (8,635.61) | 614.39 | 614.39 |
| Other Objects | 11-000-223-800 | 14,120.00 | (3,600.00) | 10,520.00 | 6,130.02 |
| | | 348,348.24 | (42,081.29) | 306,266.95 | 273,340.04 |
| Total Undistributed Expenditures - | | | | | |
| Instructional Staff Training Services | | | | | 32,926.91 |
| Undistributed Expenditures - | | | | | |
| Support Services - General Administration: | | | | | |
| Salaries | 11-000-230-100 | 318,261.50 | (4,578.93) | 313,682.57 | 302,794.56 |
| Legal Services | 11-000-230-331 | 36,425.18 | 30,000.00 | 66,425.18 | 51,113.51 |
| Audit Fees | 11-000-230-332 | 55,200.00 | (2,485.00) | 52,715.00 | 26,515.00 |
| Architectural/Engineering Services | 11-000-230-334 | 83,872.50 | 47,938.98 | 131,811.48 | 117,559.48 |
| Other Purchased Professional Services | 11-000-230-339 | 63,054.16 | (10,388.01) | 52,666.15 | 49,640.18 |
| Purchased Technical Services | 11-000-230-340 | 3,000.00 | (3,000.00) | - | - |
| Communications/Telephone | 11-000-230-530 | 81,010.00 | (16,870.00) | 64,140.00 | 55,270.42 |
| BOE Other Purchased Professional Services | 11-000-230-585 | 24,000.00 | (5,000.00) | 19,000.00 | 15,693.26 |
| Other Purchased Services | 11-000-230-590 | 71,421.00 | (8,680.00) | 62,741.00 | 52,184.59 |
| General Supplies | 11-000-230-610 | 3,050.00 | 9,068.78 | 12,118.78 | 226.59 |
| Miscellaneous Expenditures | 11-000-230-890 | 4,340.00 | - | 4,340.00 | 3,305.00 |
| BOE Membership Dues and Fees | 11-000-230-895 | 28,750.00 | - | 28,750.00 | 27,467.23 |
| | | 772,384.34 | 36,005.82 | 808,390.16 | 701,769.82 |
| Total Undistributed Expenditures - | | | | | |
| Support Services - General Administration | | | | | 106,620.34 |
| Undistributed Expenditures - | | | | | |
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 11-000-240-103 | 651,805.00 | 11,746.01 | 663,551.01 | 661,170.34 |
| Salaries of Other Professional Staff | 11-000-240-104 | 295,725.37 | (0.25) | 295,725.12 | 295,680.62 |
| Salaries of Secretaries & Clerical Assistants | 11-000-240-105 | 220,777.17 | - | 220,777.17 | 219,776.97 |
| Purchased Professional & Technical Services | 11-000-240-300 | 3,090.29 | - | 3,090.29 | 1,661.80 |
| Other Purchased Services | 11-000-240-500 | 8,215.00 | - | 8,215.00 | 3,226.26 |
| Supplies and Materials | 11-000-240-600 | 10,675.00 | - | 10,675.00 | 5,952.95 |
| Other Objects | 11-000-240-800 | 21,859.00 | - | 21,859.00 | 13,286.40 |
| | | 1,212,146.83 | 11,745.76 | 1,223,892.59 | 1,200,755.34 |
| Total Undistributed Expenditures - | | | | | |
| Support Services - School Administration | | | | | 23,137.25 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | | VARIANCE FINAL TO ACTUAL |
|---|-----------------|-----------------|------------------|--------------|--------------|--------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Undistributed Expenditures - Central Services: | | | | | | |
| Salaries | 11-000-251-100 | 455,865.00 | 198.10 | 456,063.10 | 444,985.70 | 11,077.40 |
| Purchased Professional Services | 11-000-251-330 | 38,061.84 | (141.36) | 37,920.48 | 23,897.10 | 14,023.38 |
| Miscellaneous Purchased Services | 11-000-251-592 | 12,205.90 | - | 12,205.90 | 3,677.85 | 8,528.05 |
| Supplies and Materials | 11-000-251-600 | 8,498.72 | (1,163.36) | 7,335.36 | 3,713.80 | 3,621.56 |
| Interest on Lease Purchase Agreements | 11-000-251-832 | 25,066.00 | 0.98 | 25,066.98 | 25,056.56 | 10.42 |
| Miscellaneous Expenditures | 11-000-251-890 | 2,325.00 | 625.00 | 2,950.00 | 2,950.00 | - |
| Total Undistributed Expenditures - Central Services | | 542,022.46 | (480.64) | 541,541.82 | 504,281.01 | 37,260.81 |
| Undistributed Expenditures - Administrative Information Technology: | | | | | | |
| Salaries | 11-000-252-100 | 60,010.00 | 76.82 | 60,086.82 | 59,997.80 | 89.02 |
| Other Purchased Services | 11-000-252-500 | 1,350.00 | (77.16) | 1,272.84 | 879.97 | 392.87 |
| Total Undistributed Expenditures - Administrative Information Technology | | 61,360.00 | (0.34) | 61,359.66 | 60,877.77 | 481.89 |
| Undistributed Expenditures - Required Maintenance for School Facilities: | | | | | | |
| Salaries | 11-000-261-100 | 242,142.00 | (0.18) | 242,141.82 | 238,824.18 | 3,317.64 |
| Cleaning, Repair & Maintenance Services | 11-000-261-420 | 309,302.19 | (62,707.00) | 246,595.19 | 189,130.21 | 57,464.98 |
| General Supplies | 11-000-261-610 | 81,356.45 | (6,447.00) | 74,909.45 | 70,677.93 | 4,231.52 |
| Other Objects | 11-000-261-800 | 2,850.00 | - | 2,850.00 | 1,396.00 | 1,454.00 |
| Total Undistributed Expenditures - Required Maintenance for School Facilities | | 635,650.64 | (69,154.18) | 566,496.46 | 500,028.32 | 66,468.14 |
| Undistributed Expenditures - Custodial Services: | | | | | | |
| Salaries | 11-000-262-100 | 1,250,473.68 | (0.29) | 1,250,473.39 | 1,174,031.81 | 76,441.58 |
| Purchased Professional and Technical Services | 11-000-262-300 | 22,652.66 | (10,205.00) | 12,447.66 | 9,172.41 | 3,275.25 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 180,164.58 | 29,846.13 | 210,010.71 | 196,483.05 | 13,527.66 |
| Other Purchased Property Services | 11-000-262-490 | 332,860.24 | (65,333.60) | 267,526.64 | 229,888.81 | 37,637.83 |
| Insurance | 11-000-262-520 | 121,740.00 | 3,082.75 | 124,822.75 | 124,822.75 | - |
| Miscellaneous Purchased Services | 11-000-262-590 | 5,724.00 | (2,500.00) | 3,224.00 | 2,981.11 | 242.89 |
| General Supplies | 11-000-262-610 | 128,375.30 | 875.42 | 129,250.72 | 125,867.10 | 3,383.62 |
| Energy (Natural Gas) | 11-000-262-621 | 131,698.53 | (7,993.82) | 123,704.71 | 87,134.44 | 36,570.27 |
| Energy (Electricity) | 11-000-262-622 | 738,748.31 | (99,029.79) | 639,718.52 | 502,761.91 | 136,956.61 |
| Other Objects | 11-000-262-800 | 3,040.00 | (900.00) | 2,140.00 | 2,116.84 | 23.16 |
| Total Undistributed Expenditures - Custodial Services | | 2,915,477.30 | (152,158.20) | 2,763,319.10 | 2,455,260.23 | 308,058.87 |
| Undistributed Expenditures - Care and Upkeep of Grounds: | | | | | | |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL | |
|--|-----------------|-----------------|------------------|--------------|--------------------------|-----------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Cleaning, Repair & Maintenance Services | 11-000-263-420 | 98,470.15 | (1,547.72) | 96,922.43 | 78,776.73 | 18,145.70 |
| General Supplies | 11-000-263-610 | 60,143.80 | 1,655.88 | 61,799.68 | 51,323.03 | 10,476.65 |
| Total Undistributed Expenditures - Care and Upkeep of Grounds | | 158,613.95 | 108.16 | 158,722.11 | 130,099.76 | 28,622.35 |
| Security: | | | | | | |
| Cleaning, Repair, and Maintenance Services | 11-000-266-420 | 5,000.00 | (3,000.00) | 2,000.00 | 821.00 | 1,179.00 |
| Total Security | | 5,000.00 | (3,000.00) | 2,000.00 | 821.00 | 1,179.00 |
| Undistributed Expenditures - Student Transportation Services: | | | | | | |
| Salaries of Pupil Transportation (Between Home & School) - Regular | 11-000-270-160 | 672,160.44 | 77,024.53 | 749,184.97 | 732,592.56 | 16,592.41 |
| Sal for Pupil Trans (Bet Home & Sch)- Sp Ed | 11-000-270-161 | 152,954.00 | (15,480.20) | 137,473.80 | 136,818.78 | 655.02 |
| Sal for Pupil Trans (Other than Bet. Home & Sch) | 11-000-270-162 | 145,150.00 | (13,646.94) | 131,503.06 | 127,487.60 | 4,015.46 |
| Other Purchased Prof. and Technical Serv. | 11-000-270-390 | 12,782.99 | 146.49 | 12,929.48 | 12,506.46 | 423.02 |
| Cleaning, Repair and Maintenance Services | 11-000-270-420 | 27,561.25 | 1,513.61 | 29,074.86 | 18,298.36 | 10,776.50 |
| Lease Purchase Payments - School Buses | 11-000-270-443 | 218,547.50 | (0.50) | 218,547.00 | 212,619.33 | 5,927.67 |
| Contract Services - Aid in Lieu Payments - Non Public Schools | 11-000-270-503 | 79,118.00 | 3,251.00 | 82,369.00 | 73,040.36 | 9,328.64 |
| Contract Services (Between Home & School) - Vendors | 11-000-270-511 | 416,485.00 | 69,921.00 | 486,406.00 | 484,895.75 | 1,510.25 |
| Contract Services (Other Than Between Home & School) - Vendors | 11-000-270-512 | 4,000.00 | - | 4,000.00 | 3,526.88 | 473.12 |
| Contract Services (Special Education) - Vendors | 11-000-270-514 | 306,139.00 | (21,449.96) | 284,689.04 | 284,415.36 | 273.68 |
| Contract Serv.(Sp Ed Stds)-Joint Agrmnts | 11-000-270-515 | 65,300.00 | 30,095.67 | 95,395.67 | 95,190.30 | 205.37 |
| Miscellaneous Purchased Services - Transportation | 11-000-270-593 | 23,598.00 | 453.50 | 24,051.50 | 24,051.50 | - |
| General Supplies | 11-000-270-610 | 184,992.25 | (183,438.95) | 1,553.30 | 1,546.25 | 7.05 |
| Transportation Supplies | 11-000-270-615 | 6,852.83 | 176,578.54 | 183,431.37 | 177,153.79 | 6,277.58 |
| Miscellaneous Expenditures | 11-000-270-800 | 6,078.00 | (1,790.46) | 4,287.54 | 4,287.54 | - |
| Total Undistributed Expenditures - Student Transportation Services | | 2,321,719.26 | 123,177.33 | 2,444,896.59 | 2,388,430.82 | 56,465.77 |
| Instruction - Regular Programs: | | | | | | |
| Health Benefits | 11-100-100-270 | 2,454,364.00 | 42,998.34 | 2,497,362.34 | 2,447,243.56 | 50,118.78 |
| Total Regular Programs | | 2,454,364.00 | 42,998.34 | 2,497,362.34 | 2,447,243.56 | 50,118.78 |
| Special Education: | | | | | | |
| Health Benefits | 11-200-100-270 | 531,526.00 | (50,053.27) | 481,472.73 | 472,537.17 | 8,935.56 |
| Total Special Education | | 531,526.00 | (50,053.27) | 481,472.73 | 472,537.17 | 8,935.56 |
| Vocational Programs - Local - Instruction: | | | | | | |
| Health Benefits | 11-300-100-270 | 65,237.00 | (7,561.35) | 57,675.65 | 47,921.60 | 9,754.05 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL | |
|--|-----------------|-----------------|------------------|--------------|--------------------------|------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Total Vocational Programs - Local - Instruction | | 65,237.00 | (7,561.35) | 57,675.65 | 47,921.60 | 9,754.05 |
| Attendance & Social Work Services: Health Benefits | 11-000-211-270 | 39,763.00 | 0.39 | 39,763.39 | 39,339.00 | 424.39 |
| Total Attendance & Social Work Services | | 39,763.00 | 0.39 | 39,763.39 | 39,339.00 | 424.39 |
| Health Services: Health Benefits | 11-000-213-270 | 138,063.00 | 822.02 | 138,885.02 | 90,705.00 | 48,180.02 |
| Total Health Services | | 138,063.00 | 822.02 | 138,885.02 | 90,705.00 | 48,180.02 |
| Other Support Services - Students - Related Services: Health Benefits | 11-000-216-270 | 5,253.00 | (2,699.52) | 2,553.48 | 5,253.48 | (2,700.00) |
| Total Other Support Services - Students - Related Services | | 5,253.00 | (2,699.52) | 2,553.48 | 5,253.48 | (2,700.00) |
| Other Support Services - Students - Extra Services: Health Benefits | 11-000-217-270 | 27,562.00 | 0.30 | 27,562.30 | 25,017.03 | 2,545.27 |
| Total Other Support Services - Students - Extra Services | | 27,562.00 | 0.30 | 27,562.30 | 25,017.03 | 2,545.27 |
| Other Support Services - Students - Regular: Health Benefits | 11-000-218-270 | 197,182.00 | (10,612.09) | 186,569.91 | 178,111.18 | 8,458.73 |
| Total Other Support Services - Students - Regular | | 197,182.00 | (10,612.09) | 186,569.91 | 178,111.18 | 8,458.73 |
| Other Support Services - Students - Special Services: Health Benefits | 11-000-219-270 | 157,838.00 | 7,801.90 | 165,639.90 | 165,639.90 | - |
| Total Other Support Services - Students - Special Services | | 157,838.00 | 7,801.90 | 165,639.90 | 165,639.90 | - |
| Improvement of Instructional Services/Other Support Services - Instruction Staff: Health Benefits | 11-000-221-270 | 68,453.00 | 43,099.74 | 111,552.74 | 111,552.74 | - |
| Total Improvement of Instructional Services/Other Support Services - Instruction Staff: | | 68,453.00 | 43,099.74 | 111,552.74 | 111,552.74 | - |
| Educational Media Services/School Library: Health Benefits | 11-000-222-270 | 38,003.00 | (0.47) | 38,002.53 | 36,428.54 | 1,573.99 |
| Total Educational Media Services/School Library | | 38,003.00 | (0.47) | 38,002.53 | 36,428.54 | 1,573.99 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| ACCOUNT NUMBERS | ORIGINAL BUDGET | JUNE 30, 2018 | | VARIANCE FINAL TO ACTUAL |
|---|-----------------|------------------|--------------|--------------------------|
| | | BUDGET TRANSFERS | FINAL BUDGET | |
| Instructional Staff Training Services: Health Benefits | 47,853.00 | (8,438.67) | 39,414.33 | 8,312.16 |
| Total Instructional Staff Training Services | 47,853.00 | (8,438.67) | 39,414.33 | 8,312.16 |
| Support Services General Administration: Health Benefits | 39,490.00 | (13,593.84) | 25,896.16 | - |
| Total Support Services General Administration | 39,490.00 | (13,593.84) | 25,896.16 | - |
| Support Services School Administration: Health Benefits | 187,088.00 | 30,989.43 | 218,077.43 | 60.53 |
| Total Support Services School Administration | 187,088.00 | 30,989.43 | 218,077.43 | 60.53 |
| Central Services: Health Benefits | 113,167.00 | 3,774.04 | 116,941.04 | 11,723.51 |
| Total Central Services | 113,167.00 | 3,774.04 | 116,941.04 | 11,723.51 |
| Administrative Information Technology: Health Benefits | 15,303.00 | 0.30 | 15,303.30 | 3,006.67 |
| Total Administrative Information Technology | 15,303.00 | 0.30 | 15,303.30 | 3,006.67 |
| Required Maintenance for School Facilities Health Benefits | 718,471.00 | 3,405.16 | 721,876.16 | 14,305.79 |
| Total Operation & Maintenance of Plant Services | 718,471.00 | 3,405.16 | 721,876.16 | 14,305.79 |
| Student Transportation Services: Health Benefits | 792,571.00 | (102,988.31) | 689,582.69 | 0.92 |
| Total Student Transportation Services | 792,571.00 | (102,988.31) | 689,582.69 | 0.92 |
| Total Allocated Benefits | 5,637,187.00 | (63,055.90) | 5,574,131.10 | 164,700.37 |
| Unallocated Benefits: | | | | |
| Social Security Contributions | 465,398.47 | (34,737.00) | 430,661.47 | 23,337.80 |
| Other Retirement Contributions - PERS | 506,643.01 | (13,175.15) | 493,467.86 | 22,115.10 |
| Unemployment Compensation | 18,000.00 | - | 18,000.00 | 17,409.00 |
| Workmen's Compensation | 179,255.00 | 4,737.00 | 183,992.00 | - |
| Tuition Reimbursement | 73,600.00 | (1,093.56) | 72,506.44 | 9,418.20 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|---|-----------------|------------------|---------------|--------------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Total Unallocated Benefits | 1,242,896.48 | (44,268.71) | 1,198,627.77 | 72,280.10 |
| Nonbudgeted: | | | | |
| TPAF Pension (on-behalf) | - | - | 1,894,665.00 | (1,894,665.00) |
| TPAF Social Security (reimbursed) | - | - | 994,760.00 | (994,760.00) |
| TPAF Post Retirements | - | - | 1,223,724.00 | (1,223,724.00) |
| TPAF Long-Term Disability Insurance (on behalf) | - | - | 2,889.00 | (2,889.00) |
| Total Undistributed Expenditures | 22,234,631.34 | (251,097.08) | 21,983,534.26 | (2,827,170.82) |
| Total Expenditures - Current Expense | 36,332,138.58 | (330,698.26) | 36,001,440.32 | (2,478,379.24) |
| Interest Deposit to Capital Reserves | 2,000.00 | (2,000.00) | - | - |
| Capital Outlay: | | | | |
| Equipment: | | | | |
| Grades 6-8 | 20,188.90 | 36,780.09 | 56,968.99 | 16,376.11 |
| Grades 9-12 | 150,150.15 | 22,611.82 | 172,761.97 | 171,353.69 |
| School-Sponsored & Other Instructional Programs | - | 57,757.03 | 57,757.03 | - |
| Undistributed Expenditures: | | | | |
| Undist. Expend. - Required Maint for School Fac. | - | 10,382.00 | 10,382.00 | - |
| Undist. Expend. - Care and Upkeep of Grounds | 5,536.80 | 8,483.30 | 14,020.10 | 2,050.00 |
| School Buses - Regular | 159,549.22 | - | 159,549.22 | 159,317.42 |
| Total Equipment | 335,425.07 | 136,014.24 | 471,439.31 | 359,479.22 |
| Facilities Acquisition & Construction Services: | | | | |
| Other Purchased Prof. and Tech. Services | 234,517.48 | - | 234,517.48 | 14,336.28 |
| Construction Services | 203,279.32 | 212,090.43 | 415,369.75 | 249,769.75 |
| Lease Purchase Agreements - Principal | 428,936.00 | 0.48 | 428,936.48 | 428,766.62 |
| Assessment for Debt Service on SDA Funding | 139,313.00 | - | 139,313.00 | - |
| Capital Reserve - Transfer to Capital Projects | - | 2,000.00 | 2,000.00 | - |
| Total Facilities Acquisition & Construction Services | 1,006,045.80 | 214,090.91 | 1,220,136.71 | 832,185.65 |
| Assets Acquired Under Capital Leases (Non-Budgeted): | | | | |
| Capital Leases (Non-Budgeted) | - | - | 265,000.00 | (265,000.00) |
| Total Assets Acquired Under Capital Leases (Non-Budgeted) | - | - | 265,000.00 | (265,000.00) |
| Total Capital Outlay | 1,341,470.87 | 350,105.15 | 1,691,576.02 | 1,456,664.87 |
| Total Expenditures | 37,675,609.45 | 17,406.89 | 37,693,016.34 | (2,243,468.09) |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| ACCOUNT NUMBERS | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|--|------------------|------------------|------------------|--------------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses) | (3,322,980.45) | (17,406.89) | (3,340,387.34) | 4,030,951.22 |
| Other Financing Sources/(Uses): | | | | |
| Transfers In/(Out): | | | | |
| Capital Leases (Non-Budgeted) | - | - | - | 265,000.00 |
| Total Other Financing Sources/(Uses) | - | - | - | 265,000.00 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses) | (3,322,980.45) | (17,406.89) | (3,340,387.34) | 4,295,951.22 |
| Fund Balances, July 1 | 16,212,985.33 | - | 16,212,985.33 | - |
| Fund Balances, June 30 | \$ 12,890,004.88 | \$ (17,406.89) | \$ 12,872,597.99 | \$ 4,295,951.22 |

RECAPITULATION OF FUND BALANCE

| | |
|---|------------------|
| Restricted Fund Balance: | |
| Capital Reserve | \$ 3,369,274.21 |
| Federal Impact Aid Reserve (General) | 8,734,562.86 |
| Committed Fund Balance: | |
| Reserve for Legal Remediation | 395,500.00 |
| Assigned Fund Balance: | |
| Designated for Subsequent Year's Expenditures | 1,616,596.00 |
| Year-End Encumbrances | 1,023,040.25 |
| Unassigned Fund Balance | 2,029,575.89 |
| Subtotal | 17,168,549.21 |
| Reconciliation to Governmental Funds Statements (GAAP): | |
| Last State Aid Payments Not Recognized on GAAP Basis | (1,238,239.00) |
| Fund Balance per Governmental Funds (GAAP) | \$ 15,930,310.21 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL (OVER)/ UNDER | |
|---|--------------------|---------------------|-----------------|--|-----------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | ACTUAL |
| Revenues: | | | | | |
| Local Sources | \$ - | \$ 11,368.70 | \$ 11,368.70 | \$ 2,962.71 | \$ 8,405.99 |
| State Sources | 28,688.00 | 6,132.00 | 34,820.00 | 21,124.39 | 13,695.61 |
| Federal Sources | 585,264.00 | 1,164.22 | 586,428.22 | 580,294.25 | 6,133.97 |
| Total Revenues | 613,952.00 | 18,664.92 | 632,616.92 | 604,381.35 | 28,235.57 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 10,909.00 | 254,939.00 | 265,848.00 | 26,104.79 | 239,743.21 |
| Purchased Professional - Educational Services | - | 7,000.00 | 7,000.00 | - | 7,000.00 |
| Other Purchased Services (400-500 Series) | 423,098.00 | - | 423,098.00 | 397,168.00 | 25,930.00 |
| General Supplies | - | 10,360.00 | 10,360.00 | 41,485.68 | (31,125.68) |
| Textbooks | - | - | - | - | - |
| Other Objects | - | - | - | 760.00 | (760.00) |
| Total Instruction | 434,007.00 | 272,299.00 | 706,306.00 | 465,518.47 | 240,787.53 |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | - | - | - | 45,234.66 | (45,234.66) |
| Personal Services - Employee Benefits | - | 35,052.00 | 35,052.00 | 5,676.78 | 29,375.22 |
| Purchased Educational Services | - | 29,550.00 | 29,550.00 | 20,236.80 | 9,313.20 |
| Other Purchased Services (400-500 Series) | - | 2,700.00 | 2,700.00 | 29,906.33 | (27,206.33) |
| Supplies and Materials | - | - | - | 161.00 | (161.00) |
| Total Support Services | - | 67,302.00 | 67,302.00 | 101,215.57 | (33,913.57) |
| Facilities Acquisition & Construction Services: | | | | | |
| Instructional Equipment | - | - | - | 37,647.31 | (37,647.31) |
| Noninstructional Equipment | - | 3,006.00 | 3,006.00 | - | 3,006.00 |
| Total Facilities Acquisition & Construction Services | - | 3,006.00 | 3,006.00 | 37,647.31 | (34,641.31) |
| Total Expenditures | 434,007.00 | 342,607.00 | 776,614.00 | 604,381.35 | 172,232.65 |
| Total Outflows | 434,007.00 | 342,607.00 | 776,614.00 | 604,381.35 | 172,232.65 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) | \$ 179,945.00 | \$ (323,942.08) | \$ (143,997.08) | \$ - | \$ (143,997.08) |

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2018**

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

| | GENERAL FUND | SPECIAL REVENUE FUND |
|---|-------------------------|-------------------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" | | |
| From the Budgetary Comparison Schedule (C-Series) | \$ 40,627,048.31 | \$ 604,381.35 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Current Year | - | (58,330.25) |
| Prior Year | - | 23,110.76 |
| The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33). | | |
| Current Year | (1,238,239.00) | - |
| Prior Year | 1,191,576.99 | - |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2) | | |
| | \$ 40,580,386.30 | \$ 569,161.86 |
| Uses/outflows of resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2) | \$ 39,936,484.43 | \$ 604,381.35 |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2) | | |
| | \$ 39,936,484.43 | \$ 569,161.86 |

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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EXHIBIT L-1

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

| | 2017 | 2016 | 2015 | 2014 |
|---|-----------------|-----------------|-----------------|-----------------|
| School District's proportion of the net pension liability | 0.0169775354% | 0.0166434462% | 0.0166057005% | 0.0166686668% |
| School District's proportionate share of the net pension liability | \$ 5,028,259.00 | \$ 3,736,120.00 | \$ 3,109,041.00 | \$ 3,185,713.00 |
| School District's covered payroll | \$ 1,095,256.24 | \$ 1,091,554.12 | \$ 1,122,841.00 | \$ 1,155,174.00 |
| School District's proportionate share of the net pension liability as a percentage of its covered payroll | 459.09% | 342.28% | 276.89% | 275.78% |
| Plan fiduciary net position as a percentage of the total pension liability | 40.14% | 47.93% | 52.08% | 48.72% |

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

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

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

| | 2018 | 2017 | 2016 | 2015 |
|--|-----------------|-----------------|-----------------|-----------------|
| School District's contractually required contribution | \$ 151,908.00 | \$ 150,826.00 | \$ 143,089.00 | \$ 136,895.00 |
| Contributions in relation to the contractually required contribution | (151,908.00) | (150,826.00) | (143,089.00) | (136,895.00) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| School District's covered payroll | \$ 1,095,256.24 | \$ 1,091,554.12 | \$ 1,122,841.00 | \$ 1,155,174.00 |
| Contributions as a percentage of covered payroll | 13.87% | 13.82% | 12.74% | 11.85% |

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

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

| | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|------------------|
| School District's proportion of the net pension liability | 0.00% | 0.00% | 0.00% | 0.00% |
| School District's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the School District | \$ 67,092,202.00 | \$ 56,226,481.00 | \$ 48,136,446.00 | \$ 45,565,423.00 |
| School District's covered payroll | \$ 67,092,202.00 | \$ 56,226,481.00 | \$ 48,136,446.00 | \$ 45,565,423.00 |
| School District's covered payroll | \$ 8,563,215.56 | \$ 8,503,243.68 | \$ 8,529,641.00 | \$ 8,570,681.00 |
| School District's proportionate share of the net pension liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 22.33% | 28.71% | 33.64% | 33.76% |

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

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

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**NORTHERN BURLINGTON 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***

| | 2018 |
|--|---------------|
| District's Total OPEB Liability | |
| Service Cost | \$ 3,266,346 |
| Interest Cost | 2,331,755 |
| Changes of Assumptions | (9,881,677) |
| Contributions: Member | 62,637 |
| Gross Benefit Payments | (1,701,051) |
| Net Change in District's Total OPEB Liability | (5,921,990) |
| District's Total OPEB Liability (Beginning) | 79,363,065 |
| District's Total OPEB Liability (Ending) | \$ 73,441,075 |
| District's Covered Employee Payroll | \$ 10,313,365 |
| District's Net OPEB Liability as a Percentage of Payroll | 712% |

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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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
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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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2018**

| | Title I | Title IIA | Title III | Title IV | I.D.E.A. - Basic | Stem Grant |
|---|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|
| Revenues: | | | | | | |
| Local Sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Sources | - | - | - | - | - | - |
| Federal Sources | \$ 77,788.61 | \$ 32,534.58 | \$ 1,228.00 | \$ 9,995.57 | \$ 398,446.65 | \$ 12,619.36 |
| Total Revenues | \$ 77,788.61 | \$ 32,534.58 | \$ 1,228.00 | \$ 9,995.57 | \$ 398,446.65 | \$ 12,619.36 |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | \$ 25,087.79 | \$ - | \$ - | \$ 1,017.00 | \$ - | \$ - |
| Other Purchased Services (400-500 Series) | - | - | - | - | 396,104.00 | - |
| General Supplies | 19,597.85 | 657.06 | 1,228.00 | 905.00 | 759.53 | 11,859.36 |
| Other Objects | - | - | - | - | - | 760.00 |
| Total Instruction | 44,685.64 | 657.06 | 1,228.00 | 1,922.00 | 396,863.53 | 12,619.36 |
| Support Services: | | | | | | |
| Salaries of Other Professional Staff | 24,861.02 | 13,095.64 | - | 7,278.00 | - | - |
| Personal Services - Employee Benefits | 3,761.95 | 1,280.26 | - | 634.57 | - | - |
| Purchased Educational Services | - | 9,423.68 | - | - | 1,583.12 | - |
| Other Purchased Services (400-500 Series) | 4,480.00 | 8,077.94 | - | - | - | - |
| Supplies and Materials | - | - | - | 161.00 | - | - |
| Total Support Services | 33,102.97 | 31,877.52 | - | 8,073.57 | 1,583.12 | - |
| Facilities Acquisition & Construction Services: | | | | | | |
| Instructional Equipment | - | - | - | - | - | - |
| Total Facilities Acquisition & Construction Services | - | - | - | - | - | - |
| Total Expenditures | \$ 77,788.61 | \$ 32,534.58 | \$ 1,228.00 | \$ 9,995.57 | \$ 398,446.65 | \$ 12,619.36 |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2018**

| | Perkins Grant | Non Public Ch. 192 Auxiliary | Non Public Textbook | Non Public Nursing | Non Public Ch. 193 Handicapped |
|---|---------------------|---------------------------------|------------------------|--------------------|-----------------------------------|
| Revenues: | | | | | |
| Local Sources | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Sources | - | 13,729.90 | 1,096.00 | 1,940.00 | 3,618.49 |
| Federal Sources | 47,681.48 | - | - | - | - |
| Total Revenues | \$ 47,681.48 | \$ 13,729.90 | \$ 1,096.00 | \$ 1,940.00 | \$ 3,618.49 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Purchased Services (400-500 Series) | 1,064.00 | - | - | - | - |
| General Supplies | 2,420.17 | - | 1,096.00 | - | - |
| Other Objects | - | - | - | - | - |
| Total Instruction | 3,484.17 | - | 1,096.00 | - | - |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | - | - | - | - | - |
| Personal Services - Employee Benefits | - | - | - | - | - |
| Purchased Educational Services | 6,550.00 | - | - | 1,940.00 | - |
| Other Purchased Services (400-500 Series) | - | 13,729.90 | - | - | 3,618.49 |
| Supplies and Materials | - | - | - | - | - |
| Total Support Services | 6,550.00 | 13,729.90 | - | 1,940.00 | 3,618.49 |
| Facilities Acquisition & Construction Services: | | | | | |
| Instructional Equipment | 37,647.31 | - | - | - | - |
| Total Facilities Acquisition & Construction Services | 37,647.31 | - | - | - | - |
| Total Expenditures | \$ 47,681.48 | \$ 13,729.90 | \$ 1,096.00 | \$ 1,940.00 | \$ 3,618.49 |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2018**

| | Non Public Technology | FMC Grant Supplies Co. | FFA - Monsanto | FFA - Tractor Supply Co. | PSE&G | Totals |
|---|--------------------------|---------------------------|------------------|-----------------------------|------------------|----------------------|
| Revenues: | | | | | | |
| Local Sources | \$ - | \$ 737.67 | \$ 380.00 | \$ 1,037.78 | \$ 807.26 | \$ 2,962.71 |
| State Sources | 740.00 | - | - | - | - | 21,124.39 |
| Federal Sources | - | - | - | - | - | 580,294.25 |
| Total Revenues | \$ 740.00 | \$ 737.67 | \$ 380.00 | \$ 1,037.78 | \$ 807.26 | \$ 604,381.35 |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 26,104.79 |
| Other Purchased Services (400-500 Series) | - | - | - | - | - | 397,168.00 |
| General Supplies | - | 737.67 | 380.00 | 1,037.78 | 807.26 | 41,485.68 |
| Other Objects | - | - | - | - | - | 760.00 |
| Total Instruction | - | 737.67 | 380.00 | 1,037.78 | 807.26 | 465,518.47 |
| Support Services: | | | | | | |
| Salaries of Other Professional Staff | - | - | - | - | - | 45,234.66 |
| Personal Services - Employee Benefits | - | - | - | - | - | 5,676.78 |
| Purchased Educational Services | 740.00 | - | - | - | - | 20,236.80 |
| Other Purchased Services (400-500 Series) | - | - | - | - | - | 29,906.33 |
| Supplies and Materials | - | - | - | - | - | 161.00 |
| Total Support Services | 740.00 | - | - | - | - | 101,215.57 |
| Facilities Acquisition & Construction Services: | | | | | | |
| Instructional Equipment | - | - | - | - | - | 37,647.31 |
| Total Facilities Acquisition & Construction Services | - | - | - | - | - | 37,647.31 |
| Total Expenditures | \$ 740.00 | \$ 737.67 | \$ 380.00 | \$ 1,037.78 | \$ 807.26 | \$ 604,381.35 |

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F. Capital Projects Fund

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EXHIBIT F-1

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2018

| <u>Project Title / Issue</u> | <u>Original Date</u> | <u>Original Appropriations</u> | <u>Expenditures to Date</u> | | <u>Unexpended Balance June 30, 2018</u> |
|------------------------------|----------------------|--------------------------------|-----------------------------|---------------------|---|
| | | | <u>Prior Years</u> | <u>Current Year</u> | |
| Renovations to High School | 6/17/2009 | \$ 3,915,136.00 | \$ 3,442,522.00 | \$ 100,000.00 | \$ 372,614.00 |
| High School Building Project | 2/5/2018 | 39,760,000.00 | - | 648,850.29 | 39,111,149.71 |
| Total | | \$ 43,675,136.00 | \$ 3,442,522.00 | \$ 748,850.29 | \$ 39,483,763.71 |

Reconciliation of Fund Balance

| | |
|--------------------------------------|------------------|
| Unexpended Project Balances | \$ 39,483,763.71 |
| Less: Unreceived Bond Proceeds | (39,760,000.00) |
| Total Fund Balance (Budgetary Basis) | (276,236.29) |
| Less: Reserve for Encumbrances | - |
| Total Fund Balance (GAAP Basis) | \$ (276,236.29) |

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

| | |
|---|-----------------------------------|
| Expenditures and Other Financing Uses: | |
| Other Purchased Professional and Technical Services | 633,830.79 |
| Construction Services | 15,019.50 |
| Transfer to Debt Service Fund | <u>100,000.00</u> |
| Total Expenditures and Other Financing Uses | <u>748,850.29</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources | |
| Over (Under) Expenditures and Other Financing Uses | <u>(748,850.29)</u> |
| Fund Balance, July 1 | <u>472,613.96</u> |
| Fund Balance, June 30 | <u><u>\$ (276,236.33)</u></u> |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
RENOVATIONS TO HIGH SCHOOL
YEAR ENDED JUNE 30, 2018**

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------|---------------------|-----------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources -- SCC Grant | \$ 1,184,040.00 | \$ - | \$ 1,184,040.00 | \$ 1,184,040.00 |
| Bond Proceeds | 2,731,096.00 | - | 2,731,096.00 | 2,731,096.00 |
| | | | | |
| Total Revenues and Other Financing Sources | 3,915,136.00 | - | 3,915,136.00 | 3,915,136.00 |
| Expenditures and Other Financing Uses: | | | | |
| Other Purchased Professional and Technical Services | 284,547.00 | - | 284,547.00 | 284,547.00 |
| Construction Services | 2,957,879.00 | - | 2,957,879.00 | 3,330,493.00 |
| Cancellation of Receivable | 96.00 | - | 96.00 | 96.00 |
| Transfer to Debt Service Fund | 200,000.00 | 100,000.00 | 300,000.00 | 300,000.00 |
| | | | | |
| Total Expenditures and Other Financing Uses | 3,442,522.00 | 100,000.00 | 3,542,522.00 | 3,915,136.00 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ 472,614.00 | \$ (100,000.00) | \$ 372,614.00 | \$ - |

Additional Project Information:

| | |
|---|-----------------|
| <u>Name of Project:</u> | |
| <u>Renovations to High School</u> | |
| Bond Authorization Date | 6/17/2009 |
| Bonds Authorized | \$ 2,731,000.00 |
| Bonds Issued | \$ 2,731,000.00 |
| Original Authorized Cost | \$ 3,800,323.00 |
| Additional Authorized Cost | \$ 114,813.00 |
| Revised Authorized Cost | \$ 3,915,136.00 |
| Percentage Increase over Original Authorized Cost | 3.02% |
| Percentage Completion | 90.48% |
| Original Target Completion Date | N/A |
| Revised Target Completion Date | N/A |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
HIGH SCHOOL BUILDING PROJECT
YEAR ENDED JUNE 30, 2018**

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------|---------------------|-----------------|--|
| Revenues and Other Financing Sources: | | | | |
| Bond Proceeds | \$ - | \$ - | \$ - | \$ 39,760,000.00 |
| Total Revenues and Other Financing Sources | - | - | - | 39,760,000.00 |
| Expenditures and Other Financing Uses: | | | | |
| Other Purchased Professional and Technical Services | - | 633,830.79 | 633,830.79 | 3,795,700.00 |
| Construction Services | - | 15,019.50 | 15,019.50 | 32,212,000.00 |
| Supplies and Materials | - | - | - | 408,000.00 |
| Other Objects | - | - | - | 3,344,300.00 |
| Total Expenditures and Other Financing Uses | - | 648,850.29 | 648,850.29 | 39,760,000.00 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ - | \$ (648,850.29) | \$ (648,850.29) | \$ - |

Additional Project Information:

| <u>Name of Project:</u> | |
|---|-----------------|
| <u>High School Building Project</u> | |
| Grant Date | N/A |
| Bond Authorization Date | 2/5/2018 |
| Bonds Authorized | \$39,760,000.00 |
| Bonds Issued | N/A |
| Original Authorized Cost | 39,760,000.00 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 39,760,000.00 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 1.63% |
| Original Target Completion Date | 1/1/2020 |
| Revised Target Completion Date | N/A |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM
YEAR ENDED JUNE 30, 2018**

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources -- SCC Grant | \$ - | \$ - | \$ - | \$ - |
| Bond Proceeds | - | - | - | - |
| Transfer from Capital Reserve | - | - | - | - |
| | | | | |
| Total Revenues and Other Financing Sources | - | - | - | - |
| Expenditures and Other Financing Uses: | | | | |
| Other Purchased Professional and Technical Services | - | - | - | - |
| Construction Services | - | - | - | - |
| | | | | |
| Total Expenditures and Other Financing Uses | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ - | \$ - | \$ - | \$ - |

Additional Project Information:

| | <u>Name of Project:</u> | |
|-----------------------|---|-----------------|
| <u>Project Number</u> | <u>Upgrades to Geothermal System</u> | |
| | Grant Date | 5/27/2014 |
| 3160-050-14-1018 | Bond Authorization Date | 5/29/2014 |
| 3160-053-14-1021 | Bonds Authorized | - |
| 3160-055-14-1023 | Bonds Issued | - |
| 3160-057-14-1024 | Original Authorized Cost | 14,365,094.00 |
| 3160-059-14-1026 | Additional Authorized Cost | (14,365,094.00) |
| | Revised Authorized Cost | - |
| | Percentage Increase over Original Authorized Cost | -100.00% |
| | Percentage Completion | #DIV/0! |
| | Original Target Completion Date | 8/31/14 |
| | Revised Target Completion Date | N/A |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
BOILER REPLACEMENT PROJECT
YEAR ENDED JUNE 30, 2018**

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources -- SCC Grant | \$ - | \$ - | \$ - | \$ - |
| Bond Proceeds | - | - | - | - |
| Transfer from Capital Reserve | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | - | - |
| Expenditures and Other Financing Uses: | | | | |
| Other Purchased Professional and Technical Services | - | - | - | - |
| Construction Services | - | - | - | - |
| Total Expenditures and Other Financing Uses | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ - | \$ - | \$ - | \$ - |

Additional Project Information:

| | <u>Name of Project:</u> | |
|-----------------------|---|--------------|
| | <u>Boiler Replacement Project</u> | |
| <u>Project Number</u> | Grant Date | 5/27/2014 |
| 3160-143-14-1036 | Bond Authorization Date | N/A |
| 3160-080-14-1029 | Bonds Authorized | N/A |
| | Bonds Issued | N/A |
| | Original Authorized Cost | 861,665.00 |
| | Additional Authorized Cost | (861,665.00) |
| | Revised Authorized Cost | - |
| | Percentage Increase over Original Authorized Cost | -100.00% |
| | Percentage Completion | #DIV/0! |
| | Original Target Completion Date | 8/31/15 |
| | Revised Target Completion Date | N/A |

H. Fiduciary Fund

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

| | PRIVATE PURPOSE TRUST FUNDS | | | AGENCY | | |
|---|---------------------------------------|---------------------|-----------------|-----------------|-----------------------------|------------------|
| | UNEMPLOYMENT COMPENSATION TRUST | RETIREMENT TRUST | TRUST TOTALS | PAYROLL FUND | STUDENT ACTIVITY FUND | AGENCY TOTALS |
| ASSETS | | | | | | |
| Cash & Cash Equivalents | \$ 60,526.91 | \$ 132,112.31 | \$ 192,639.22 | \$ 17,136.70 | \$ 331,552.18 | \$ 348,688.88 |
| Interfund Receivable | - | - | - | - | - | - |
| Total Assets | 60,526.91 | 132,112.31 | 192,639.22 | 17,136.70 | 331,552.18 | 348,688.88 |
| LIABILITIES | | | | | | |
| Accounts Payable | 2,148.00 | - | 2,148.00 | - | - | - |
| Interfund Payable | - | - | - | - | - | - |
| Payable for Student Related Activities | - | - | - | - | 331,552.18 | 331,552.18 |
| Payroll Deductions & Withholdings | - | - | - | 17,136.70 | - | 17,136.70 |
| Total Liabilities | 2,148.00 | - | 2,148.00 | 17,136.70 | 331,552.18 | 348,688.88 |
| NET POSITION | | | | | | |
| Restricted - Held in Trust for Unemployment | | | | | | |
| Unemployment Claims | 58,378.91 | - | 58,378.91 | | | |
| Retirement Claims | - | 132,112.31 | 132,112.31 | | | |
| Total Net Position | \$ 58,378.91 | \$ 132,112.31 | \$ 190,491.22 | | | |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018**

| | UNEMPLOYMENT COMPENSATION TRUST | RETIREMENT TRUST | TOTAL TRUST |
|--------------------------|--|-----------------------------|------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Plan Member | \$ 31,389.67 | - | \$ 31,389.67 |
| Total Contributions | 31,389.67 | - | 31,389.67 |
| Investment Earnings: | | | |
| Interest | 156.59 | 335.25 | 491.84 |
| Net Investment Earnings | 156.59 | 335.25 | 491.84 |
| Total Additions | 31,546.26 | 335.25 | 31,881.51 |
| DEDUCTIONS | | | |
| Unemployment Claims | 15,981.44 | - | 15,981.44 |
| Total Deductions | 15,981.44 | - | 15,981.44 |
| Change in Net Position | 15,564.82 | 335.25 | 15,900.07 |
| Net Position - Beginning | 42,814.09 | 131,777.06 | 174,591.15 |
| Net Position - Ending | \$ 58,378.91 | \$ 132,112.31 | \$ 190,491.22 |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2018**

| | BALANCE JUNE 30, 2017 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2018 |
|-----------------------|-----------------------------|------------------|-----------------------|-----------------------------|
| Due to Student Groups | \$ 326,878.52 | \$ 894,977.40 | \$ 890,303.74 | \$ 331,552.18 |
| Total All Schools | \$ 326,878.52 | \$ 894,977.40 | \$ 890,303.74 | \$ 331,552.18 |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2018**

| | BALANCE JUNE 30, 2017 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2018 |
|-----------------------------------|-----------------------------|------------------|-----------------------|-----------------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 17,081.82 | \$ 9,509,497.92 | \$ 9,509,443.04 | \$ 17,136.70 |
| Total Assets | \$ 17,081.82 | \$ 9,509,497.92 | \$ 9,509,443.04 | \$ 17,136.70 |
| LIABILITIES | | | | |
| Payroll Deductions & Withholdings | \$ 17,081.82 | \$ 9,509,291.75 | \$ 9,509,443.04 | \$ 16,930.53 |
| Interfunds Payable | - | 206.17 | - | 206.17 |
| Total Liabilities | \$ 17,081.82 | \$ 9,509,497.92 | \$ 9,509,443.04 | \$ 17,136.70 |

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I. Long-Term Debt

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**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2018**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES DATE | ANNUAL MATURITIES AMOUNT | INTEREST RATE | BALANCE JUNE 30, 2017 | ISSUED | RETIRED | BALANCE JUNE 30, 2018 |
|---------------------------|---------------|------------------|------------------------|--------------------------|---------------|-----------------------|--------|---------------|-----------------------|
| School Refunding Bonds | 11/2/2006 | \$ 15,205,000.00 | N/A | | N/A | \$ 785,000.00 | \$ - | \$ 785,000.00 | \$ - |
| School Refunding Bonds | 6/17/2009 | 2,731,000.00 | 7/15/2018 | 190,000.00 | 3.750% | 1,580,000.00 | - | 190,000.00 | 1,390,000.00 |
| | | | 7/15/2019 | 200,000.00 | 3.875% | | | | |
| | | | 7/15/2020 | 200,000.00 | 4.000% | | | | |
| | | | 7/15/2021 | 200,000.00 | 4.250% | | | | |
| | | | 7/15/2022 | 200,000.00 | 4.250% | | | | |
| | | | 7/15/2023 | 200,000.00 | 4.500% | | | | |
| | | | 7/15/2024 | 200,000.00 | 4.500% | | | | |
| 2017 Bond Refunding Issue | 1/26/17 | 9,155,000.00 | 3/1/2019 | 530,000.00 | 2.000% | 9,155,000.00 | - | - | 9,155,000.00 |
| | | | 3/1/2019 | 220,000.00 | 4.000% | | | | |
| | | | 3/1/2020 | 740,000.00 | 4.000% | | | | |
| | | | 3/1/2021 | 735,000.00 | 4.000% | | | | |
| | | | 3/1/2022 | 725,000.00 | 3.000% | | | | |
| | | | 3/1/2023 | 710,000.00 | 5.000% | | | | |
| | | | 3/1/2024 | 710,000.00 | 4.000% | | | | |
| | | | 3/1/2025 | 705,000.00 | 5.000% | | | | |
| | | | 3/1/2026 | 530,000.00 | 4.000% | | | | |
| | | | 3/1/2026 | 175,000.00 | 5.000% | | | | |
| | | | 3/1/2027 | 695,000.00 | 4.000% | | | | |
| | | | 3/1/2028 | 690,000.00 | 3.750% | | | | |
| | | | 3/1/2029 | 680,000.00 | 3.500% | | | | |
| | | | 3/1/2030 | 665,000.00 | 3.500% | | | | |
| | | | 3/1/2031 | 645,000.00 | 3.500% | | | | |
| Total | | | | | | \$ 11,520,000.00 | \$ - | \$ 975,000.00 | \$ 10,545,000.00 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 YEAR ENDED JUNE 30, 2018

| PURPOSE | DATE OF LEASE | TERM OF LEASE | PRINCIPAL | LAST PAYMENT DUE | INTEREST RATE | AMOUNT | | AMOUNT OUTSTANDING JUNE 30, 2018 | |
|-------------------------------|---------------|---------------|---------------|------------------|---------------|---------------------------|---------------|----------------------------------|-----------------|
| | | | | | | OUTSTANDING JUNE 30, 2017 | ISSUED | | |
| 2013 Purchase of Buses | 8/29/2012 | 5 YEARS | \$ 270,000.00 | 8/1/2017 | 1.820% | \$ 55,889.00 | \$ - | \$ 55,889.00 | |
| 2015 Purchase of Buses | 8/1/2015 | 5 YEARS | 250,000.00 | 8/1/2019 | 1.990% | 150,977.00 | - | 49,333.00 | |
| 2016 Purchase of Buses | 8/1/2016 | 5 YEARS | 235,000.00 | 8/1/2020 | 1.830% | 187,121.00 | - | 45,514.00 | |
| 2016 Parking Lot & Bus Access | 9/1/2016 | 5 YEARS | 2,200,000.00 | 8/1/2020 | 1.430% | 1,752,207.00 | - | 428,767.00 | |
| 2018 Purchase of Buses | 4/4/2018 | 5 YEARS | 265,000.00 | 8/1/2022 | 2.830% | - | 265,000.00 | - | |
| Total | | | | | | \$ 2,146,194.00 | \$ 265,000.00 | \$ 579,503.00 | \$ 1,831,691.00 |

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2018

| | JUNE 30, 2018 | | | VARIANCE FINAL TO ACTUAL |
|--|--------------------|---------------------|-----------------|--------------------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| Revenues: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 1,306,754.00 | \$ - | \$ 1,306,754.00 | \$ - |
| State Sources: | | | | |
| Debt Service Aid Type II | 55,549.00 | - | 55,549.00 | - |
| Total Revenues | 1,362,303.00 | - | 1,362,303.00 | - |
| Expenditures: | | | | |
| Regular Debt Service: | | | | |
| Interest | 487,303.00 | 0.13 | 487,303.13 | - |
| Redemption of Principal | 975,000.00 | - | 975,000.00 | - |
| Total Regular Debt Service | 1,462,303.00 | 0.13 | 1,462,303.13 | - |
| Total Expenditures | 1,462,303.00 | 0.13 | 1,462,303.13 | - |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (100,000.00) | (0.13) | (100,000.13) | - |
| Other Financing Sources/(Uses) Transfers In/(Out) | | | | |
| Transfers from Capital Projects Fund | 100,000.00 | - | 100,000.00 | - |
| Total Financing Sources/(Uses) | 100,000.00 | - | 100,000.00 | - |
| Fund Balance, July 1, | 2.48 | - | 2.48 | - |
| Fund Balance, June 30, | \$ 2.48 | \$ (0.13) | \$ 2.35 | \$ - |

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---------------------------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 21,281,360.00 | \$ 20,144,557.00 | \$ 19,188,176.00 | \$ 18,425,737.00 | \$ 17,957,455.00 | \$ 16,274,942.00 | \$ 14,206,320.00 | \$ 12,927,726.00 | \$ 12,125,692.00 | \$ 11,229,091.00 |
| Restricted | 3,093,040.00 | 3,551,380.00 | 12,625,099.00 | 11,028,010.00 | 2,694,782.00 | 2,677,062.00 | 6,110,173.00 | 4,525,689.00 | 7,862,456.00 | 9,523,640.80 |
| Unrestricted (Deficit) | (2,717,966.00) | (2,213,135.00) | (12,569,456.00) | (12,047,413.00) | 4,354,449.00 | 4,761,520.00 | 385,937.00 | 833,241.00 | (1,749,501.00) | (2,491,606.80) |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | \$ 21,656,434.00 | \$ 21,482,802.00 | \$ 19,243,819.00 | \$ 17,406,334.00 | \$ 25,006,686.00 | \$ 23,713,524.00 | \$ 20,702,430.00 | \$ 18,286,656.00 | \$ 18,238,647.00 | \$ 18,261,125.00 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 104,678.00 | \$ 123,626.00 | \$ 147,788.00 | \$ 139,860.00 | \$ 170,424.00 | \$ 130,252.00 | \$ 141,222.00 | \$ 24,434.00 | \$ 33,480.00 | \$ 29,806.00 |
| Unrestricted (Deficit) | 540,066.00 | 407,401.00 | 411,848.00 | 338,031.00 | 256,465.00 | 471,004.00 | 697,600.00 | 828,643.00 | 750,020.00 | 548,394.00 |
| Total Business-Type Activities | | | | | | | | | | |
| Net Position | \$ 644,744.00 | \$ 531,027.00 | \$ 559,636.00 | \$ 477,891.00 | \$ 426,889.00 | \$ 601,256.00 | \$ 838,822.00 | \$ 853,077.00 | \$ 783,500.00 | \$ 578,200.00 |
| District-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 21,386,038.00 | \$ 20,268,183.00 | \$ 19,335,964.00 | \$ 18,565,597.00 | \$ 18,127,879.00 | \$ 16,405,194.00 | \$ 14,347,542.00 | \$ 12,952,160.00 | \$ 12,159,172.00 | \$ 11,258,897.00 |
| Restricted | 3,093,040.00 | 3,551,380.00 | 12,625,099.00 | 11,028,010.00 | 2,694,782.00 | 2,677,062.00 | 6,110,173.00 | 4,525,689.00 | 7,862,456.00 | 9,523,640.80 |
| Unrestricted (Deficit) | (2,177,900.00) | (1,805,734.00) | (12,157,608.00) | (11,709,382.00) | 4,610,914.00 | 5,232,524.00 | 1,083,537.00 | 1,661,884.00 | (999,481.00) | (1,943,212.80) |
| Total District Net Position | \$ 22,301,178.00 | \$ 22,013,829.00 | \$ 19,803,455.00 | \$ 17,884,225.00 | \$ 25,433,575.00 | \$ 24,314,780.00 | \$ 21,541,252.00 | \$ 19,139,733.00 | \$ 19,022,147.00 | \$ 18,839,325.00 |

Source: CAFR Schedule A-1

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| FISCAL YEAR ENDING JUNE 30, | | | | | | | | | | |
| Expenses: | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 15,954,176.00 | \$ 12,825,281.00 | \$ 9,286,087.00 | \$ 9,486,398.00 | \$ 8,727,051.00 | \$ 8,520,223.00 | \$ 8,499,224.00 | \$ 8,326,740.00 | \$ 8,213,138.00 | \$ 9,219,218.00 |
| Special Education | 2,991,931.00 | 3,156,549.00 | 2,577,439.00 | 2,450,328.00 | 2,301,724.00 | 2,263,281.00 | 2,111,357.00 | 1,940,360.00 | 2,157,565.00 | 1,598,828.00 |
| Other Instruction | 2,721,998.00 | 2,314,690.00 | 1,696,415.00 | 1,624,878.00 | 1,760,588.00 | 1,730,460.00 | 1,665,663.00 | 1,559,318.00 | 1,782,647.00 | 1,597,094.00 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,674,130.00 | 2,467,936.00 | 1,458,106.00 | 1,442,300.00 | 1,309,562.00 | 1,156,994.00 | 1,040,201.00 | 927,092.00 | 539,348.00 | 1,001,125.00 |
| Student & Instruction Related Services | 7,035,091.00 | 5,118,253.00 | 3,982,496.00 | 3,984,626.00 | 3,696,263.00 | 3,716,110.00 | 3,259,385.00 | 3,212,310.00 | 3,340,263.00 | 3,404,210.00 |
| Other Administrative Services | 1,078,486.00 | 1,883,179.00 | 1,141,378.00 | 1,062,572.00 | 1,141,784.00 | 1,101,914.00 | 1,055,122.00 | 1,045,767.00 | 1,083,668.00 | 1,052,726.00 |
| Central Services | 774,984.00 | 611,997.00 | | | | | | | | |
| Administration Information Technology Services | 93,558.00 | 74,448.00 | | | | | | | | |
| School Administrative Services | 1,845,332.00 | 1,408,038.00 | 1,112,390.00 | 1,112,411.00 | 1,774,950.00 | 996,378.00 | 1,029,322.00 | 1,095,064.00 | 1,291,712.00 | 1,210,498.00 |
| Plant Operations & Maintenance | 4,592,178.00 | 3,892,840.00 | 3,409,752.00 | 3,132,914.00 | 3,204,197.00 | 2,897,805.00 | 3,026,494.00 | 2,914,623.00 | 3,377,381.00 | 3,369,244.00 |
| Pupil Transportation | 3,670,562.00 | 3,041,971.00 | 2,030,136.00 | 2,050,359.00 | 2,004,656.00 | 1,930,611.00 | 1,843,691.00 | 1,742,377.00 | 1,669,298.00 | 1,747,329.00 |
| Unallocated Benefits | - | - | 13,395,423.00 | 11,584,527.00 | 8,028,599.00 | 7,111,018.00 | 6,765,425.00 | 8,058,785.00 | 7,841,839.00 | 7,197,782.00 |
| Transfer to Charter Schools | - | - | - | - | - | 9,182.00 | 9,554.00 | - | - | - |
| Amortization of Debt Refunding Costs | - | - | - | - | - | - | 23,795.00 | 23,794.00 | 23,794.00 | 23,795.00 |
| Compensated Absences | - | - | - | - | - | - | 115,139.00 | 3,310.00 | 126,296.00 | 31,690.00 |
| Special Schools | - | - | - | - | - | - | - | 9,610.00 | 9,582.00 | 9,240.00 |
| Interest & Other Charges | 700,972.00 | 791,183.00 | 1,049,905.00 | 736,902.00 | 865,093.00 | 1,040,073.00 | 1,081,842.00 | 1,193,432.00 | 1,187,648.00 | 1,119,976.00 |
| Cancellation of Accounts Receivable | - | - | - | - | - | 96.00 | 306,794.00 | - | - | - |
| Unallocated Depreciation | - | - | 1,520,464.00 | 1,474,410.00 | 103,796.00 | 1,406,229.00 | 1,419,971.00 | 1,403,418.00 | 1,306,379.00 | 1,285,162.00 |
| Total Governmental Activities Expenses | 44,133,398.00 | 37,586,365.00 | 42,659,991.00 | 40,142,625.00 | 33,320,808.00 | 33,880,374.00 | 33,252,979.00 | 33,456,000.00 | 33,950,558.00 | 33,867,917.00 |
| Business-Type Activities: | | | | | | | | | | |
| Regional Transportation | 686,739.00 | 702,410 | 615,884.00 | 744,999.00 | 769,823.00 | 700,345.00 | 697,562.00 | 792,598.00 | 761,431.00 | 786,951.00 |
| Evening Schools | 111,294.00 | 60,351 | 68,410.00 | 52,073.00 | 45,490.00 | 66,772.00 | 50,432.00 | 50,168.00 | 60,093.00 | 61,565.00 |
| Job Fair | - | - | - | - | - | - | - | - | - | 6,606.00 |
| Shared Services | - | - | - | - | - | 49,228.00 | - | 20,454.00 | 32,604.00 | - |
| Technologies | 299,689.00 | 245,868 | 285,312.00 | 283,011.00 | 209,445.00 | 214,279.00 | 126,790.00 | 156,143.00 | 121,276.00 | 94,931.00 |
| Food Service | 798,385.00 | 784,501.00 | 768,310.00 | 777,411.00 | 725,789.00 | 716,716.00 | 887,752.00 | 774,331.00 | 702,206.00 | 688,339.00 |
| Total Business-Type Activities Expense | 1,896,107.00 | 1,793,130.00 | 1,737,916.00 | 1,857,494.00 | 1,750,547.00 | 1,747,340.00 | 1,762,536.00 | 1,793,694.00 | 1,677,610.00 | 1,638,392.00 |
| Total District Expenses | \$ 46,029,505.00 | \$ 39,379,495.00 | \$ 44,397,907.00 | \$ 42,000,119.00 | \$ 35,071,355.00 | \$ 35,627,714.00 | \$ 35,015,515.00 | \$ 35,249,694.00 | \$ 35,628,168.00 | \$ 35,506,309.00 |
| Program Revenues: | | | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ 166,593.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Operating Grants & Contributions | 6,442,732.00 | 4,144,101.00 | 8,360,090.00 | 6,943,041.00 | 1,240,694.00 | 1,244,759.00 | 748,802.00 | 783,595.00 | 863,907.00 | 1,261,023.00 |
| Total Governmental Activities Program Revenues | 6,442,732.00 | 4,144,101.00 | 8,360,090.00 | 7,109,634.00 | 1,240,694.00 | 1,244,759.00 | 748,802.00 | 783,595.00 | 863,907.00 | 1,261,023.00 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 689,494.00 | 595,520.00 | 568,920.00 | 575,582.00 | 570,318.00 | 577,473.00 | 621,854.00 | 569,428.00 | 578,874.00 | 573,286.00 |
| Regional Transportation | 748,237.00 | 780,790.00 | 736,575.00 | 784,531.00 | 755,527.00 | 750,717.00 | 741,687.00 | 889,123.00 | 887,159.00 | 958,087.00 |
| Evening Schools | 95,592.00 | 82,604.00 | 81,345.00 | 81,394.00 | 60,780.00 | 64,943.00 | 59,128.00 | 67,345.00 | 82,298.00 | 65,953.00 |
| Job Fair | - | - | - | - | - | - | - | - | - | 6,600 |
| Shared Services | - | - | - | - | - | 49,228.00 | 17.00 | 16,311.00 | 36,837.00 | - |
| Regional Technologies | 290,900.00 | 277,040.00 | 273,951.00 | 293,957.00 | 197,529.00 | 191,449.00 | 180,107.00 | 170,406.00 | 122,480.00 | 115,434.00 |

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Operating Grants & Contributions | 185,600.00 | 192,177.00 | 208,870.00 | 173,032.00 | 171,873.00 | 183,702.00 | 160,858.00 | 150,392.00 | 148,428.00 | 127,086.00 |
| Total Business Type Activities Program Revenues | 2,009,823.00 | 1,928,131.00 | 1,869,661.00 | 1,908,496.00 | 1,756,027.00 | 1,817,512.00 | 1,763,651.00 | 1,863,005.00 | 1,856,076.00 | 1,846,446.00 |
| Total District Program Revenues | \$ 8,452,555.00 | \$ 6,072,232.00 | \$ 10,229,751.00 | \$ 9,018,130.00 | \$ 2,996,721.00 | \$ 3,062,271.00 | \$ 2,512,453.00 | \$ 2,646,600.00 | \$ 2,719,983.00 | \$ 3,107,469.00 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (37,690,666.00) | \$ (33,442,264.00) | \$ (34,299,901.00) | \$ (33,032,991.00) | \$ (32,080,114.00) | \$ (32,635,615.00) | \$ (32,504,177.00) | \$ (32,672,405.00) | \$ (33,086,651.00) | \$ (32,606,894.00) |
| Business-Type Activities | 113,716.00 | 135,001.00 | 131,745.00 | 51,002.00 | 5,480.00 | 70,172.00 | 1,115.00 | 69,311.00 | 178,466.00 | 208,054.00 |
| Total District-Wide Net Expense | \$ (37,576,950.00) | \$ (33,307,263.00) | \$ (34,168,156.00) | \$ (32,981,989.00) | \$ (32,074,634.00) | \$ (32,565,443.00) | \$ (32,503,062.00) | \$ (32,603,094.00) | \$ (32,908,185.00) | \$ (32,398,840.00) |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 20,561,877.00 | \$ 20,053,384 | \$ 18,754,839 | \$ 17,983,527 | \$ 17,316,137 | \$ 16,654,619 | \$ 15,846,421 | \$ 15,996,421 | \$ 15,996,421 | \$ 15,461,943.00 |
| Taxes Levied for Debt Service | 1,840,231.00 | 1,840,231.00 | 1,987,023.00 | 2,010,173.00 | 2,008,648.00 | 2,007,523.00 | 2,015,105.00 | 2,072,399.00 | 1,777,183.00 | 1,772,714.00 |
| Federal & State Aid Restricted | 15,126,628.00 | 15,126,628.00 | 14,923,393.00 | 16,525,759.00 | 15,979,507.00 | 16,461,954.00 | 16,579,063.00 | 14,245,032.00 | 14,158,139.00 | 16,776,948.00 |
| Federal & State Aid Not Restricted | - | 664,663.00 | - | - | - | - | - | - | - | - |
| Grants & Contributions | 15,506,598.00 | - | - | - | - | - | - | - | - | - |
| Tuition Received | 95,618.00 | 138,365.00 | - | - | - | - | 162,316.00 | 171,924.00 | 138,606.00 | 176,098.00 |
| Transportation | 124,653.00 | 146,470.00 | - | - | - | - | - | - | - | - |
| Miscellaneous Income | 268,799.00 | 216,250.00 | 422,131.00 | 306,375.00 | 211,274.00 | 215,873.00 | 274,782.00 | 980,867.00 | 270,037.00 | 270,842.00 |
| Special Items: | | | | | | | | | | |
| Gain/(Loss) on Capital Asset Appraisal | - | 116,958.00 | - | (1,618,981.00) | - | - | - | (746,229.00) | 723,787.00 | (2,209,674.00) |
| Transfers In/Out | - | 162,549.00 | 50,000.00 | - | 179,847.00 | 306,740.00 | 42,264.00 | - | - | 32,112.60 |
| Total Governmental Activities | 37,864,299.00 | 38,465,498.00 | 36,137,386.00 | 35,206,853.00 | 35,695,413.00 | 35,646,709.00 | 34,919,951.00 | 32,720,414.00 | 33,064,173.00 | 32,569,997.00 |
| Business-Type Activities: | | | | | | | | | | |
| Cancellation of Prior Year Receivable | - | - | - | - | - | (1,050.00) | (16,993.00) | - | - | - |
| Miscellaneous Income | - | - | - | - | - | 52.00 | 1,623.00 | 266.00 | 26,834.00 | 41,921.00 |
| Transfers | - | (162,549.00) | (50,000.00) | - | (179,847.00) | (306,740.00) | - | - | - | (321,126.00) |
| Gain/(Loss) on Capital Asset Appraisal | - | (1,061.00) | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | - | (163,610.00) | (50,000.00) | - | (179,847.00) | (307,738.00) | (15,370.00) | 266.00 | 26,834.00 | (279,205.00) |
| Total District-Wide | \$ 37,864,299.00 | \$ 38,301,888.00 | \$ 36,087,386.00 | \$ 35,206,853.00 | \$ 35,515,566.00 | \$ 35,338,971.00 | \$ 34,904,581.00 | \$ 32,720,680.00 | \$ 33,091,007.00 | \$ 32,290,792.00 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 173,633.00 | \$ 5,023,234.00 | \$ 1,837,485.00 | \$ 2,173,862.00 | \$ 3,615,299.00 | \$ 3,011,094.00 | \$ 2,415,774.00 | \$ 48,009.00 | \$ (22,478.00) | \$ (36,897.00) |
| Business-Type Activities | 113,716.00 | (28,609.00) | 81,745.00 | 51,002.00 | (174,367.00) | (237,566.00) | (14,255.00) | 69,577.00 | 205,300.00 | (71,151.00) |
| Total District | \$ 287,349.00 | \$ 4,994,625.00 | \$ 1,919,230.00 | \$ 2,224,864.00 | \$ 3,440,932.00 | \$ 2,773,528.00 | \$ 2,401,519.00 | \$ 117,586.00 | \$ 182,822.00 | \$ (108,048.00) |

Source: CAFR Schedule A-2

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| FISCAL YEAR ENDING JUNE 30, | | | | | | | | | | |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 3,369,274.00 | \$ 3,078,764.00 | \$ 2,670,649.00 | \$ 7,217,948.00 | \$ 2,022,168.00 | \$ 2,119,261.00 | \$ 1,713,945.00 | \$ 5,003,250.00 | \$ 6,317,845.00 | \$ 5,924,234.80 |
| Committed | 395,500.00 | 7,933,138.00 | 7,730,780.00 | 1,463,444.00 | 4,737,177.00 | 4,480,518.00 | 4,505,540.00 | - | - | - |
| Assigned | 2,639,636.00 | 3,159,048.00 | 1,551,056.00 | 1,674,004.00 | 1,705,552.00 | 1,524,784.00 | 1,403,663.00 | - | - | - |
| Unassigned | 791,337.00 | 850,458.00 | 897,125.00 | 597,381.00 | 314,689.00 | 562,416.00 | 651,280.00 | 1,471,354.00 | 113,849.00 | 1,967,503.00 |
| Reserved | 8,734,563.00 | - | - | - | - | - | - | - | - | - |
| Total General Fund | \$15,930,310.00 | \$15,021,408.00 | \$12,849,610.00 | \$10,952,777.00 | \$8,779,586.00 | \$8,686,979.00 | \$8,274,428.00 | \$6,474,604.00 | \$6,431,694.00 | \$7,891,737.80 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | | | | | | | | | | |
| Debt Service Fund | \$ 2.00 | \$2.00 | \$1.00 | \$- | \$- | \$- | \$2.00 | \$2.00 | \$- | \$- |
| Capital Projects Fund | (276,236.00) | 472,614.00 | 672,614.00 | 672,614.00 | 672,614.00 | 557,801.00 | 557,897.00 | 1,108,715.00 | 1,148,731.00 | 2,099,920.00 |
| Total All Other Governmental Funds | \$ (276,234.00) | \$ 472,616.00 | \$ 672,615.00 | \$ 672,614.00 | \$ 672,614.00 | \$ 557,801.00 | \$ 557,899.00 | \$ 1,108,717.00 | \$ 1,148,731.00 | \$ 2,099,920.00 |

Source: CAFR Schedule B-1

NORTHERN BURLINGTON COUNTY 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 |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|--------------------------|------------------------|
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 21,868,631.00 | \$21,893,615.00 | \$20,741,862.00 | \$19,993,700.00 | \$19,324,785.00 | \$18,662,142.00 | \$17,861,526.00 | \$18,068,820.00 | \$17,773,604.00 | \$17,234,657.00 |
| Tuition Charges | 95,618.00 | 138,365.00 | 209,665.00 | 166,593.00 | 175,667.00 | 196,020.00 | 162,316.00 | 171,924.00 | 138,606.00 | 176,098.00 |
| Transportation | 124,653.00 | 146,470.00 | 185,381.00 | 106,099.00 | 117,623.00 | 128,954.00 | 110,742.00 | 119,759.00 | 118,652.00 | 51,522.00 |
| Miscellaneous | 271,761.00 | 225,733.00 | 236,750.00 | 260,276.00 | 93,651.00 | 86,919.00 | 164,040.00 | 861,108.00 | 151,385.00 | 219,320.00 |
| State Sources | 17,105,437.00 | 16,949,537.00 | 16,498,252.00 | 16,022,556.00 | 15,802,307.00 | 15,728,728.00 | 14,655,690.00 | 13,655,756.00 | 11,394,499.00 | 15,337,095.00 |
| Federal Sources | 3,045,750.00 | 2,976,372.00 | 2,832,464.00 | 4,544,075.00 | 4,544,075.00 | 1,977,985.00 | 2,672,175.00 | 1,372,871.00 | 3,627,547.00 | 2,700,876.00 |
| Total Revenues | 42,511,850.00 | 42,330,092.00 | 40,704,374.00 | 41,033,279.00 | 40,058,108.00 | 36,780,748.00 | 35,626,489.00 | 34,250,238.00 | 33,204,293.00 | 35,719,568.00 |
| Expenditures | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 10,381,366.00 | 9,573,928.00 | 9,329,900.00 | 9,454,824.00 | 8,927,326.00 | 8,745,164.00 | 8,499,224.00 | 8,326,740.00 | 8,213,138.00 | 9,219,218.00 |
| Special Education Instruction | 1,946,846.00 | 2,066,403.00 | 2,577,439.00 | 2,450,328.00 | 2,301,724.00 | 2,263,281.00 | 2,111,357.00 | 1,940,360.00 | 2,157,565.00 | 1,598,828.00 |
| Other Special Instruction | - | - | 48,783.00 | 81,612.00 | 267,606.00 | 347,334.00 | 350,963.00 | 240,525.00 | 462,740.00 | 300,187.00 |
| Other Instruction | 1,771,202.00 | 1,669,641.00 | 1,647,632.00 | 1,543,266.00 | 1,492,982.00 | 1,383,126.00 | 1,314,700.00 | 1,318,793.00 | 1,319,907.00 | 1,296,907.00 |
| Support Services: | | | | | | | | | | |
| Tuition | 1,740,054.00 | 2,328,426.00 | 1,458,106.00 | 1,442,300.00 | 1,309,562.00 | 1,156,994.00 | 1,040,201.00 | 927,092.00 | 539,348.00 | 1,001,125.00 |
| Attendance & Social Work Services | 255,068.00 | - | - | - | - | - | - | - | - | - |
| Health Services | 438,524.00 | - | - | - | - | - | - | - | - | - |
| Student & Instruction Related Services | 3,884,134.00 | 4,182,828.00 | 3,982,496.00 | 3,984,626.00 | 3,696,263.00 | 3,716,110.00 | 3,259,385.00 | 3,212,310.00 | 3,340,263.00 | 3,404,210.00 |
| Other Administrative Services | 701,770.00 | 601,135.00 | 1,141,378.00 | 1,062,572.00 | 1,124,902.00 | 1,078,120.00 | 1,055,122.00 | 1,045,767.00 | 1,083,668.00 | 1,052,726.00 |
| Central Services | 504,281.00 | 472,884.00 | - | - | - | - | - | - | - | - |
| Administration Information Technology Services | 60,878.00 | 58,139.00 | - | - | - | - | - | - | - | - |
| School Administrative Services | 1,200,755.00 | 1,125,354.00 | 1,112,390.00 | 1,124,411.00 | 1,077,495.00 | 996,378.00 | 1,029,322.00 | 1,095,064.00 | 1,291,712.00 | 1,210,498.00 |
| Plant Operations & Maintenance | 3,086,209.00 | 2,995,136.00 | 3,069,040.00 | 3,132,914.00 | 3,204,197.00 | 2,897,805.00 | 3,026,494.00 | 2,914,623.00 | 3,377,381.00 | 3,369,244.00 |
| Pupil Transportation | 2,388,431.00 | 2,074,314.00 | 2,134,701.00 | 2,050,359.00 | 2,004,656.00 | 1,985,079.00 | 1,896,446.00 | 1,793,471.00 | 1,718,784.00 | 1,800,226.00 |
| Unallocated Benefits | 10,651,816.00 | 9,698,743.00 | 9,160,079.00 | 8,464,319.00 | 7,799,785.00 | 7,609,999.00 | 6,771,225.00 | 8,103,085.00 | 7,648,886.00 | 7,004,829.00 |
| Special Schools | - | - | - | - | - | - | - | 9,610.00 | 9,582.00 | 9,240.00 |
| Capital Outlay | 1,575,083.00 | 2,430,778.00 | 645,899.00 | 1,505,609.00 | 1,139,958.00 | 1,660,732.00 | 942,519.00 | 1,379,499.00 | 2,923,510.00 | 1,432,321.00 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,403,767.00 | 2,699,927.00 | 2,080,000.00 | 2,020,000.00 | 1,935,000.00 | 1,850,000.00 | 1,765,000.00 | 1,625,000.00 | 1,445,000.00 | 1,375,000.00 |
| Interest & Other Charges | 626,616.00 | 843,875.00 | 704,697.00 | 804,948.00 | 892,898.00 | 975,635.00 | 1,041,441.00 | 1,157,816.00 | 1,073,351.00 | 1,130,951.00 |
| Total Expenditures | 42,616,800.00 | 42,821,511.00 | 39,092,540.00 | 38,110,088.00 | 37,174,354.00 | 36,665,757.00 | 34,103,399.00 | 35,089,755.00 | 36,604,835.00 | 35,205,510.00 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Cancellation of Accounts Receivable | - | - | - | - | - | (96.00) | (306,794.00) | - | - | - |
| Transfer to Charter School | - | - | - | - | - | (9,182.00) | (9,554.00) | - | - | - |
| Capital Leases (Non-budgeted) | 265,000.00 | 2,200,000.00 | 235,000.00 | 250,000.00 | 270,000.00 | - | - | - | - | 2,731,000.00 |
| Proceeds of Refunding Bonds | - | 9,963,061.00 | - | - | - | - | - | - | - | - |
| Deposit to Refunding Escrow | - | (9,862,392.00) | - | - | - | - | - | - | - | - |
| Cancellation of Payable | - | - | - | - | - | - | - | - | - | - |
| Transfers in | 100,000.00 | 362,549.00 | 150,000.00 | 100,000.00 | 279,847.00 | 406,740.00 | 142,264.00 | - | - | 324,544.00 |
| Transfers Out | (100,000.00) | (200,000.00) | (100,000.00) | (100,000.00) | (100,000.00) | (100,000.00) | (100,000.00) | - | - | (3,418.00) |
| Total Other Financing Sources/(Uses) | 265,000.00 | 2,463,218.00 | 285,000.00 | 250,000.00 | 449,847.00 | 297,462.00 | (274,084.00) | - | - | 3,052,126.00 |
| Net Change in Fund Balances | \$ 160,050.00 | \$ 1,971,799.00 | \$ 1,896,834.00 | \$ 3,173,191.00 | \$ 3,333,601.00 | \$ 412,453.00 | \$ 1,249,006.00 | \$ (839,517.00) | \$ (3,400,542.00) | \$ 3,566,184.00 |
| Debt Service as a Percentage of Noncapital Expenditures | 5.00% | 9.02% | 7.67% | 8.01% | 8.23% | 8.35% | 8.97% | 8.61% | 7.39% | 7.66% |

Source: CAFR Schedule B-2

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

| FISCAL YEAR ENDING JUNE 30, | INTEREST ON INVESTMENTS | TUITION FROM OTHER LEA'S | TRANSPORTATION FEES | SREC REVENUE | SERVICE AND USE FEES | MISCELLANEOUS | TOTAL |
|-----------------------------------|-------------------------------|--------------------------------|------------------------|-----------------|-------------------------|-----------------|-----------------|
| 2018 | \$ - | \$ 95,618.00 | \$ 124,653.00 | \$ - | \$ - | \$ 268,799.00 | \$ 489,070.00 |
| 2017 | 31,940.00 | 138,365.00 | 146,470.00 | - | - | \$184,310 | 501,085.00 |
| 2016 | 31,940.00 | 209,665.00 | 106,099.00 | 61,936.00 | 23,892.00 | 117,412.00 | 550,944.00 |
| 2015 | 21,171.00 | 166,593.00 | 106,099.00 | 42,023.00 | 30,800.00 | 99,683.00 | 466,369.00 |
| 2014 | 25,890.00 | 175,667.00 | 117,623.00 | - | 14,792.00 | 52,969.00 | 386,941.00 |
| 2013 | 25,890.00 | 196,020.00 | 128,954.00 | - | 14,792.00 | 46,237.00 | 411,893.00 |
| 2012 | 38,711.00 | 162,316.00 | 110,742.00 | - | 22,394.00 | 102,935.00 | 437,098.00 |
| 2011 | 51,520.00 | 171,924.00 | 119,759.00 | - | 288,703.00 | 517,868.00 | 1,149,774.00 |
| 2010 | 87,913.00 | 138,606.00 | 118,652.00 | - | - | 62,722.00 | 407,893.00 |
| 2009 | 170,486.00 | 176,098.00 | 51,522.00 | - | 32,188.00 | 14,276.00 | 444,570.00 |
| Total | \$ 485,461.00 | \$ 1,630,872.00 | \$ 1,130,573.00 | \$ 103,959.00 | \$ 427,561.00 | \$ 1,467,211.00 | \$ 5,245,637.00 |

Source: District Records

Revenue Capacity Information

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

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NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN 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 |
|----------------------------|-------------|---------------|------------|-----------|------------|------------|------------|----------------------|------------------|-----------------------|------------------------------|---------------------------------|
| | 1 | 2 | 3A | 3B | 4A | 4B | 4C | | P | | | |
| Chesterfield | | | | | | | | | | | | |
| 2018 | 12,331,900 | 682,985,400 | 61,496,100 | 6,296,400 | 20,289,000 | 289,700 | 311,900 | 784,000,400.00 | 1,184,866 | 785,185,266.00 | 2.097 | 812,561,232 |
| 2017 | 12,389,700 | 666,872,100 | 60,503,200 | 6,257,800 | 20,503,900 | 289,700 | 311,900 | 767,130,300.00 | 1,196,918 | 768,327,218.00 | 2.089 | 782,035,226 |
| 2016 | 10,765,800 | 647,224,400 | 60,875,400 | 6,334,300 | 20,480,200 | 289,700 | 311,900 | 746,281,700.00 | 1,179,510 | 747,461,210.00 | 2.034 | 744,392,758 |
| 2015 | 12,749,620 | 627,626,300 | 61,010,200 | 6,343,900 | 21,435,700 | 249,800 | 311,900 | 729,727,420.00 | 1,197,383 | 730,924,803.00 | 1.938 | 729,679,569 |
| 2014 | 16,999,100 | 605,978,600 | 63,921,400 | 6,399,100 | 26,821,768 | N/A | 311,900 | 720,431,868.00 | 1,428,088 | 721,859,956.00 | 1.731 | 721,859,956 |
| 2013 | 16,999,100 | 605,978,600 | 63,921,400 | 6,399,100 | 26,821,768 | N/A | 311,900 | 720,431,868.00 | 1,428,088 | 721,859,956.00 | 1.731 | 721,859,956 |
| 2012 | 17,452,700 | 595,722,000 | 64,404,000 | 6,406,500 | 28,426,700 | N/A | 311,900 | 712,723,800.00 | 1,414,385 | 714,138,185.00 | 1.721 | 714,138,185 |
| 2011 | 28,535,250 | 646,733,950 | 74,048,800 | 6,365,000 | 29,487,200 | N/A | 336,700 | 785,526,900.00 | 1,473,969 | 787,000,869.00 | 1.638 | 787,000,869 |
| 2010 | 41,851,975 | 603,223,800 | 74,378,100 | 6,317,500 | 31,673,300 | N/A | 336,700 | 757,781,375.00 | 1,090,910 | 758,872,285.00 | 1.432 | 646,960,178 |
| 2009 | 61,646,900 | 565,065,600 | 55,031,700 | 6,407,900 | 32,209,000 | N/A | 336,700 | 720,697,800.00 | 1,090,910 | 721,788,710.00 | 1.344 | 603,060,976 |
| Mansfield | | | | | | | | | | | | |
| 2018 | 11,225,200 | 855,343,900 | 30,889,500 | 4,187,400 | 80,258,400 | 4,021,200 | 1,162,800 | 987,088,400.00 | 1,816,405 | 988,904,805.00 | 2.148 | 1,207,217,562 |
| 2017 | 11,139,000 | 848,996,300 | 34,463,100 | 4,312,700 | 80,959,700 | 4,021,200 | 1,162,800 | 985,054,800.00 | 1,339,354 | 986,394,154.00 | 2.149 | 1,203,234,056 |
| 2016 | 12,063,900 | 845,779,100 | 34,758,600 | 4,321,200 | 81,173,100 | 4,021,200 | 1,162,800 | 983,279,900.00 | 1,344,984 | 984,624,884.00 | 2.149 | 1,201,640,486 |
| 2015 | 15,112,000 | 812,902,800 | 34,584,400 | 4,321,200 | 80,181,000 | 4,021,200 | 1,183,800 | 953,306,400.00 | 1,444,026 | 953,750,426.00 | 2.130 | 1,132,486,963 |
| 2014 | 26,630,600 | 1,145,919,600 | 48,395,700 | 4,555,700 | 95,256,100 | 5,301,200 | 1,549,700 | 1,327,608,600.00 | 2,218,786 | 1,329,827,386.00 | 2.025 | 1,261,563,098 |
| 2013 | 26,630,600 | 1,145,919,600 | 48,395,700 | 4,555,700 | 95,256,100 | 5,301,200 | 1,549,700 | 1,327,608,600.00 | 2,218,786 | 1,329,827,386.00 | 2.025 | 1,261,563,098 |
| 2012 | 31,041,800 | 1,131,661,700 | 48,095,900 | 4,583,000 | 93,223,200 | 5,301,200 | 1,549,700 | 1,315,456,500.00 | 2,453,660 | 1,317,910,160.00 | 1.360 | 1,346,272,138 |
| 2011 | 37,953,900 | 1,118,913,700 | 49,117,800 | 4,416,400 | 90,481,100 | 5,301,200 | 1,549,700 | 1,307,733,800.00 | 2,323,604 | 1,310,057,404.00 | 1.317 | 1,364,791,953 |
| 2010 | 40,718,500 | 1,105,446,900 | 48,025,500 | 4,040,600 | 89,713,300 | 5,301,200 | 1,898,100 | 1,295,144,100.00 | 2,235,393 | 1,297,379,493.00 | 1.324 | 1,297,379,493 |
| 2009 | 45,735,400 | 1,094,648,400 | 47,024,100 | 4,218,900 | 89,409,800 | 5,301,200 | 2,165,400 | 1,288,503,200.00 | 1,257,603 | 1,289,760,803.00 | 1.306 | 1,290,671,921 |
| North Hanover | | | | | | | | | | | | |
| 2018 | 7,690,200 | 296,414,200 | 42,691,200 | 3,870,798 | 65,564,050 | 327,800 | 13,273,400 | 429,831,648.00 | 967,695 | 430,799,343.00 | 1.374 | 430,079,939 |
| 2017 | 7,798,300 | 295,368,500 | 42,793,500 | 3,938,900 | 62,579,950 | 327,800 | 13,273,400 | 426,080,350.00 | 945,717 | 427,026,067.00 | 1.324 | 423,302,121 |
| 2016 | 7,865,100 | 294,839,000 | 43,285,000 | 3,999,453 | 60,868,050 | 327,800 | 13,184,900 | 424,369,303.00 | 941,379 | 425,310,682.00 | 1.346 | 420,863,296 |
| 2015 | 7,884,400 | 295,339,300 | 42,470,800 | 3,992,144 | 58,109,200 | 327,800 | 13,184,900 | 421,308,544.00 | 924,253 | 422,232,797.00 | 1.323 | 402,532,175 |
| 2014 | 7,626,700 | 299,041,200 | 47,208,400 | 3,817,000 | 55,552,750 | 327,800 | 14,068,500 | 427,642,350.00 | 186,808,500 | 614,450,850.00 | 1.199 | 440,784,678 |
| 2013 | 7,626,700 | 299,041,200 | 47,208,400 | 3,817,000 | 55,552,750 | 327,800 | 14,068,500 | 427,642,350.00 | 186,808,500 | 614,450,850.00 | 1.199 | 440,784,678 |
| 2012 | 7,469,300 | 300,264,900 | 42,790,000 | 3,828,800 | 58,829,650 | N/A | 14,139,900 | 427,322,550.00 | 1,130,610 | 428,453,160.00 | 1.131 | 458,272,038 |
| 2011 | 4,201,200 | 171,210,250 | 22,355,150 | 2,855,777 | 26,918,100 | N/A | 7,127,300 | 234,667,777.00 | 473,019 | 235,140,796.00 | 1.097 | 496,725,277 |
| 2010 | 4,534,700 | 171,085,100 | 21,676,400 | 2,643,127 | 29,645,700 | N/A | 7,127,300 | 236,712,327.00 | 473,019 | 237,185,346.00 | 1.969 | 556,802,474 |
| 2009 | 4,701,550 | 169,389,600 | 21,988,750 | 2,691,627 | 29,309,650 | N/A | 7,120,300 | 235,201,477.00 | 507,590 | 235,709,067.00 | 2.002 | 461,269,812 |
| Springfield | | | | | | | | | | | | |
| 2018 | 8,363,300 | 279,399,200 | 50,542,200 | 7,245,940 | 39,591,530 | N/A | N/A | 385,142,170.00 | 915,705 | 386,057,875.00 | 1.913 | 426,648,955 |
| 2017 | 8,087,100 | 278,881,500 | 50,180,000 | 7,001,900 | 40,198,430 | N/A | N/A | 384,348,930.00 | 907,931 | 385,256,861.00 | 1.932 | 421,641,864 |
| 2016 | 8,249,050 | 280,081,800 | 48,562,500 | 7,491,860 | 39,312,130 | N/A | N/A | 383,696,840.00 | 969,755 | 384,666,595.00 | 1.981 | 402,868,515 |
| 2015 | 8,960,950 | 280,027,800 | 48,404,200 | 8,247,250 | 39,626,130 | N/A | N/A | 385,266,330.00 | 1,042,493 | 386,308,823.00 | 1.899 | 391,454,551 |
| 2014 | 10,200,450 | 285,013,000 | 46,312,500 | 8,516,310 | 40,271,630 | N/A | N/A | 390,313,890.00 | 941,780 | 391,255,670.00 | 1.547 | 399,666,076 |
| 2013 | 9,148,800 | 319,406,300 | 58,130,350 | 8,141,325 | 44,744,730 | N/A | N/A | 439,571,505.00 | 1,059,877 | 440,632,665.00 | 1.547 | N/A |
| 2012 | 8,693,800 | 320,597,900 | 59,831,550 | 7,705,755 | 46,369,530 | N/A | N/A | 443,198,535.00 | 1,064,130 | 444,262,665.00 | 1.480 | N/A |
| 2011 | 8,829,800 | 321,062,500 | 59,498,670 | 7,845,835 | 47,213,330 | N/A | N/A | 444,450,135.00 | 1,058,600 | 445,508,735.00 | 1.457 | 489,515,714 |
| 2010 | 9,494,300 | 322,408,700 | 57,574,970 | 9,248,059 | 47,538,330 | N/A | N/A | 446,264,359.00 | 1,231,512 | 447,495,871.00 | 1.421 | 484,277,796 |
| 2009 | 7,384,000 | 322,920,700 | 55,634,310 | 9,881,839 | 48,041,580 | N/A | N/A | 443,862,429.00 | 1,189,150 | 445,051,579.00 | 1.398 | 505,358,815 |

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

| YEAR ENDED DECEMBER 31 | SCHOOL DISTRICT DIRECT RATE | | OVERLAPPING RATES | | | TOTAL DIRECT AND OVERLAPPING TAX RATE | |
|-----------------------------|-----------------------------|-----------------|-------------------|-------------------|----------------|---------------------------------------|-------------------|
| | LOCAL SCHOOL | REGIONAL SCHOOL | TOWNSHIP | BURLINGTON COUNTY | COUNTY LIBRARY | | COUNTY OPEN SPACE |
| <u>Chesterfield</u> | | | | | | | |
| 2018 | 1.451 | 0.646 | 0.328 | 0.357 | 0.032 | 0.026 | 2.840 |
| 2017 | 1.453 | 0.636 | 0.309 | 0.341 | 0.032 | 0.041 | 2.812 |
| 2016 | 1.429 | 0.605 | 0.263 | 0.335 | 0.032 | 0.040 | 2.704 |
| 2015 | 1.345 | 0.593 | 0.224 | 0.341 | 0.032 | 0.040 | 2.575 |
| 2014 | 1.156 | 0.575 | 0.129 | 0.332 | 0.031 | 0.015 | 2.238 |
| 2013 | 1.156 | 0.575 | 0.129 | 0.332 | 0.031 | 0.015 | 2.238 |
| 2012 | 1.124 | 0.597 | 0.295 | 0.318 | 0.032 | 0.042 | 2.408 |
| 2011 | 1.094 | 0.544 | 0.053 | 0.388 | N/A | N/A | 2.079 |
| 2010 | 0.931 | 0.501 | 0.041 | 0.295 | 0.028 | 0.039 | 1.835 |
| 2009 | 0.883 | 0.461 | 0.041 | 0.354 | N/A | N/A | 1.739 |
| <u>Mansfield</u> | | | | | | | |
| 2018 | 1.141 | 1.007 | 0.481 | 0.421 | 0.038 | 0.030 | 3.118 |
| 2017 | 1.124 | 1.025 | 0.471 | 0.409 | 0.038 | 0.049 | 3.116 |
| 2016 | 1.110 | 1.039 | 0.471 | 0.410 | 0.039 | 0.049 | 3.118 |
| 2015 | 1.118 | 1.012 | 0.465 | 0.405 | 0.038 | 0.048 | 3.086 |
| 2014 | 1.080 | 0.945 | 0.430 | 0.415 | 0.038 | 0.019 | 2.927 |
| 2013 | 1.080 | 0.945 | 0.430 | 0.415 | 0.038 | 0.019 | 2.927 |
| 2012 | 0.725 | 0.635 | 0.287 | 0.293 | 0.029 | 0.038 | 2.007 |
| 2011 | 0.702 | 0.615 | 0.238 | 0.302 | 0.029 | 0.039 | 1.925 |
| 2010 | 0.688 | 0.636 | 0.226 | 0.317 | 0.031 | 0.041 | 1.939 |
| 2009 | 0.664 | 0.642 | 0.219 | 0.324 | 0.031 | 0.420 | 2.300 |
| <u>North Hanover</u> | | | | | | | |
| 2018 | 0.702 | 0.672 | 0.350 | 0.344 | 0.031 | 0.025 | 2.124 |
| 2017 | 0.629 | 0.695 | 0.324 | 0.330 | 0.031 | 0.040 | 2.049 |
| 2016 | 0.649 | 0.697 | 0.324 | 0.332 | 0.031 | 0.040 | 2.073 |
| 2015 | 0.641 | 0.682 | 0.354 | 0.326 | 0.031 | 0.039 | 2.073 |
| 2014 | 0.546 | 0.653 | 0.293 | 0.335 | 0.031 | 0.015 | 1.873 |
| 2013 | 0.546 | 0.653 | 0.293 | 0.335 | 0.031 | 0.015 | 1.873 |
| 2012 | 0.514 | 0.617 | 0.277 | 0.316 | 0.031 | 0.041 | 1.796 |
| 2011 | 0.494 | 0.603 | 0.273 | 0.406 | N/A | N/A | 1.776 |
| 2010 | 0.863 | 1.106 | 0.457 | 0.794 | N/A | N/A | 3.220 |
| 2009 | 0.823 | 1.179 | 0.406 | 0.897 | N/A | N/A | 3.305 |
| <u>Springfield</u> | | | | | | | |
| 2018 | 0.920 | 0.993 | 0.623 | 0.381 | 0.034 | 0.028 | 2.979 |
| 2017 | 0.920 | 1.012 | 0.591 | 0.367 | 0.034 | 0.044 | 2.968 |
| 2016 | 0.898 | 1.083 | 0.547 | 0.351 | 0.033 | 0.042 | 2.954 |
| 2015 | 0.899 | 1.000 | 0.899 | 0.532 | 0.032 | 0.041 | 2.846 |
| 2014 | 0.769 | 0.778 | 0.434 | 0.310 | 0.029 | 0.014 | 2.334 |
| 2013 | 0.769 | 0.778 | 0.434 | 0.310 | 0.029 | 0.014 | 2.334 |
| 2012 | 0.746 | 0.734 | 0.480 | 0.298 | 0.030 | 0.039 | 2.265 |
| 2011 | 0.729 | 0.728 | 0.398 | 0.391 | N/A | N/A | 2.246 |
| 2010 | 0.722 | 0.699 | 0.378 | 0.412 | N/A | N/A | 2.211 |
| 2009 | 0.711 | 0.687 | 0.379 | 0.432 | N/A | N/A | 2.209 |

Source: Municipal Tax Collector, Burlington County Board of Taxation.

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

| | 2018 | | | 2009 | | |
|--------------------------------------|------------------------------|------|---|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| <u>CHESTERFIELD TOWNSHIP</u> | | | | | | |
| Three Putt LLC | unavailable | 1 | unavailable | unavailable | 1 | unavailable |
| Colonial Pipeline Co | unavailable | 2 | unavailable | unavailable | 2 | unavailable |
| Colonial Pipeline Co | unavailable | 3 | unavailable | unavailable | 3 | unavailable |
| Taxpayer #1 | unavailable | 4 | unavailable | unavailable | 4 | unavailable |
| Taxpayer #2 | unavailable | 5 | unavailable | unavailable | 5 | unavailable |
| Taxpayer #3 | unavailable | 6 | unavailable | unavailable | 6 | unavailable |
| Anna N A Black Farm LLC | unavailable | 7 | unavailable | unavailable | 7 | unavailable |
| Crosbie Enterprises LLC | unavailable | 8 | unavailable | unavailable | 8 | unavailable |
| Mekwin LLC | unavailable | 9 | unavailable | unavailable | 9 | unavailable |
| Transcontinental Gas Pipeline | unavailable | 10 | unavailable | unavailable | 10 | unavailable |
| Total | | | | | | |
| <u>MANSFIELD TOWNSHIP</u> | | | | | | |
| N.A.D.E./Manheim Auto Auction | unavailable | 1 | unavailable | unavailable | 1 | unavailable |
| Vanco USA LLC | unavailable | 2 | unavailable | unavailable | 2 | unavailable |
| Homestead Plaza II | unavailable | 3 | unavailable | unavailable | 3 | unavailable |
| Transcontinental Gas Pipeline | unavailable | 4 | unavailable | unavailable | 4 | unavailable |
| Cubesmart LP | unavailable | 5 | unavailable | unavailable | 5 | unavailable |
| MLC Developers LLC | unavailable | 6 | unavailable | unavailable | 6 | unavailable |
| NJ American Water | unavailable | 7 | unavailable | unavailable | 7 | unavailable |
| Taxpayer #1 | unavailable | 8 | unavailable | unavailable | 8 | unavailable |
| Taxpayer #2 | unavailable | 9 | unavailable | unavailable | 9 | unavailable |
| NJ BM&P Apprentice | unavailable | 10 | unavailable | unavailable | 10 | unavailable |
| Total | | | | | | |
| <u>NORTH HANOVER TOWNSHIP</u> | | | | | | |
| Spartan Village Inc. | unavailable | 1 | unavailable | unavailable | 1 | unavailable |
| Riteaid | unavailable | 2 | unavailable | unavailable | 2 | unavailable |
| Hanover Village LLC | unavailable | 3 | unavailable | unavailable | 3 | unavailable |
| Matrix Hanover Golf LLC | unavailable | 4 | unavailable | unavailable | 4 | unavailable |
| California Village LLC | unavailable | 5 | unavailable | unavailable | 5 | unavailable |
| North Mill Assoc. | unavailable | 6 | unavailable | unavailable | 6 | unavailable |
| South Mill Assoc. | unavailable | 7 | unavailable | unavailable | 7 | unavailable |
| Store & Lock Self Storage | unavailable | 8 | unavailable | unavailable | 8 | unavailable |
| JCP & L | unavailable | 9 | unavailable | unavailable | 9 | unavailable |
| Maplewood Apartments | unavailable | 10 | unavailable | unavailable | 10 | unavailable |
| Total | | | | | | |
| <u>SPRINGFIELD TOWNSHIP</u> | | | | | | |
| Columbus Farmers Market | unavailable | 1 | unavailable | unavailable | 1 | unavailable |
| Helis Enterprise | unavailable | 2 | unavailable | unavailable | 2 | unavailable |
| Transcontinental Pipeline | unavailable | 3 | unavailable | unavailable | 3 | unavailable |
| NJ Land | unavailable | 4 | unavailable | unavailable | 4 | unavailable |
| Milo Corporation | unavailable | 5 | unavailable | unavailable | 5 | unavailable |
| Interstate Storage & Pipeline | unavailable | 6 | unavailable | unavailable | 6 | unavailable |
| K&P Ganesh Corporation | unavailable | 7 | unavailable | unavailable | 7 | unavailable |
| Store & Lock Self Storage | unavailable | 8 | unavailable | unavailable | 8 | unavailable |
| Verizon | unavailable | 9 | unavailable | unavailable | 9 | unavailable |
| Taxpayer #1 | unavailable | 10 | unavailable | unavailable | 10 | unavailable |
| Total | <u>N/A</u> | | <u>N/A</u> | | | |

Source: Municipal Tax Assessor

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

| FISCAL YEAR ENDED JUNE 30, | TAXES LEVIED FOR THE FISCAL YEAR | COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY | | COLLECTIONS IN SUBSEQUENT YEARS |
|--------------------------------------|---|--|-----------------------|--|
| | | AMOUNT | PERCENTAGE OF LEVY | |
| <u>Chesterfield Township</u> | | | | |
| 2018 | \$ 4,595,747.00 | \$ 4,595,747.00 | 100% | N/A |
| 2017 | 4,524,021.00 | 4,524,021.00 | 100% | N/A |
| 2016 | 3,919,290.00 | 3,919,290.00 | 100% | N/A |
| 2015 | 4,367,203.00 | 4,367,203.00 | 100% | N/A |
| 2014 | 4,176,122.00 | 4,176,122.00 | 100% | N/A |
| 2013 | 4,305,574.22 | 4,305,574.22 | 100% | N/A |
| 2012 | 3,886,265.06 | 3,886,265.06 | 100% | N/A |
| 2011 | 3,949,832.00 | 3,949,832.00 | 100% | N/A |
| 2010 | 3,502,616.02 | 3,502,616.02 | 100% | N/A |
| 2009 | 3,218,930.00 | 3,218,930.00 | 100% | N/A |
| <u>Mansfield Township</u> | | | | |
| 2018 | 9,506,425.00 | 9,506,425.00 | 100% | N/A |
| 2017 | 10,238,442.00 | 10,238,442.00 | 100% | N/A |
| 2016 | 8,735,758.00 | 8,735,758.00 | 100% | N/A |
| 2015 | 9,182,455.00 | 9,182,455.00 | 100% | N/A |
| 2014 | 8,977,483.00 | 8,977,483.00 | 100% | N/A |
| 2013 | 8,446,971.15 | 8,446,971.15 | 100% | N/A |
| 2012 | 8,145,516.25 | 8,145,516.25 | 100% | N/A |
| 2011 | 8,388,377.00 | 8,388,377.00 | 100% | N/A |
| 2010 | 8,417,270.03 | 8,417,270.03 | 100% | N/A |
| 2009 | 8,358,570.03 | 8,358,570.03 | 100% | N/A |
| <u>North Hanover Township</u> | | | | |
| 2018 | 2,793,278.00 | 2,793,278.00 | 100% | N/A |
| 2017 | 2,963,284.00 | 2,963,284.00 | 100% | N/A |
| 2016 | 2,606,038.00 | 2,606,038.00 | 100% | N/A |
| 2015 | 2,821,682.00 | 2,821,682.00 | 100% | N/A |
| 2014 | 2,455,397.00 | 2,455,397.00 | 100% | N/A |
| 2013 | 2,644,764.39 | 2,644,764.39 | 100% | N/A |
| 2012 | 2,584,668.32 | 2,584,668.32 | 100% | N/A |
| 2011 | 2,599,735.00 | 2,599,735.00 | 100% | N/A |
| 2010 | 2,796,991.69 | 2,796,991.69 | 100% | N/A |
| 2009 | 2,448,805.20 | 2,448,805.20 | 100% | N/A |
| <u>Springfield Township</u> | | | | |
| 2018 | 3,666,427.00 | 3,666,427.00 | 100% | N/A |
| 2017 | 4,167,868.00 | 4,167,868.00 | 100% | N/A |
| 2016 | 3,493,753.00 | 3,493,753.00 | 100% | N/A |
| 2015 | 3,622,359.00 | 3,622,359.00 | 100% | N/A |
| 2014 | 3,430,600.00 | 3,430,600.00 | 100% | N/A |
| 2013 | 3,264,834.00 | 3,264,834.00 | 100% | N/A |
| 2012 | 3,245,076.00 | 3,245,076.00 | 100% | N/A |
| 2011 | 3,130,876.00 | 3,130,876.00 | 100% | N/A |
| 2010 | 3,056,726.00 | 3,056,726.00 | 100% | N/A |
| 2009 | 3,208,352.00 | 3,208,352.00 | 100% | N/A |

Debt Capacity Information

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

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

| FISCAL YEAR ENDED JUNE 30, | GOVERNMENTAL ACTIVITIES | | | TOTAL DISTRICT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
|-------------------------------------|--------------------------------|--------------------------------|-------------------|-------------------|--|-------------|
| | GENERAL OBLIGATION BONDS | UNAMORTIZED BOND PREMIUM | CAPITAL LEASES | | | |
| 2018 | \$ 10,545,000.00 | \$ 728,656 | \$ 1,566,691.00 | \$ 12,111,691.00 | N/A | N/A |
| 2017 | 11,520,000.00 | 784,707 | 598,927.00 | 12,903,634.00 | unavailable | unavailable |
| 2016 | 14,331,000.00 | 61,152 | 545,121.00 | 14,937,273.00 | unavailable | 553.70 |
| 2015 | 16,411,000.00 | 65,321 | 414,686.00 | 16,891,007.00 | 1.13% | 623.05 |
| 2014 | 18,431,000.00 | 69,491 | 217,631.00 | 18,718,122.00 | 1.28% | 685.42 |
| 2013 | 18,516,000.00 | 73,660 | - | 18,589,660.00 | 1.31% | 678.60 |
| 2012 | 22,216,000.00 | 77,830 | 54,468.00 | 22,348,298.00 | 1.59% | 816.94 |
| 2011 | 23,981,000.00 | 81,999 | 107,223.00 | 24,170,222.00 | 1.76% | 879.65 |
| 2010 | 25,606,000.00 | 86,168 | 158,317.00 | 25,850,485.00 | 1.96% | 942.69 |
| 2009 | 27,051,000.00 | 90,338 | 207,803.00 | 27,349,141.00 | 2.17% | 1,034.31 |

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

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

| FISCAL YEAR ENDED <u>JUNE 30,</u> | <u>GENERAL BONDED DEBT OUTSTANDING</u> | | | | NET GENERAL BONDED DEBT <u>OUTSTANDING</u> | PERCENTAGE OF NET VALUATION TAXABLE <u>PROPERTY</u> | PER <u>CAPITA</u> |
|--|--|---------------------------------------|-------------------|---------------|--|---|----------------------|
| | GENERAL OBLIGATION <u>BONDS</u> | UNAMORTIZED BOND <u>PREMIUM</u> | <u>DEDUCTIONS</u> | | | | |
| 2018 | \$ 10,545,000 | \$ 728,656 | | \$ 11,273,656 | unavailable | unavailable | |
| 2017 | 11,520,000 | 784,707 | - | 12,304,707 | unavailable | unavailable | |
| 2016 | 14,331,000 | 61,152 | - | 14,392,152 | 0.58% | 533.50 | |
| 2015 | 16,411,000 | 65,321 | - | 16,476,321 | 0.56% | 607.76 | |
| 2014 | 18,431,000 | 69,491 | - | 18,500,491 | 0.62% | 677.45 | |
| 2013 | 18,516,000 | 73,660 | - | 18,589,660 | 0.67% | 678.60 | |
| 2012 | 22,216,000 | 77,830 | - | 22,293,830 | 0.78% | 814.95 | |
| 2011 | 23,981,000 | 81,999 | - | 24,062,999 | 0.92% | 875.75 | |
| 2010 | 25,606,000 | 86,168 | - | 25,692,168 | 0.99% | 936.92 | |
| 2009 | 27,051,000 | 90,338 | - | 27,141,338 | 1.43% | 1,026.45 | |

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2018**

| | <u>NET DEBT (1)</u> | <u>PROPORTIONATE SHARE</u> | <u>NET DEBT ALLOCATED TO TOWNSHIP</u> |
|---|-------------------------|--------------------------------|---|
| <u>GOVERNMENTAL UNIT - CHESTERFIELD TOWNSHIP</u> | | | |
| Chesterfield Township | \$ 11,099,529 | 100.00% | \$ 11,099,529 |
| Burlington County (2) | 297,399,680 | 1.73% | 5,145,014 |
| Chesterfield Township Board of Education | 35,135,000 | 100.00% | 35,135,000 |
| Northern Burlington County Regional School District | 11,273,656 | 27.00% | <u>3,043,887</u> |
| Total Direct & Overlapping Debt | | | <u>\$ 54,423,431</u> |
| <u>GOVERNMENTAL UNIT - MANSFIELD TOWNSHIP</u> | | | |
| Mansfield Township | 15,046,010 | 100.00% | 15,046,010 |
| Burlington County (2) | 297,399,680 | 2.28% | 6,780,713 |
| Mansfield Township Board of Education | 4,677,888 | 100.00% | 4,677,888 |
| Northern Burlington County Regional School District | 11,273,656 | 43.00% | <u>4,847,672</u> |
| Total Direct & Overlapping Debt | | | <u>\$ 31,352,283</u> |
| <u>GOVERNMENTAL UNIT - NORTH HANOVER SCHOOL DISTRICT</u> | | | |
| North Hanover Township | 7,026,728 | 100.00% | 7,026,728 |
| Burlington County (2) | 297,399,680 | 0.98% | 2,914,517 |
| Northern Burlington County Regional School District | 11,273,656 | 15.00% | <u>1,691,048</u> |
| Total Direct & Overlapping Debt | | | <u>\$ 11,632,293</u> |
| <u>GOVERNMENTAL UNIT - SPRINGFIELD TOWNSHIP</u> | | | |
| Springfield Township | 28,802,786 | 100.00% | 28,802,786 |
| Burlington County (2) | 297,399,680 | 0.89% | 2,646,857 |
| Northern Burlington County Regional School District | 11,273,656 | 15.00% | <u>1,691,048</u> |
| Total Direct & Overlapping Debt | | | <u>\$ 33,140,692</u> |

(1) 2017 Annual Debt Statements

(2) County net debt is allocated as a proportion of the Township's share of the total 2017 Equalized Value, which is provided by the New Jersey Division of Taxation

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)

| | FISCAL YEAR | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Debt Limit | \$ 96,480,856.84 | \$ 94,954,115.77 | \$ 93,148,228.00 | \$ 93,859,674.00 | \$ 94,061,997.00 | \$ 96,486,171.00 | \$ 105,417,938.00 | \$ 106,800,265.00 | \$ 104,471,068.00 | \$ 100,139,959.00 |
| Total Net Debt Applicable to Limit | 10,545,000.00 | 14,392,152.00 | 16,411,000.00 | 18,431,000.00 | 20,366,000.00 | 22,216,000.00 | 23,981,000.00 | 25,606,000.00 | 27,051,000.00 | 25,695,000.00 |
| Legal Debt Margin | \$ 85,935,856.84 | \$ 80,561,963.77 | \$ 76,737,228.00 | \$ 75,428,674.00 | \$ 73,695,997.00 | \$ 74,270,171.00 | \$ 81,436,938.00 | \$ 81,194,265.00 | \$ 77,420,068.00 | \$ 74,444,959.00 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 10.93% | 15.16% | 17.62% | 19.64% | 21.65% | 23.03% | 22.75% | 23.98% | 25.89% | 25.66% |

Legal Debt Margin Calculation for Fiscal Year 2017

| | Equalized Valuation Basis | | | Total |
|--|---------------------------|------------------|----------------|------------------|
| | Chesterfield | Mansfield | Springfield | |
| 2017 | \$ 758,789,405 | \$ 1,187,204,147 | \$ 419,956,629 | \$ 2,770,938,491 |
| 2016 | 758,339,295 | 1,198,537,177 | 419,627,512 | 2,795,112,799 |
| 2015 | 725,375,169 | 1,161,349,268 | 415,901,820 | 2,703,736,439 |
| | | | | \$ 8,269,787,729 |
| Average Equalized Valuation of Taxable Property | | | | 2,756,595,910 |
| Debt Limit (3.5 % of Average Equalization Value) | | | | \$ 96,480,857 |
| Total Net Debt Applicable to Limit | | | | 10,545,000 |
| Legal Debt Margin | | | | \$ 85,935,857 |

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

| YEAR | POPULATION (a) | PERSONAL INCOME (b) | PER CAPITA PERSONAL INCOME (c) | UNEMPLOYMENT RATE (d) |
|------------------------|-----------------------|----------------------------|---------------------------------------|------------------------------|
| 2017 | | | | |
| Chesterfield Township | 7587 | 431,032,644.00 | 56,812.00 | 4.4% |
| Mansfield Township | 8577 | 487,276,524.00 | 56,812.00 | 4.0% |
| North Hanover Township | 7540 | 428,362,480.00 | 56,812.00 | 4.9% |
| Springfield Township | 3295 | 187,195,540.00 | 56,812.00 | 3.4% |
| 2016 | | | | |
| Chesterfield Township | 7490 | 414,578,990 | 55,351 | 4.6% |
| Mansfield Township | 8591 | 475,520,441 | 55,351 | 4.3% |
| North Hanover Township | 7581 | 419,615,931 | 55,351 | 5.4% |
| Springfield Township | 3315 | 183,488,565 | 55,351 | 3.8% |
| 2015 | | | | |
| Chesterfield Township | 7572 | 418,178,844 | 55,227 | 4.7% |
| Mansfield Township | 8574 | 473,516,298 | 55,227 | 4.9% |
| North Hanover Township | 7609 | 420,222,243 | 55,227 | 6.2% |
| Springfield Township | 3355 | 185,286,585 | 55,227 | 5.1% |
| 2014 | | | | |
| Chesterfield Township | 7706 | 414,174,382 | 53,747 | 5.7% |
| Mansfield Township | 8580 | 461,149,260 | 53,747 | 5.9% |
| North Hanover Township | 7640 | 410,627,080 | 53,747 | 7.1% |
| Springfield Township | 3383 | 181,826,101 | 53,747 | 6.0% |
| 2013 | | | | |
| Chesterfield Township | 7777 | 402,731,945 | 51,785 | 5.1% |
| Mansfield Township | 8573 | 443,952,805 | 51,785 | 7.2% |
| North Hanover Township | 7651 | 396,207,035 | 51,785 | 10.4% |
| Springfield Township | 3393 | 175,706,505 | 51,785 | 6.1% |
| 2012 | | | | |
| Chesterfield Township | 7674 | 394,366,860 | 51,390 | 9.0% |
| Mansfield Township | 8589 | 441,388,710 | 51,390 | 11.7% |
| North Hanover Township | 7682 | 394,777,980 | 51,390 | 11.5% |
| Springfield Township | 3411 | 175,291,290 | 51,390 | 8.9% |
| 2011 | | | | |
| Chesterfield Township | 7812 | 390,248,460 | 49,955 | 8.6% |
| Mansfield Township | 8569 | 428,064,395 | 49,955 | 11.3% |
| North Hanover Township | 7683 | 383,804,265 | 49,955 | 11.1% |
| Springfield Township | 3413 | 170,496,415 | 49,955 | 8.5% |
| 2010 | | | | |
| Chesterfield Township | 7768 | 373,229,096 | 48,047 | 8.9% |
| Mansfield Township | 8554 | 410,994,038 | 48,047 | 11.6% |
| North Hanover Township | 7685 | 369,241,195 | 48,047 | 11.4% |
| Springfield Township | 3415 | 164,080,505 | 48,047 | 8.8% |
| 2009 | | | | |
| Chesterfield Township | 7620 | 363,085,380 | 47,649 | 8.3% |
| Mansfield Township | 8000 | 381,192,000 | 47,649 | 10.9% |
| North Hanover Township | 7368 | 351,077,832 | 47,649 | 10.7% |

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

| | 2017 | | |
|--|------------------------|------|--------------------------------------|
| | ESTIMATED EMPLOYEES | RANK | PERCENTAGE OF TOTAL EMPLOYMENT |
| Albert C. Wagner Youth Correctional Facility | 550 | 1 | N/A |
| Garden State Youth Correctional Center | 500 | 2 | N/A |
| Northern Burlington Regional | 315 | 3 | N/A |
| North Hanover School District | 250 | 4 | N/A |
| Mansfield School District | 150 | 5 | N/A |
| Chesterfield School District | 125 | 6 | N/A |
| Springfield School District | 55 | 7 | N/A |
| | 1,945 | | 0.00% |
| | 2009 | | |

DATA NOT AVAILABLE

Source: Comprehensive Annual Financial Reports of Individual School Districts

Operating Information

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

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

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Instruction: | | | | | | | | | | |
| Regular | 131.62 | 131.62 | 129.75 | 122.99 | 122.99 | 117.85 | 117.17 | 129.39 | 135.80 | 136.50 |
| Special Education | 27.27 | 27.27 | 28.44 | 29.68 | 29.68 | 29.54 | 29.13 | 29.01 | 25.00 | 24.00 |
| Vocational | 5.00 | 5.00 | 5.00 | 4.83 | 4.83 | 5.33 | 5.00 | 5.00 | 5.00 | 5.00 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 44.93 | 44.93 | 43.66 | 45.73 | 45.73 | 44.80 | 62.56 | 65.55 | 66.05 | 61.75 |
| School Administrative Services | 16.60 | 16.60 | 16.40 | 15.60 | 15.60 | 16.60 | 17.60 | 18.85 | 19.75 | 19.75 |
| General & Business Administrative Services | 9.30 | 9.30 | 9.30 | 9.30 | 9.30 | 9.30 | 9.30 | 8.80 | 8.60 | 8.90 |
| Plant Operations & Maintenance | 30.00 | 30.00 | 31.00 | 29.00 | 29.00 | 29.00 | 30.00 | 32.00 | 32.00 | 32.00 |
| Pupil Transportation | 44.50 | 44.50 | 44.00 | 44.00 | 44.00 | 41.00 | 41.00 | 44.00 | 43.00 | 42.00 |
| Total | 309.22 | 309.22 | 307.55 | 301.13 | 301.13 | 301.13 | 293.42 | 311.76 | 332.60 | 335.20 |

Source: District Personnel Records

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

| FISCAL YEAR | ENROLLMENT | OPERATING EXPENDITURES (a) | COST PER PUPIL | PERCENTAGE CHANGE | TEACHING STAFF (b) | PUPIL/TEACHER RATIO (d) | AVERAGE DAILY ENROLLMENT (ADE) (c) | AVERAGE DAILY ATTENDANCE (ADA) (c) | % CHANGE IN AVERAGE DAILY ENROLLMENT | STUDENT ATTENDANCE PERCENTAGE |
|-------------|------------|----------------------------|----------------|-------------------|--------------------|-------------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| 2018 | 2,171.00 | \$ 40,201,484.43 | \$ 18,517.50 | 7.09% | 164 | 13 | 2089 | 1983 | 0.00% | 94.93% |
| 2017 | 2,131.00 | 36,846,931.00 | 17,291 | 0.46% | 164 | 13 | 2089 | 1983 | 3.21% | 94.93% |
| 2016 | 2,072.00 | 35,661,944.00 | 17,211 | 6.30% | 164 | 13 | 2024 | 1918 | -3.85% | 94.76% |
| 2015 | 2,148.00 | 34,779,531.00 | 16,192 | -0.38% | 163 | 13 | 2105 | 1987 | 2.04% | 94.39% |
| 2014 | 2,011.00 | 32,685,054.00 | 16,253 | 3.26% | 157 | 13 | 2063 | 1884 | 4.14% | 91.32% |
| 2013 | 2,011.00 | 31,652,741.00 | 15,740 | 4.74% | 157 | 13 | 1981 | 1884 | 1.43% | 95.10% |
| 2012 | 1,986.00 | 29,843,543.00 | 15,027 | -5.81% | 153 | 13 | 1953 | 1850 | 4.83% | 94.73% |
| 2011 | 1,904.00 | 30,376,175.00 | 15,954 | -3.48% | 151 | 13 | 1863 | 1763 | 2.54% | 94.63% |
| 2010 | 1,836.00 | 30,347,500.00 | 16,529 | -2.00% | 166 | 11 | 1817 | 1717 | 1.33% | 94.50% |
| 2009 | 1,822.00 | 30,730,212.00 | 16,866 | 6.95% | 166 | 11 | 1793 | 1720 | 50.31% | 95.93% |

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).

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

| <u>DISTRICT BUILDINGS</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> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Middle School: | | | | | | | | | | |
| Middle School (2003): | | | | | | | | | | |
| Square Feet | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 |
| Capacity (Students) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Enrollment | 779 | 779 | 744 | 768 | 726 | 726 | 736 | 658 | 656 | 602 |
| High School: | | | | | | | | | | |
| High School (1960): | | | | | | | | | | |
| Square Feet | 215,545 | 215,545 | 156,000 | 156,000 | 156,000 | 156,000 | 156,000 | 156,000 | 156,000 | 156,000 |
| Capacity (Students) | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| Enrollment | 1,352 | 1,352 | 1,328 | 1,380 | 1,285 | 1,285 | 1,250 | 1,158 | 1,156 | 1,246 |

Number of Schools at June 30, 2018:

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

Source: District Facilities Office, District Records

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

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

| <u>SCHOOL FACILITIES</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> |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| School Facilities | 707,570.00 | 523,420.00 | 560,810.00 | 617,893.00 | 601,618.00 | 573,459.00 | 613,877.00 | 511,264.00 | 718,612.00 | 632,115.00 |
| Grand Total | \$ 707,570.00 | \$ 523,420.00 | \$ 560,810.00 | \$ 617,893.00 | \$ 601,618.00 | \$ 573,459.00 | \$ 613,877.00 | \$ 511,264.00 | \$ 718,612.00 | \$ 632,115.00 |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
UNAUDITED**

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

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

Source: District records

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Northern Burlington County Regional School District
County of Burlington
Columbus, NJ 08022

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Northern Burlington County Regional School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

However, we noted certain immaterial instances of noncompliance that are not required to be reported under Governmental Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that we reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated February 20, 2019.

The Northern Burlington County Regional School District's Response to Findings

The Northern Burlington County Regional School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Frenia
Certified Public Accountant
Public School Accountant, # 1011

Medford, New Jersey
February 20, 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
Northern Burlington County Regional School District
County of Burlington
Columbus, NJ 08022

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin Frenia
Certified Public Accountant
Public School Accountant, # 1011

Medford, New Jersey
February 20, 2019

NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER | FEDERAL CFDA NUMBER | FEDERAL AWARD IDENTIFICATION NUMBER | PASS THROUGH ENTITY IDENTIFYING NUMBER | PROGRAM OR AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2017 | CARRYOVER (WALKOVER) AMOUNT | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PRIOR YEARS' BALANCES | PASSED THROUGH TO SUBRECIPIENTS | ADJUSTMENTS | UNEARNED REVENUE | BALANCE JUNE 30, 2018 | | |
|---|----------------------------|--|--|---------------------------------------|--|--------------------------|-----------------------------------|-------------------------------------|---|---|---------------------------------------|-------------|---------------------|--------------------------|---|-----------------|
| | | | | | | | | | | | | | | (ACCOUNTS RECEIVABLE) | DUE TO GRANTOR | |
| U.S. Department of Health and Human Services | | | | | | | | | | | | | | | | |
| Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEM) | 93.778 | 1705N5MAP | 100-054-7540-211 | 28,950.29 | 7/1/17-6/30/18 | \$ - | \$ - | 28,950.29 | (28,950.29) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total U.S. Department of Health and Human Services | | | | | | | | 28,950.29 | (28,950.29) | | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | | | | | | |
| Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: | | | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 171NI304NI099 | 1004010-3350-028 | 118,980.63 | 7/1/17-6/30/18 | - | - | 116,983.15 | (118,980.63) | - | - | - | - | (1,997.48) | - | - |
| National School Lunch Program | 10.555 | 1616IN304NI099 | 1004010-3350-028 | 124,479.00 | 7/1/16-6/30/17 | (5,395.00) | - | 5,395.00 | - | - | - | - | - | - | - | - |
| Healthy Hunger-Free Kids Act | 10.555 | 171NI304NI099 | 1004010-3350-026 | 8,435.04 | 7/1/17-6/30/18 | - | - | 8,076.30 | (8,435.04) | - | - | - | - | (358.74) | - | - |
| Healthy Hunger-Free Kids Act | 10.555 | 1616IN304NI099 | 1004010-3350-026 | 8,536.00 | 7/1/16-6/30/17 | (359.00) | - | 359.00 | - | - | - | - | - | - | - | - |
| Food Distribution Program (Noncash Assistance) | 10.555 | 171NI304NI099 | Unavailable | 50,288.30 | 7/1/17-6/30/18 | (57,544.00) | - | 181,101.75 | (177,703.97) | - | - | - | - | (2,386.22) | - | - |
| Food Distribution Program (Noncash Assistance) | | | | | | (57,544.00) | - | 181,101.75 | (177,703.97) | - | - | - | - | (2,386.22) | - | - |
| Total Child Nutrition Cluster | | | | | | (57,544.00) | - | 181,101.75 | (177,703.97) | - | - | - | - | (2,386.22) | - | - |
| Total U.S. Department of Agriculture | | | | | | (57,544.00) | - | 181,101.75 | (177,703.97) | - | - | - | - | (2,386.22) | - | - |
| U.S. Department of Defense | | | | | | | | | | | | | | | | |
| STEM Grant | 12.330 | N6833516P0293 | N/A - Direct | 12,530.00 | 7/1/17-6/30/18 | 2,925.59 | - | 11,025.16 | (9,658.68) | - | - | - | 1,366.48 | - | - | - |
| STEM Grant | 12.330 | N6833516P0293 | N/A - Direct | 10,100.00 | 7/1/16-6/30/17 | - | - | - | (2,925.59) | - | - | - | - | - | - | - |
| STEM Grant | 12.330 | N6833516P0293 | N/A - Direct | 5,980.00 | 7/1/15-6/30/16 | 35.09 | - | - | (35.09) | - | - | - | - | - | - | - |
| Total U.S. Department of Defense | | | | | | 2,960.68 | - | 11,025.16 | (12,619.36) | - | - | - | 1,366.48 | - | - | - |
| U.S. Department of Education | | | | | | | | | | | | | | | | |
| Passed Through New Jersey Department of Education: Title I - Part A Title I - Part A Title I - Part A | 84.010 84.010 84.010 | S010A160030 S010A150030 S010A150030 | 100-034-5064-194 100-034-5064-194 100-034-5064-194 | 77,122.00 97,986.00 97,986.00 | 7/1/17-6/30/18 7/1/16-6/30/17 7/1/16-6/30/17 | - - - | - - - | 35,740.86 56,631.14 92,372.00 | (77,788.61) (77,788.61) (77,788.61) | - - - | - - - | - - - | - - - | - - - | (42,047.75) (42,047.75) (42,047.75) | - - - |
| Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction | 84.367 84.367 84.367 | S367A160029 S367A150029 S367A150029 | 100-034-5063-290 100-034-5063-290 100-034-5063-290 | 31,670.00 25,403.00 25,403.00 | 7/1/17-6/30/18 7/1/16-6/30/17 7/1/16-6/30/17 | - - - | - - - | 26,270.95 7,772.05 34,043.00 | (32,534.58) (32,534.58) (32,534.58) | - - - | - - - | - - - | - - - | - - - | (6,263.63) (6,263.63) (6,263.63) | - - - |
| Title III - English Language Acquisition | 84.365 | S365A160030 | 100-034-5064-187 | 1,228.00 | 7/1/17-6/30/18 | - | - | 1,228.00 | (1,228.00) | - | - | - | - | - | - | - |
| Title IV - Part A Special Education Cluster: L.D.E.A. Part B L.D.E.A. Part B | 84.424 84.027 84.027 | S424A180031 H027A160100 H027A150100 | 100-034-5063-348 100-034-5065-016 100-034-5065-016 | 10,000.00 400,263.00 395,336.00 | 7/1/17-6/30/18 7/1/17-6/30/18 7/1/16-6/30/17 | - - - | - - - | 1,000.00 361,713.33 78,745.67 | (9,995.57) (9,995.57) (9,995.57) | - - - | - - - | - - - | - - - | - - - | (8,995.57) (8,995.57) (8,995.57) | - - - |
| Total Special Education Cluster | | | | | | - | - | 440,459.00 | (398,446.65) | - | - | - | - | - | (36,733.32) | - |
| Career and Technical Education (Perkins) Career and Technical Education (Perkins) | 84.048 84.048 | V048A170030 V048A160030 | N/A - Direct N/A - Direct | 47,683.00 42,771.00 | 7/1/17-6/30/18 7/1/16-6/30/17 | - - | - - | 9,086.83 2,580.17 | (47,681.48) (47,681.48) | - - | - - | - - | - - | - - | (38,594.65) (38,594.65) | - - |
| Direct Federal: Aid Dad Impact Aid Supplemental Program | 84.041 84.041 | Unavailable Unavailable | N/A - Direct N/A - Direct | 2,388.124 113,602 | 7/1/17-6/30/18 7/1/17-6/30/18 | - - | - - | 2,388.123.81 113,601.57 | (2,388.123.81) (113,601.57) | - - | - - | - - | - - | - - | - - | - - |
| Total U.S. Department of Education | | | | | | | | 3,275,571.58 | (3,258,673.89) | | | | | | 1,366.48 | \$ (134,991.14) |
| Total Expenditures of Federal Awards | | | | | | | | \$ (148,522.35) | \$ - | | | | | | \$ - | \$ (134,991.14) |

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

NORTHERN BERLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2018

| STATE GRANTOR/ PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2017 | CARRYOVER (WALKOVER) AMOUNT | CASH RECEIVED | BUDGETARY EXPENDITURES | PASSED THROUGH TO SUBRECIPIENTS | REPAYMENT OF PRIOR YEARS' BALANCES | ADJUSTMENT | BALANCE, JUNE 30, 2018 | | MEMO CUMULATIVE TOTAL EXPENDITURES | | | | | |
|---|--|-----------------|-----------------|--------------------------|-----------------------------------|------------------|---------------------------|---------------------------------------|---|------------|------------------------|-----------------------|---|----------------|-----------------|--------------|-----------------|-------------------|
| | | | | | | | | | | | UNEARNED REVENUE | GRANTOR RECEIVABLE | | | | | | |
| New Jersey Department of Education: | | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | | |
| State Aid Public: | | | | | | | | | | | | | | | | | | |
| School Choice Aid | 495-034-5120-088 | \$ 423,402.00 | 7/1/17-6/30/18 | - | - | \$ 423,402.00 | \$ (423,402.00) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 423,402.00 | | | | | |
| Special Education Categorical Aid | 495-034-5120-089 | 1,088,835.00 | 7/1/17-6/30/18 | - | - | 1,088,835.00 | (1,088,835.00) | - | - | - | - | - | 1,088,835.00 | | | | | |
| Security Aid | 495-034-5120-084 | 154,488.00 | 7/1/17-6/30/18 | (273,418.00) | - | 154,488.00 | (154,488.00) | - | - | - | (217,435.00) | - | 154,488.00 | | | | | |
| Adjustment Aid | 495-034-5120-085 | 8,302.00 | 7/1/17-6/30/18 | (20,180.00) | - | 8,302.00 | (8,302.00) | - | - | - | (27,747.00) | - | 8,302.00 | | | | | |
| Equalization Aid | 495-034-5120-078 | 10,397,546.00 | 7/1/17-6/30/18 | - | - | 10,397,546.00 | (10,397,546.00) | - | - | - | - | - | 10,397,546.00 | | | | | |
| PAFC Business Aid | 495-034-5120-087 | 21,780.00 | 7/1/17-6/30/18 | (41,799.00) | - | 21,780.00 | (21,780.00) | - | - | - | - | - | 21,780.00 | | | | | |
| Professional Learning Community Aid | 495-034-5120-101 | 21,210.00 | 7/1/17-6/30/18 | - | - | 21,210.00 | (21,210.00) | - | - | - | - | - | 21,210.00 | | | | | |
| Total State Aid Public | | | | | | | | | | | | | | | | | | |
| Transportation Aid | 495-034-5120-014 | 576,863.00 | 7/1/17-6/30/18 | - | - | 576,863.00 | (576,863.00) | - | - | - | - | - | 576,863.00 | | | | | |
| Extraordinary Aid | 495-034-5120-044 | 273,418.00 | 7/1/16-6/30/17 | (273,418.00) | - | 273,418.00 | (273,418.00) | - | - | - | (217,435.00) | - | 273,418.00 | | | | | |
| Additional Non-Public Transportation Aid | 495-034-5120-014 | 20,180.00 | 7/1/16-6/30/17 | (20,180.00) | - | 20,180.00 | (20,180.00) | - | - | - | (27,747.00) | - | 20,180.00 | | | | | |
| Lead Testing for Schools | 495-034-5120-104 | 994,760.00 | 7/1/17-6/30/18 | - | - | 994,760.00 | (994,760.00) | - | - | - | - | - | 994,760.00 | | | | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5094-003 | 956,710.00 | 7/1/16-6/30/17 | (41,799.00) | - | 41,799.00 | (41,799.00) | - | - | - | - | - | 956,710.00 | | | | | |
| TPAF - Pension (Noncash Assistance) | 495-034-5094-001 | 1,223,724.00 | 7/1/17-6/30/18 | - | - | 1,223,724.00 | (1,223,724.00) | - | - | - | - | - | 1,223,724.00 | | | | | |
| TPAF - Pension (Noncash Assistance) | 495-034-5094-002 | 1,894,665.00 | 7/1/17-6/30/18 | - | - | 1,894,665.00 | (1,894,665.00) | - | - | - | - | - | 1,894,665.00 | | | | | |
| TPAF - Long-Term Disability Insurance (Noncash Assistance) | 495-034-5094-004 | 2,889.00 | 7/1/17-6/30/18 | - | - | 2,889.00 | (2,889.00) | - | - | - | - | - | 2,889.00 | | | | | |
| Total General Fund | | | | | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | | | | | |
| Non-Public Aid: | | | | | | | | | | | | | | | | | | |
| Textbooks | 100-034-5120-064 | 1,096.00 | 7/1/17-6/30/18 | - | - | 1,096.00 | (1,096.00) | - | - | - | - | - | 1,096.00 | | | | | |
| Textbooks | 100-034-5120-064 | 1,153.00 | 7/1/16-6/30/17 | 343.31 | - | - | - | (343.31) | - | - | - | - | 1,153.00 | | | | | |
| Nursing Services | 100-034-5120-070 | 1,940.00 | 7/1/17-6/30/18 | - | - | 1,940.00 | (1,940.00) | - | - | - | - | - | 1,940.00 | | | | | |
| Technology Initiative | 100-034-5120-373 | 740.00 | 7/1/17-6/30/18 | - | - | 740.00 | (740.00) | - | - | - | - | - | 740.00 | | | | | |
| Advanced Secondary Education | 100-034-5120-067 | 19,488.00 | 7/1/17-6/30/18 | 6,628.72 | - | 19,488.00 | (13,729.90) | - | - | - | 5,758.10 | - | 13,729.90 | | | | | |
| Compensatory Education | 100-034-5120-067 | 17,020.00 | 7/1/16-6/30/17 | - | - | - | - | (6,628.72) | - | - | - | - | 17,020.00 | | | | | |
| Handicapped Services (Chapter 193): | | | | | | | | | | | | | | | | | | |
| Examination and Classification | 100-034-5120-066 | 4,913.00 | 7/1/17-6/30/18 | - | - | 4,913.00 | (4,913.00) | - | - | - | - | - | 4,913.00 | | | | | |
| Examination and Classification | 100-034-5120-066 | 1,982.00 | 7/1/16-6/30/17 | 1,260.00 | - | - | - | (1,260.00) | - | - | 2,910.28 | - | 1,982.00 | | | | | |
| Corrective Speech | 100-034-5120-066 | 2,678.00 | 7/1/17-6/30/18 | - | - | 2,678.00 | (2,678.00) | - | - | - | - | - | 2,678.00 | | | | | |
| Corrective Speech | 100-034-5120-066 | 2,651.00 | 7/1/16-6/30/17 | 1,767.50 | - | - | - | (1,767.50) | - | - | 2,410.16 | - | 2,651.00 | | | | | |
| Supplementary Instruction | 100-034-5120-066 | 3,965.00 | 7/1/17-6/30/18 | - | - | 3,965.00 | (3,965.00) | - | - | - | - | - | 3,965.00 | | | | | |
| Supplementary Instruction | 100-034-5120-066 | 3,925.00 | 7/1/16-6/30/17 | 784.20 | - | - | - | (784.20) | - | - | 2,617.07 | - | 3,925.00 | | | | | |
| Total Special Revenue Fund | | | | | | | | | | | | | | | | | | |
| Debt Service Fund: | | | | | | | | | | | | | | | | | | |
| School Construction Debt Service Aid | 495-034-5120-075 | 55,549.00 | 7/1/17-6/30/18 | - | - | 55,549.00 | (55,549.00) | - | - | - | - | - | 55,549.00 | | | | | |
| Total Debt Service Fund | | | | | | | | | | | | | | | | | | |
| New Jersey Department of Agriculture: | | | | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | | | | |
| National School Lunch Program | 100-010-3350-023 | 7,171.08 | 7/1/17-6/30/18 | - | - | 6,665.04 | (7,171.08) | - | - | - | (506.04) | - | 7,171.08 | | | | | |
| National School Lunch Program | 100-010-3350-023 | 6,139.00 | 7/1/16-6/30/17 | (258.89) | - | 258.89 | - | - | - | - | - | - | 6,139.00 | | | | | |
| Total Enterprise Fund | | | | | | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | | | | | | |
| State Financial Assistance Programs not Subject to Calculation for Major Program Determination: | | | | | | | | | | | | | | | | | | |
| TPAF - Post Retirement | | | | | | | | | | | | | | | | | | |
| Medical (Noncash Assistance) | 495-034-5094-001 | \$ 1,223,724.00 | 7/1/17-6/30/18 | - | - | - | - | - | - | - | - | - | 1,223,724.00 | | | | | |
| TPAF - Pension Contributions (Noncash Assistance) | 495-034-5094-002 | 1,894,665.00 | 7/1/17-6/30/18 | - | - | - | - | - | - | - | - | - | 1,894,665.00 | | | | | |
| TPAF - Long-Term Disability Insurance (Noncash Assistance) | 495-034-5094-004 | 2,889.00 | 7/1/17-6/30/18 | - | - | - | - | - | - | - | - | - | 2,889.00 | | | | | |
| Total State Financial Assistance Subject to Calculation for Major Program Determination | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | \$ (324,873.16) | \$ (17,262,633.03) | \$ (17,159,270.47) | \$ (10,783.73) | \$ (245,688.04) | \$ 13,695.61 | \$ 1,238,239.00 | \$ 171,159,270.47 |
| | | | | | | | | | | | \$ (324,873.16) | \$ 17,262,633.03 | \$ (17,159,270.47) | \$ (10,783.73) | \$ (245,688.04) | \$ 13,695.61 | \$ 1,238,239.00 | \$ 171,159,270.47 |

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
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 Northern Burlington County Regional School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

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

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2018 (Continued)**

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.

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 (\$46,662.01) for the general fund and (\$35,219.49) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-------------------------------------|------------------------|-------------------------|-------------------------|
| General Fund | \$ 2,500,675.67 | \$ 17,028,763.99 | \$ 19,529,439.66 |
| Special Revenue Fund | 545,074.76 | 21,124.39 | 566,199.15 |
| Capital Projects Fund | - | - | - |
| Debt Service Fund | - | 55,549.00 | 55,549.00 |
| Food Service Fund | 177,703.97 | 7,171.08 | 184,875.05 |
| Total Awards & Financial Assistance | <u>\$ 3,223,454.40</u> | <u>\$ 17,112,608.46</u> | <u>\$ 20,336,062.86</u> |

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Northern Burlington County Regional School District had no loan balances outstanding at June 30, 2018.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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:

| <u>CFDA Number(s)</u> | <u>FAIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-----------------------|---|
| 84.041 | Unavailable | Impact Aid |
| | | |
| | | |
| | | |

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

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

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

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

State Financial Assistance

| | | |
|--|-------------------|----------------------------|
| Dollar threshold used to determine Type A programs | \$ | 750,000.00 |
| Auditee qualified as low-risk auditee? | <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> none reported |
| Type of auditor's report issued on compliance for major programs | | Unmodified |

Identification of major programs:

| <u>State Grant/Project Number(s)</u> | <u>Name of State Program</u> |
|---|---|
| 495-034-5120-089 | State Aid Public: |
| 495-034-5120-084 | Special Education Categorical Aid |
| 495-034-5120-096 | Security Aid |
| 495-034-5120-078 | Under Adequacy Aid |
| 495-034-5120-098 | Equalization Aid |
| 495-034-5120-097 | PARCC Readiness Aid |
| 495-034-5120-101 | Per Pupil Growth Aid |
| | Professional Learning Community Aid |
| 495-034-5094-003 | Reimbursed TPAF Social Security Contributions |

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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 Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**NORTHERN BURLINGTON COUNTY REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
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 Principals, 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.