BARNEGAT TOWNSHIP SCHOOL DISTRICT

Barnegat, New Jersey County of Ocean

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BARNEGAT TOWNSHIP SCHOOL DISTRICT

BARNEGAT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Business Office – Lourdes LaGuardia, Business Administrator/Board Secretary

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INTRODUCTORY SECTION

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BARNEGAT TOWNSHIP SCHOOL DISTRICT

550 BARNEGAT BOULEVARD NORTH BARNEGAT, NEW JERSEY 08005 (609) 698-5800 FAX (609) 660-5974

Karen M. Wood Superintendent

Lourdes LaGuardia Business Administrator/Board Secretary

October 24, 2016

Honorable President and Members of the Barnegat Township Board of Education Barnegat, New Jersey 08005

Dear Board Members:

The Comprehensive Annual Financial Report of the Barnegat Township Board of Education for the fiscal year ended June 30, 2016, 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 Barnegat Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations 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. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Barnegat Township Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 23 and GASB 34. All funds and account groups of the District are included in this report. The Ocean County Vocational-Technical Board of Education and all its schools constitute the District's reporting entity.

Our collective mission is to nurture and educate our children in accordance with all curriculum standards to prepare them for responsible citizenship and success in life. **BOARD OF EDUCATION** Scott Sarno, President Robert Geddes, Vice President David Sherman Andrew Watts

Lauren Sarno

Peter Toth

Gary Brown	Linda Kropf
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Maria Pereira



Karen M. Wood Superintendent Lourdes LaGuardia Business Administrator/Board Secretarv

The District provides a full-range of educational services appropriate to grade levels PreK-12. These include regular, as well as special education for mentally and physically challenged students.

- 2. ECONOMIC CONDITION AND OUTLOOK: As long as state aid is not decreased and the district receives additional aid for new students who are moving into the district, the local tax levy is expected to be fairly stable. Noting the district has never fully recovered from 2010-11 when the State of NJ reduced the district's state aid by over \$2.3 million and still continues to deduct another \$804,000 for a School Development Authority debt service assessment. The tax levy which has been incrementally increased in recent years due to flat funding in prior years; further noting: the tax levy for 2012-2013 was reduced by over \$467,000. This reduction of revenues continues to impact the district in sustaining programs from year to year. The district has currently experienced an influx of students with special needs. If the state funding formula does not increase to absorb this increase, what may lead to an increase in out of district tuition or in-house support programs could drive up property taxes. The district has established a revenue generating preschool inclusion program. This program satisfies required mandates while also providing low cost instructional setting for preschool children. The district continues to search out revenue opportunities in facilities usage and childcare programs. The sunset of Chapter 78 health benefit employee contributions; coupled with the Affordable Care Act will impact future health benefit increases and decrease employee share of district health benefit costs. All in all, how the state funds school districts in the ensuing years will have a major impact on the local tax rate in Barnegat due to the significant percentage of state funding the District receives relative to property tax funding.
- 3. MAJOR INITIATIVES: Beginning in 2009-10, the district initiated major efforts to reduce its future energy usage through energy conservation education resulting in a savings in electrical and natural gas usage by over \$900,000 in the last two years. Initiated in 2011, continued energy savings will continue to be achieved via building and automatic building control system upgrades completed under the NJ Energy Savings Improvement Program (ESIP), and the continuation of energy savings derived from the districts' large scale solar electric panel installed on school roofs. In addition, the Safe Routes to School program and subsequent redistricting resulted in continuing annual savings in bus transportation costs since the 2010-2011 school year. Starting with American Reinvestment and Recovery federal funding and other budget savings, the district initiated major new classroom technology investments in all schools between 2009 and 2012, and followed through with upgrades in the computer server and infrastructure between buildings in 2010-2011 thru 2015-2016. The major focus for the current year resulted in increased internet speeds and added connectivity between buildings and adding additional devices for classroom curriculums . Finally, continued upgrades in security access and additional security camera and networking systems are a safety initiative in capital projects. These have resulted in

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		Scott Sarno, President	Robert Ged	des, Vice President		
Gary Brown	Linda Kropf	Maria Pereira	Lauren Sarno	David Sherman	Peter Toth	Andrew Watts
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Karen M. Wood Superintendent Lourdes LaGuardia Business Administrator/Board Secretarv

reduced vandalism and improved facility monitoring in 2015-2016 specifically in the high school and middle school. The district continues to access building needs to update space, to achieve energy savings by replacing necessary panels and insuring on-line compatibility of HVAC and alarm panels, as well as repurposing classrooms where needed. The health and safety of all children is paramount as such; the district made various floor replacement renovations as well as continued district wide upgrades to the areas such as open spaces, bathrooms, gyms and classrooms; these include repairs which are not limited to: painting, doors, water fountains, cubby, and toilet replacements.

The district continues to move forward with the state mandated teacher evaluation mandate. Programs continue to be introduced to articulate the demands associated with anticipated rigor of improving classroom effectiveness.

The district continues to meet the demands of preparing to meet accountability requirements for Partnership for Assessment of Readiness for College and Careers (PARCC). This is a standard set of grades 3-12 assessments in math and English. PARCC requires computer-adaptive diagnostic testing using online platform. As such, the district will continue to make enhancements and upgrades to the infrastructure; broadband; as well additions to tablets and/or computer devices for enhanced accessibility for students.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

Our collective mission is	to nurture and	d educate our child	ren in accorda	nce with all curric	culum standa	ards to prepare the	m for		
Our collective mission is to nurture and educate our children in accordance with all curriculum standards to prepare them for responsible citizenship and success in life.									
	BOARD OF EDUCATION								
	Scott Sarno, President Robert Geddes, Vice President								
Gary Brown	Linda Kropf	Maria Pereira	Lauren Sarno	David Sherman	Peter Toth	Andrew Watts			
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Karen M. Wood Superintendent Lourdes LaGuardia Business Administrator/Board Secretary

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June, 2014.

- 6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.
- 7. DEBT ADMINISTRATION: At June 30, 2016, the District's principal outstanding debt issues totaled \$32,645,000. The district complies with debt service refinance authorization as prescribed by the local finance board.
- 8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statement", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9. RISK MANAGEMENT: Barnegat Township Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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	DUA	RD OF EDUCATION	
	Scott Sarno, President	Robert Geddes,	Vice President
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Gary Brown Linda Kropf Maria Pereira Lauren Sarno David Sherman Peter Toth Andrew Watts

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Karen M. Wood Superintendent Lourdes LaGuardia Business Administrator/Board Secretarv

- 10. <u>OTHER INFORMATION</u>: Independent Audit State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations 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*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Barnegat Township Board of Education for their commitment to a quality education for all students in Barnegat, balanced by their concern in providing fiscal accountability to the citizens and taxpayers of the school district. Those philosophies demonstrate their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting personnel.

Sincerely,

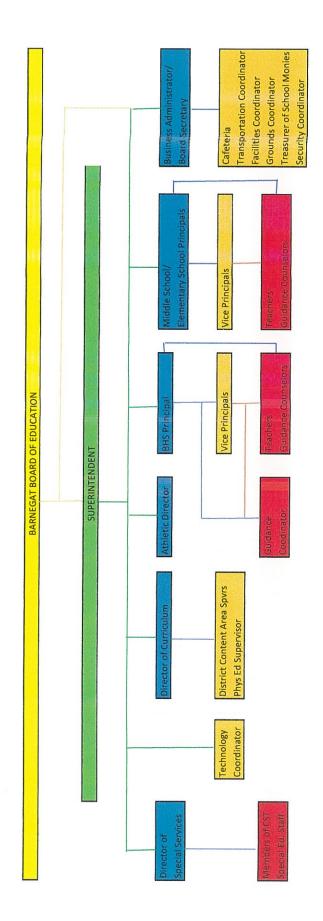
Karen M. Wood Superintendent

Juarta

Jourdes LaGuardia Business Administrator/Board Secretary

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		BOA	RD OF EDUCATION			
		Scott Sarno, President	Robert Gede	les, Vice President		
Gary Brown	Linda Kropf	Maria Pereira	Lauren Sarno	David Sherman	Peter Toth	Andrew Watts



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Approved March 18, 2014

BARNEGAT TOWNSHIP SCHOOL DISTRICT

550 Barnegat Boulevard North Barnegat, New Jersey 08005

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Scott Sarno, President	2016
Robert Geddes, Vice President	2017
Gary Brown	2017
Linda Kropf	2018
Maria Pereira	2017
Lauren Sarno	2016
David Sherman	2018
Peter Toth	2016
Andy Watts	2018

OTHER OFFICIALS

Karen Wood, Superintendent Lourdes LaGuardia, Business Administrator/Board Secretary

Patricia Christopher, Treasurer of School Funds

BARNEGAT TOWNSHIP SCHOOL DISTRICT 550 Barnegat Boulevard North Barnegat, New Jersey 08005

CONSULTANTS AND ADVISORS

ATTORNEY

Jerry Dasti Dasti, Murphy, McCuckin, Ulaky, Koutsouris & Connors 620 West Lacey Road P.O. Box 1057 Forked River, New Jersey 08731

AUDIT FIRM

Robert W. Allison, CPA, PSA Holman Frenia Allison, P. C. 680 Hooper Ave, Bldg B, Suite 201 Toms River, New Jersey 08753

BOND COUNSEL

William R. Mayer DeCotiis, Fitzpatrick & Cole LLC 500 Frank W. Burn Blvd, Suite 3 Teaneck, New Jersey 07666

OFFICIAL DEPOSITORY

Ocean First Bank State of New Jersey Cash Management Fund

FINANCIAL SECTION

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6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members of the Board of Education Barnegat Township School District County of Ocean Barnegat, New Jersey 08005

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 Barnegat Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the 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 Barnegat Township School District, County of Ocean, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 Barnegat Township 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of the Barnegat Township 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 Barnegat Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Toms River, New Jersey October 24, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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The discussion and analysis of Barnegat Township School District's financial performance provides an overall review of the School District's financial activities for the year ended June 30, 2016. 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 enhance their understanding of the School District's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "*Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*" issued in June 1999 that is now being required by the New Jersey Statement Department of Education. Comparative information between the current fiscal year (2015–2016) and the prior fiscal year (2014–2015) is required and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2016 are as follows:

- General revenues accounted for \$51,817,823 or 80.51% percent of total operating revenues. Program specific revenues in the form of federal and state operating grants and contributions, accounted for \$12,540,159 or 19.48% of total operating revenues of \$64,357,982.
- Local tax levy of \$30,893,819 accounts for 53% of general operating budget with a 3.49% increase of local contribution totaling \$1,042,273.
- The school district had \$66,305,667 in expenses; \$13,200,456 of these expenses were offset by program specific charges for state/federal grants and \$1,017,210 were offset by charges for services. General revenues (primarily taxes and state aid) of \$51,817,823 were adequate to provide for these programs.
- Among governmental funds per Exhibit B-2, the General Fund had \$54,090,736 in revenues and \$51,574,576 in expenditures. The General Fund's fund balance increased \$966,318 from 2015. Energy Savings Improvement (ESIP) bond proceeds were spent in 2014-2015, and reductions in utility and other operating expenses through targeted savings initiatives will be reflected in future years.
- Savings were attributed through retirements, health benefit savings and employee share, debt refinancing, contract renegotiations. Increased fund balance is in many instances an annual and not recurring savings event.

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 Barnegat Township School District as a financial whole, an entire operating entity. The statements subsequent to the A and B summary Exhibits provide an increasingly detailed look at specific financial activities.

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. The B Exhibit fund financial statements identify the School district's most significant funds, the Governmental Funds. In the case of Barnegat Township School District, the General Fund is by far the most significant fund representing over 92.6% of governmental expenditures.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the pages to follow in this extensive document contain 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 answer the question, "How did we do financially during school year 2012? The **Statement of Net Position, Exhibit A-1**, and the **Statement of Activities, Exhibit A-2**, answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These A-1 and A-2 statements report the School District's net position and changes in those assets. 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 other factors.

In the Statement of Net Position A-1 and the Statement of Activities A-2, 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity These activities are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service school breakfast and lunch program is the major enterprise fund reported as a business activity. While there is a small residual of funds left and reported for the Community Education program, this program has been inactive since 2010. There was no fiscal activity in the Community Education fund except for accrued interest on the residual reserve remaining from the prior year.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the <u>General Fund</u>, <u>Special Revenue Fund</u>, <u>Capital Projects Fund</u>, and <u>Debt Service Fund</u>.

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 the 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. These funds cover the government operations and the basic services provided for the education of the district's students. Governmental fund information helps 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 notes to the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The National School Lunch Program is the major enterprise operation within the district. The District initiated a before/aftercare program for school age in 2013-2014. Additionally, the district offers a daycare program for infants to pre-school. This program started in the 2014-2015 fiscal year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements.

The School District as a Whole

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

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

Table 1 provides a summary of the School District's Net Position for 2016 and 2015. [Source: Exhibit A-1]

The School District as a Whole (Continued)

Net Position								
		June 30, 2016						
	Governmental	Business-Type		Governmental	Business-Type			
	Activities	Activities	<u>Total</u>	Activities	Activities	Total		
Current and other assets	\$ 12,574,882	\$ 574,260	\$ 13,149,142	\$ 9,565,127	\$ 477,045	\$ 10,042,172		
Capital assets, net	122,114,308	212,694	122,327,002	126,855,450	249,438	127,104,888		
Total assets	134,689,190	786,954	135,476,144	136,420,577	726,483	137,147,060		
Deferred outflow of resources	3,183,680	-	3,183,680	1,062,351	-	1,062,351		
Long-term liabilities	55,018,524	-	55,018,524	53,577,184	-	53,577,184		
Other liabilities	1,674,124	2,606	1,676,730	2,413,760	212,046	2,625,806		
Total liabilities	56,692,648	2,606	56,695,254	55,990,944	212,046	56,202,990		
Deferred inflow of resources	1,226,481	-	1,226,481	1,032,327	-	1,032,327		
Invested in capital assets, net	86,983,014	212,694	87,195,708	89,636,561	249,438	89,885,999		
Restricted	11,547,489	-	11,547,489	8,196,710	-	8,196,710		
Unrestricted	(18,576,762)	571,654	(18,005,108)	(17,373,614)	264,999	(17,108,615)		
	\$ 79,953,741	\$ 784,348	\$ 80,738,089	\$ 80,459,657	\$ 514,437	\$ 80,974,094		

Table 2 shows changes in net position for year 2016 and 2015. [Source: Exhibit A-2]

Changes in Net							
Position							
	Government	al Activities	Business-Ty	be Activities	Тс	otal	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Revenue							
Program Revenue:							
Charges for Services	\$ -	\$ -	\$1,017,210	\$ 743,554	\$ 1,017,210	\$ 743,554	
Operating Grants	12,540,159	10,651,951	660,297	618,258	13,200,456	11,270,209	
General Revenues:							
Property Taxes	30,893,819	29,851,546	-	-	30,893,819	29,851,546	
Federal & State Aid Not							
Restricted to Specific Purposes	20,271,845	20,330,090	-	-	20,271,845	20,330,090	
Tuition	124,890	185,995	-	-	124,890	185,995	
Cancellation of Prior Year payable	361,472	-	-	-	361,472	-	
Miscellaneous	165,797	150,047	33,336	26,583	199,133	176,630	
Adjustment to Fixed Assets	-	-	-	48,219	-	48,219	
Investment Earnings			837	328	837	328	
Total Revenues	64,357,982	61,169,629	1,711,680	1,436,942	66,069,662	62,606,571	
Expenses							
Instructional Services	21,144,807	21,078,663	-	-	21,144,807	21,078,663	
Support Services	36,165,204	33,311,539	1,441,769	1,299,357	37,606,973	34,610,896	
Unallocated Depreciation & Adj to FA	5,560,317	5,361,814	-	-	5,560,317	5,361,814	
Interest on Long-Term Liabilities	1,993,570	2,156,759			1,993,570	2,156,759	
Total Expenses	64,863,898	61,908,775	1,441,769	1,299,357	66,305,667	63,208,132	
Change in Net Position	\$ (505,916)	\$ (739,146)	\$ 269,911	\$ 137,585	\$ (236,005)	\$ (601,561)	

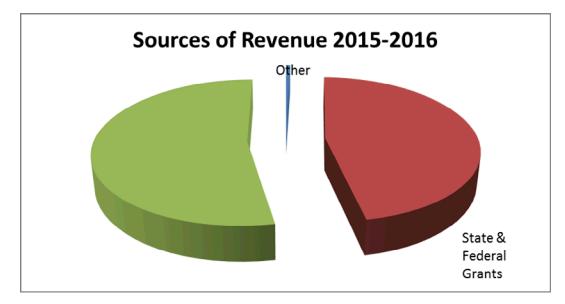
Business-Type Activities [Source: A-2;G-2]

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

- ▶ Food service revenues exceeded expenses by \$114,071
- Charges for food service represent \$556,968 of revenue. This represents amounts paid by students and staff for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$660,297.
- In 2013-2014 the district terminated the outsourcing of aftercare services and initiated a program whereby revenues exceeded the total program expenditures of \$101,224 by \$11,537 in that year. For the 2014-2015 program revenue was a net gain of \$73,259. For the current year 2015-2016; the net gain was \$60,856.
- ➢ In 2014-2015 the district engaged in the startup of infant − pre kindergarten Bengal Cubs program. A slow startup resulted in a revenue shortfall of (\$37,318). For the 2015-2016 program revenue was a net gain of \$60,811 for a total positive net position of \$23,677.

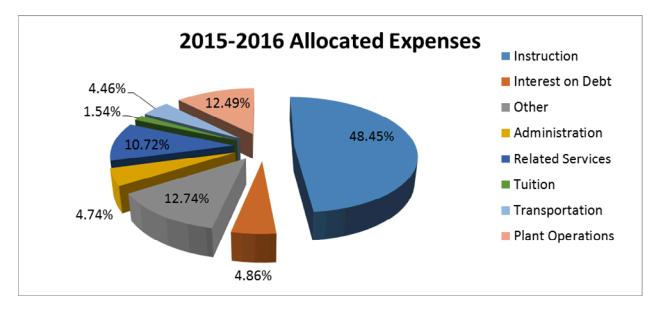
Governmental Activities [Source: B-2]

The unique nature of property taxes in New Jersey creates legal requirements to annually seek voter approval for the School District operations prior to 2012. Per legislation enacted in 2012, the Board Of Education approved the move of the school election to November. This eliminated the requirement for voter approval on the budget if the proposed tax levy increase did not exceed 2% and accumulated banked caps. Property taxes made up 53.06% of revenues for governmental activities for the Barnegat Township School District for year 2015-2016. The District's total operating revenues were \$58,220,967 for the year ended June 30, 2016. Federal, state and local grants accounted for another 46.44% of revenue.



Governmental Activities [Source: B-2] (continued)

The total cost of all programs and services was \$55,840,570. Student Services and Instruction including allocated benefits comprises 68.4% of District expenses.



Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition is predominantly made up of charges for out of district special education placements and vocational school tuition.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General and school administration includes expenses associated with educational planning and supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in a safe and effective working condition. Also includes the oversight of district wide risk assessments and financial management.

Pupil transportation includes activities involved with the conveyance of students to and from all associated schools, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District as previously voted on by the general public.

"Other" includes special schools, depreciation and absence liabilities.

Unallocated benefits include employee benefits such as compensated absences, health benefits and pensions.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. See Exhibit B-2. Total revenues amounted to \$58,220,967 and expenditures were \$55,840,570. The net change in fund balance for the year was an increase of \$2,937,463 including the change in the capital projects fund.

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

	Sources of Revenue & Other Funding						
<u>Revenue</u>	2015-2016 <u>Amount</u>	Percent of <u>Total</u>	2014-2015 <u>Amount</u>	Increase (Decrease) <u>From PY</u>	Percent of Increase <u>or Decrease</u>		
Property Taxes	\$30,893,819	54.61%	\$ 29,851,546	\$ 1,042,273	3.49%		
Other Local Sources	290,687	0.51%	336,042	(45,355)	-13.50%		
State Sources	25,595,557	45.25%	24,924,282	671,275	2.69%		
Federal Sources	1,440,904	2.55%	1,455,092	(14,188)	-0.98%		
Total	\$58,220,967	102.92%	\$ 56,566,962	\$ 1,654,005			

Total revenues increased by \$1,654,005. The increase in local sources was due to allowable property tax increase and through submission of cost specific funding applications.

Slight increase in State Aid revenue is attributable to Special Education reimbursed extraordinary cost. The state's funding formula was awarded for the 2015-2016 on a flat fixed rate over prior year. The last month's payment is held by the state until July. Therefore, the district should maintain \$2.3 million in available surplus to ensure there are sufficient funds to cover year end expenditures. The Federal revenue source has maintained leveled funding to the district. Note: all federal mandates at program levels are not funded.

The following schedule represents a summary of general fund, special revenue fund, capital project fund and debt service fund expenditures for the year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

The School District's Funds (Continued)

Summary of Expenditures

<u>Expenditures</u>	2015-2016 <u>Amount</u>	Percent of <u>Total</u>	2014-2015 <u>Amount</u>	Increase (Decrease) <u>from 2015</u>	Percent of Increase <u>or Decrease</u>
Current Expense: Instruction	\$ 19,917,891	36.55%	\$ 19,966,984	\$ (49,093)	-0.25%
Undistributed Expenditures	30,033,474	55.12%	28,845,198	1,188,276	4.12%
Capital Outlay	1,623,211	2.98%	1,684,212	(61,001)	-3.62%
Special Revenue	1,359,380	2.49%	1,227,600	131,780	10.73%
Debt Service	2,906,614	5.33%	2,764,759	141,855	5.13%
Total	\$ 55,840,570	102.48%	\$ 54,488,753	\$ 1,351,817	

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Changes in expenditures for capital outlay were due to a technology shift from infrastructure improvements to device upgrades. Continued PARCC Readiness initiative preparations were a success for the 2015-2016 school year. Undistributed expenditures include the realignment of guidance and child study team practices thus investments for these expenses were slightly increased. We are in the first year of a two year teacher's contract. Due to contract provisions and contractual COLA obligations; costs and savings in undistributed expenditures areas increased. A.C.A, health costs, unfunded mandates for staff training; health & safety; assessments, and technology also impact this undistributed cost. Federal Education funding sources continue to be decreased; however the district must still abide to IDEA and NCLB requirements.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual budget several times. Revisions to the budget were made to recognize changes in revenues not anticipated and to prevent over-expenditures in specific line item accounts.

BARNEGAT TOWNSHIP SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016 UNAUDITED

Capital Assets

At the end of the year 2016, the School District had \$175,458,579 invested in governmental land, building, furniture and equipment, and vehicles. Table 4 shows year 2016 balances compared to 2015.

Table 4 Capital Assets at June 30, 2016 (Net of Depreciation)

	2016	2015
Land	\$ 11,696,706	\$ 11,696,706
Land Improvements	8,209,273	8,209,273
Building & Building Improvements	143,341,221	143,486,507
Machinery and Equipment	12,211,379	11,452,288
Total Asset Book Value	175,458,579	174,844,774
Less Accumulated Depreciation	(53,344,271)	(47,989,324)
Net Capital Assets	\$ 122,114,308	\$ 126,855,450

Overall capital assets decreased \$4,741,142 from year 2015 to year 2016. The decrease in capital assets is due to depreciation charges exceeding new capital construction and purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016, the School District had \$55,018,524 of outstanding debt. Of this amount, \$1,927,062 is for compensated absences; \$949,082 is for Bond Premium; \$15,815,708 for Net Pension Liability; \$3,681,672 for various capital leases; and \$32,645,000 of serial bonds for school construction.

Table 5Bonded Debt Outstanding at June 30, 2016

	 2016	 2015
2007 Issue Bonds	\$ 210,000	\$ 20,440,000
2012 Issue Refunding Bonds	5,485,000	5,990,000
2014 Issue Refunding Bonds 1/2004	6,210,000	6,915,000
2015Issue Refunding Bonds 1/2007	 20,740,000	
Total	\$ 32,645,000	\$ 33,345,000

At June 30, 2016, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule I-1.

BARNEGAT TOWNSHIP SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016 UNAUDITED

Debt Administration (continued)

"Standard & Poor's Ratings Services assigned its 'A+' long-term rating to Barnegat Township Board of Education, N.J.'s 2015 general obligation (GO) refunding bonds. At the same time, we affirmed our 'A+' long-term rating and underlying rating (SPUR) on the board's previously issued GO debt. The outlook is stable. The rating reflects our assessment of the school districts: Strong economic profile with an increasing population largely resulting from a growing retiree presence. Strong financial position with a history of mostly positive operating results and adequate available general fund reserves on a budgetary basis of accounting, along with a good total fund balance position; and Low-to-moderate debt burden, with no plans to issue additional debt over the next several years." S&P 11/6/2015

For the Future

The Barnegat Township School District maintains good financial condition. The School district has significant community support of the public schools. The administration continues to seek out revenue generating educational opportunities' to assist in offsetting budgetary and local tax increases. In conclusion the Barnegat Township School District Board of Education has committed itself to financial excellence for many years. In addition, the School District's systems for financial planning, budgeting, and internal financial controls are well established, and maintain the educational needs and priorities at the forefront of all fiscal planning. The School District plans to continue its sound management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lourdes LaGuardia at Barnegat Township School District, 550 Barnegat Blvd. North, Barnegat, NJ 08005. Please visit our website at http://www.barnegatschools.com.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BARNEGAT TOWNSHIP BOARD OF EDUCATION STATEMENT OF NET POSITION GOVERNMENTAL FUNDS JUNE 30, 2016

ASSETS Cash & Cash Equivalents Receivables, Net	ERNMENTAL CTIVITIES 6,031,442 973,223	BUSINESS- TYPE ACTIVITIES \$ 472,555 84,201	TOTALS \$ 6,503,997 1,057,424
Inventory Restricted Assets: Cash Reserves	5,116,600	17,504	17,504 5,116,600
Capital Projects Capital Assets, Net (Note 5)	 453,617 122,114,308	212,694	453,617 122,327,002
Total Assets	 134,689,190	786,954	135,476,144
DFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions Deferred Charge on Refunding of Debt	2,075,788 1,107,892	-	2,075,788 1,107,892
Total Deferred Outflow of Resources	 3,183,680	-	3,183,680
Total Assets and Deferred Outflow of Resources	 137,872,870	- 786,954	138,659,824
LIABILITIES			
Accounts Payable	1,129,037	921	1,129,958
Unearned Revenue Accrued Interest Payable	307,664 237,423	1,685	309,349 237,423
Long-Term Obligations (Note 7):	-		-
Due Within One Year Due Beyond One Year	1,907,255 53,111,269	-	1,907,255 53,111,269
-		2 (0)	
Total Liabilities	56,692,648	2,606	56,695,254
DFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	 1,226,481	-	1,226,481
Total Deferred Inflow of Resources	 1,226,481	-	1,226,481
Total Liabilities and Deferred Inflows of Resources	 57,919,129	2,606	57,921,735
NET POSITION			
Net Investment in Capital Assets Restricted For:	86,983,014	212,694	87,195,708
Other Purposes Unrestricted	11,547,489 (18,576,762)	- 571,654	11,547,489 (18,005,108)
Total Net Position	\$ 79,953,741	\$ 784,348	\$ 80,738,089

	BARN	EGAT TOWNSI STATEMEN GOVERN FOR THE YEAI	IEGAT TOWNSHIP BOARD OF EDUCATION STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016	CATION 016		EXHIBIT A-2 (Page 1 of 2)
				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	VENUE AND POSITION	
FUNCTIONS/PROGRAMS	EXPENSES	PROGRAI CHARGES FOR SERVICES	PROGRAM REVENUES ARGES OPERATING FOR GRANTS & AVICES CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Governmental Activities: Instruction						
Regular	\$ 14,701,980	ı ج	\$ 1,359,380	\$ (13,342,600)	۰ ۶	\$ (13,342,600)
Special Education	4,775,049		·	(4,775,049)		(4,775,049)
Other Special Instruction	1,667,778	'		(1,667,778)	ı	(1,667,778)
Support Services & Undistributed Costs:						
Tuition	920,382			(920, 382)		(920, 382)
Student & Instruction Related						
Services	4,677,720			(4,677,720)		(4,677,720)
General Administrative Services	551,293			(551,293)		(551, 293)
School Administrative Services	1,517,202	·	ı	(1,517,202)	ı	(1,517,202)
Central Services	460,130	ı		(460, 130)		(460, 130)
Administrative Information Technology	327,657	ı	ı	(327,657)	ı	(327,657)
Plant Operations & Maintenance	4,355,438	I		(4, 355, 438)	ı	(4, 355, 438)
Pupil Transportation	1,947,470	ı	259,067	(1,688,403)		(1,688,403)
Unallocated Employee Benefits	21,387,804	'	10,501,973	(10,885,831)	ı	(10,885,831)
Transfers to Charter Schools	20,108	ı		(20, 108)		(20,108)
Long-Term Debt and Other Charges	1,993,570		419,739	(1,573,831)	·	(1,573,831)
Unallocated Adjustment to Fixed Assets	188,363	ı		(188, 363)		(188, 363)
Unallocated Depreciation	5,371,954			(5,371,954)		(5,371,954)
Total Governmental Activities	64,863,898		12,540,159	(52,323,739)		(52,323,739)
	Ň		~ ~ ~			

	BARNE	EGAT TOWNSH STATEMEN GOVERNN OR THE YEAR	BARNEGAT TOWNSHIP BOARD OF EDUCATION STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016	CATION 116		EXHIBIT A-2 (Page 2 of 2)
				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	VENUE AND POSITION	
FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM CHARGES FOR SERVICES	PROGRAM REVENUES ARGES OPERATING FOR GRANTS & XVICES CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Business-Type Activities: Food Service Aftercare Program Bengal Cubs Early Learning Center	1,103,194 133,906 204,669	556,968 194,762 265,480	660,297 - -		114,071 60,856 60,811	114,071 60,856 60,811
Total Business-Type Activities	1,441,769	1,017,210	660,297	1	235,738	235,738
Total Primary Government	\$ 66,305,667	\$ 1,017,210	\$ 13,200,456	(52,323,739)	235,738	(52,088,001)
General Revenues: Taxes: Property Taxes, Levied for General Purposes, Net Taxes Levied for Debt Service Federal & State Aid Not Restricted Tuition Miscellaneous Income Interest Earnings Cancellation of Prior Year Payables Transfer In/(Out) Transfer In/(Out) Total General Revenues, Special Items, Extraordinary Items & Transfers Change In Net Position Net Position - Beginning	s, Net ordinary Items & Tra	insfers		28,542,745 2,351,074 20,271,845 124,890 165,797 165,797 - 361,472 - 51,817,823 (505,916) 80,459,657	- - 33,787 837 (451) 34,173 34,173 514,437	$\begin{array}{c} 28,542,745\\ 2,351,074\\ 2,351,074\\ 20,271,845\\ 124,890\\ 199,584\\ 837\\ 361,472\\ (451)\\ 51,851,996\\ 51,851,996\\ (236,005)\\ 80,974,094\end{array}$
Net Position - Ending			II	\$ 79,953,741	\$ 784,348 \$	80,738,089

B. Fund Financial Statements

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Governmental Funds

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BARNEGAT TOWNSHIP BOARD OF EDUCATION GOVERNMENTAL FUNDS **BALANCE SHEET** JUNE 30, 2016

ASSETS		GENERAL FUND	RI	PECIAL EVENUE FUND	PF	CAPITAL ROJECTS FUND	s	DEBT ERVICE FUND	GOV	TOTAL /ERNMENTAL FUNDS
Cash & Cash Equivalents Receivables, Net Due From Other Funds Receivables from Other	\$	6,086,499 144,581 456,433	\$	- 362,818 -	\$	453,617 - -	\$	198,351 - -	\$	6,738,467 507,399 456,433
Governments Restricted Cash		471,273 5,116,600		-		-		-		471,273 5,116,600
Total Assets	\$	12,275,386	\$	362,818	\$	453,617	\$	198,351	\$	13,290,172
LIABILITIES & FUND BALANCES										
Liabilities: Accounts Payable Cash Overdraft Due to Other Funds Unearned Revenue	\$	1,026,344 - 8,265 453,136	\$	102,694 253,408 - 6,716	\$	453,617	\$	- - -	\$	1,129,038 253,408 461,882 459,852
Total Liabilities		1,487,745		362,818		453,617		-		2,304,180
Fund Balances: Restricted for: Capital Reserve Maintenance Reserve Emergency Reserve Excess Surplus Excess Surplus Designated for Subsequent Year's Expenditures Debt Service Committed for: Other Purposes Unassigned Total Fund Balances		2,542,013 2,067,888 506,699 3,599,428 2,633,110 - 175,241 (736,738) 10,787,641		- - - - - - - -		- - - - - - - -		- - - 198,351 - - - - - - - - - - - - - - - - - - -		2,542,013 2,067,888 506,699 3,599,428 2,633,110 198,351 175,241 (736,738) 10,985,992
Total Liabilities & Fund Balances	\$	12,275,386	\$	362,818	\$	453,617	\$	198,351	-	
Amounts reported for <i>governmental acti</i> are different because: Capital assets used in governmental ac therefore are not reported in the fund and the accumulated depreciation is Deferred outflows and inflows of resou	tivit ds. \$53 arce:	ies are not find The cost of the ,344,271. s related to per	anci e ass nsio	al resource sets is \$175 ns and defe	s an ,458	d 8,579				122,114,308
charges or credits on debt refunding periods and, therefore, are not repor	ted i	n the funds.	futi	ure reportin	ıg					849,307
Accrued interest payable is not recorde fund financial Statements due to the Unexpended capital lease proceeds	e fa	et that the pays		s are not dı	ie ir	the period	1.			(237,423) 152,188
Deferred charges on refunding of debt fund financials but is recorded on th Long-term liabilities, including net per absences payable, bond premium, o leases payable are not due and paya	ne di nsioi ther	strict wide fin h liability, bon post employn	ianci ids p nent	ayable, con benefits ar	nd c	apital				1,107,893
are not reported as a liability in the					10	,				(55,018,524)
Net position of Governmental Activitie	es								\$	79,953,741

BARNEGAT TOWNSHIP BOARD OF EDUCATION GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues: Local Tax Levy	\$ 28,542,745	\$ -	\$ -	\$ 2,351,074	\$ 30,893,819
Tuition Miscellaneous	124,890 146,779	19,007	- 11	-	124,890 165,797
Total Local Sources	28,814,414	19,007	11	2,351,074	31,184,506
State Sources Federal Sources	25,175,818 100,531	1,340,373	-	419,739	25,595,557 1,440,904
Total Revenues	54,090,763	1,359,380	11	2,770,813	58,220,967
Expenditures: Current:					
Regular Instruction	13,475,064	1,226,916			14,701,980
Special Education Instruction	4,775,049	1,220,910	-	-	4,775,049
Other Special Instruction	1,667,778	_	_	_	1,667,778
Support Services & Undistributed Costs:	1,007,770				1,007,770
Tuition	787,918	132,464	_	_	920,382
Student & Instruction Related Services	4,677,720	152,404	_	_	4,677,720
General Administrative Services	551,293	_	_	_	551,293
School Administrative Services	1,517,202	_	_	_	1,517,202
Central Services	460,130	_	_	_	460,130
Administrative Information Technology		_	_	_	327,657
Plant Operations & Maintenance	4,665,414	_	_	_	4,665,414
Pupil Transportation	1,947,470	_	_	_	1,947,470
Employee Benefits	15,098,670	_	_	_	15,098,670
Debt Service:	15,070,070				15,090,070
Principal	-	_	_	1,485,000	1,485,000
Interest & Other Charges	-	_	_	1,421,614	1,421,614
Capital Outlay	1,623,211	-	-	-	1,623,211
cupium cumuy	1,020,211				1,020,211
Total Expenditures	51,574,576	1,359,380	-	2,906,614	55,840,570
Excess/(Deficiency) of Revenues	0 51 6 105		11	(125.001)	2 200 207
Over/(Under) Expenditures	2,516,187	-	11	(135,801)	2,380,397
Other Financing Sources/(Uses):					
Transfers In	11	-	-	-	11
Cancellation of Prior Year Payables	361,472	-	-	-	361,472
Proceeds of Refunding Bonds	-	-	-	21,390,916	21,390,916
Deposit to Escrow Agent	-	-	-	(21,175,214)	(21,175,214)
Transfers Out	(20, 100)	-	(11)	-	(11)
Transfer of Funds To Charter Schools	(20,108)	-	-	-	(20,108)
Total Other Financing Sources & Uses	341,375	-	(11)	215,702	557,066
Net Change in Fund Balances	2,857,562	_	-	79,901	2,937,463
Fund Balance - July 1	7,930,079	_	-	118,450	8,048,529
Fund Balance - June 30	\$ 10,787,641	\$ -	\$ -	\$ 198,351	\$ 10,985,992

E BARNEGAT TOWNSHIP BOARD OF EDUCATION RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, GOVERNMENTAL FUNDS JUNE 30, 2016

Total Nat Change in Fund Palanaes Covernmental Funds (From P. 2)		\$	2 027 462
Total Net Change in Fund Balances - Governmental Funds (From B-2)		Φ	2,937,463
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 statement of activities, the cost of those assets is allocated over their estimated us lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period:	eful		
Depreciation Expense	(5,371,954)		
Deletions & Adjustment to Capital Assets Capital Outlay	(188,363) 819,175		(4,741,142)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is meas a year before the District's report date. Pension expense, which is the change in t pension liability adjusted for changes in deferred outflows and inflows of resource to pensions, is reported in the Statement of Activities.	he net		
Pension Expense - PERS Contribution - 2016	605,723		
Unfunded TPAF Pension Expense	(5,775,543)		
State Share of Unfunded TPAF Pension Expense Pension Expense	5,775,543 (829,498)		(223,775)
Repayment of bond and capital lease principal is an expenditure in the governme funds, but the repayment reduces long-term liabilities in the statement of net posi and is not reported in the statement of activities.	ntal		(-))
Bonds Capital Leases	1,485,000 309,976		1,794,976
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue is the statement of activities; issuing debt increases long-term liabilities in the statement of net position.			
2016 Bond Refunding			
Bond Proceeds Premiums	(20,825,000) (565,916)		(21,390,916)
Advance refunding of debt issues are financing uses in the governmental funds. I not expenses in the statement of activities; refunding of debt decreases long term in the statement of net position.	They are		(21,590,910)
Loss on Refunding	1,135,214		
Bonds Refunded	20,040,000		21,175,214
Deferred charge on retirement of debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:			
Amortization of Loss on Early Retirement of Debt Amortization of Bond Premiums	(38,827) 64,703		25,876
Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			
Prior Year Current Year	1,637,246 (1,927,062)		(289,816)
In the statement of activities, interest on long-term debt in the statement of activit is accrued, regardless of when due. In the governmental funds, interest is reporte when due. The accrued interest is an addition in the reconciliation (+).			
Prior Year Current Year	443,627 (237,423)		206,204
Change in Net Position of Covernmentel Activities		¢	
Change in Net Position of Governmental Activities	=	¢	(505,916)

Proprietary Funds

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BARNEGAT TOWNSHIP BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

		ACTIV ENTERPRI	SS-TYPE /ITIES - ISE FUNDS	BENGAL CUBS	
ASSETS	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	EARLY LEARNING CENTER	TOTALS
Current Assets: Cash	\$ 299,748	\$ 39,583 \$	5 108,394	\$ 24,830	\$ 472,555
Accounts Receivable: State Federal	856 44,332	-	-	-	856 44,332
Other Inventories	127 17,504	-	29,168	1,453	30,748 17,504
Interfund Receivable Total Current Assets	- 362,567	- 39,583	8,265 145,827	- 26,283	8,265
Noncurrent Assets:	302,307	39,383	143,827	20,283	574,260
Furniture, Machinery & Equipment Less: Accumulated Depreciation	848,799 (636,105)	-	-	-	848,799 (636,105)
Total Noncurrent Assets	212,694	-	-	_	212,694
Total Assets	575,261	39,583	145,827	26,283	786,954
LIABILITIES					
Current Liabilities: Accounts Payable Unearned Revenue	-	-	-	921 1,685	921 1,685
Total Current Liabilities		-	-	2,606	2,606
NET POSITION					
Net Investment in Capital Assets Unrestricted	212,694 362,567	39,583	145,827	23,677	212,694 571,654
Total Net Position	\$ 575,261	\$ 39,583 \$	5 145,827	\$ 23,677	\$ 784,348

BARNEGAT TOWNSHIP BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

		ACT	NESS-TYPE FIVITIES - PRISE FUNDS		
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	TOTALS
Operating Revenues:					
Charges for Services: Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 370,038	\$ -	\$ -	\$ -	\$ 370,038
Daily Sales - Non-Reimbursable Programs:	. ,				
School Lunch Program	186,930	-	-	-	186,930
Program Revenues	-	-	194,762	265,480	460,242
Total Operating Revenues	556,968	-	194,762	265,480	1,017,210
Operating Expenses:					
Cost of Sales	513,637	-	-	-	513,637
Salaries & Benefits	398,550	-	112,471	179,427	690,448
Management & Administrative Fees	73,623	-	-	-	73,623
Other Purchased Services	14,562	-	21,435	25,242	61,239
Cleaning, Repair & Maintenance Services	66,078	-	-	-	66,078
Depreciation	36,744	-	-	-	36,744
Total Operating Expenses	1,103,194	-	133,906	204,669	1,441,769
Operating Income/(Loss)	(546,226)	-	60,856	60,811	(424,559)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	11,177	-	-	-	11,177
Federal Sources:					
National School Lunch Program	414,555	-	-	-	414,555
National School Performance Based Program	13,878	-	-	-	13,878
National School Breakfast Program	124,200	-	-	-	124,200
National School After School Snack Program	3,078 93,409	-	-	-	3,078 93,409
Food Distribution Program Interest & Investment Revenue	386	- 51	- 231	- 169	837
Miscellaneous Revenue	33,787	-	-	-	33,787
Transfer In/(Out)	-	(51)	(231)		(451)
Total Nonoperating Revenues/(Expenses)	694,470	_		-	694,470
Change in Net Position	148,244	_	60,856	60,811	269,911
Total Net Position - Beginning	427,017	39,583	84,971	(37,134)	514,437
Total Net Position - Ending	\$ 575,261	\$ 39,583	\$ 145,827	\$ 23,677	\$ 784,348

BARNEGAT TOWNSHIP BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

		ACT	IV	SS-TYPE ITIES - SE FUNDS		
	FOOD ERVICE	 IMUNITY JCATION		AFTER CARE	NGAL CUBS LY LEARNING CENTER	TOTALS
Cash Flows From Operating Activities: Receipts from Customers Payments for Operations	\$ 556,968 (981,745)	\$ -	\$	93,795 (133,906)	\$ 150,136 (204,669)	\$ 800,899 (1,320,320)
Net Cash Provided/(Used) by Operating Activities	 (424,777)	-		(40,111)	(54,533)	(519,421)
Cash Flows From Capital Financing Activities: Purchase of Capital Assets Adjustment to Capital Assets	 -	-		-	-	-
Net Cash Provided/(Used) by Capital Financing Activities	 -	-		-	_	
Cash Flows From Noncapital Financing Activities: State Sources Federal Sources Miscellaneous Revenue	12,960 615,505 33,628	- - -		- - -	- - -	12,960 615,505 33,628
Net Cash Provided/(Used) by Noncapital Financing Activities	 662,093	-		-	_	662,093
Cash Flows From Investing Activities: Interest & Dividends Transfer out	 386 -	51 (51)		231 (231)	169 (169)	837 (451)
Net Cash Provided/(Used) by Investing Activities	 386	-		-	-	386
Net Increase/(Decrease) in Cash & Cash Equivalents Balances - Beginning of Year	237,702 62,046	- 39,583		(40,111) 148,505	(54,533) 79,363	143,058 329,497
Balances - End of Year	\$ 299,748	\$ 39,583	\$	108,394	\$ 24,830	\$ 472,555

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (546,226)	\$-	\$ 60,856	\$ 60,811	\$ (424,559)
Adjustments to Reconcile Operating Income/(Loss) to					
Net Cash Provided/(Used) by Operating Activities:					
Food Distribution Program	93,409	-	-	-	93,409
Depreciation & Net Amortization	36,744	-	-	-	36,744
(Increase)/Decrease in Accounts Receivable -					
Other	(127)	-	(1,741)	(1,294)	(3,162)
(Increase)/Decrease in Inventories	(4,148)	-	-	-	(4,148)
(Increase)/Decrease in Interfunds	(4,429)	-	(99,226)	(115,746)	(219,401)
Increase/(Decrease) in Accounts Payable	-	-	-	1,696	1,696
Total Adjustments	121,449	-	(100,967)	(115,344)	(94,862)
Net Cash Provided/(Used) by Operating Activities	\$ (424,777)	\$-	\$ (40,111)	\$ (54,533)	\$ (519,421)

Fiduciary Fund

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EXHIBIT B-7

BARNEGAT TOWNSHIP BOARD OF EDUCATION FIDUCIARY FUNDS STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

	PURPOSE UNEMPLOYMENT		AGE		
	COMPENSATION		PAYROLL	STUDENT	_
ASSETS	TRU	JST	FUND	ACTIVITIES	5 TOTALS
Cash & Cash Equivalents	\$	625,338	\$ 1,154,514	\$ 142,734	\$ 1,922,586
Total Assets		625,338	1,154,514	142,734	1,922,586
LIABILITIES					
Payable to Student Groups		_	-	142,734	142,734
Accrued Salaries & Wages		-	1,151,698	-	1,151,698
Interfund Payable		-	2,816	-	2,816
Total Liabilities		_	1,154,514	142,734	1,297,248
NET POSITION					
Held in Reserve for					
Unemployment Claims		625,338	-	-	625,338
Total Net Position	\$	625,338	\$ -	\$ -	\$ 625,338

EXHIBIT B-8

BARNEGAT TOWNSHIP BOARD OF EDUCATION FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST TOTALS		
Contributions:			
Plan Members	\$	83,025 \$	8 83,025
Interest Earned		770	770
Total Additions		83,795	83,795
DEDUCTIONS			
Unemployment Claims		-	-
Total Deductions		-	-
Change in Net Position		83,795	83,795
Net Position - Beginning of the Year		541,543	541,543
Net Position - End of the Year	\$	625,338 \$	625,338

BARNEGAT TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016 This page intentionally left blank

Note 1: Summary of Significant Accounting Policies

The accompanying financial statements of the Barnegat Township School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Barnegat Township School District (hereafter referred to as the "District") is a Type II district located in the County of Ocean, 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 grade levels K through 12. The District operates four elementary schools, one Middle School and a High School. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The Barnegat Township Board of Education has an approximate enrollment at June 30, 2016 of 3,170 students.

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

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

B. Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

C. Government-Wide and Fund Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. report information of all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Note 1: Summary of Significant Accounting Policies (continued)

C. Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental fund 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 a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

E. Fund Accounting

The accounts of the Barnegat Township School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government

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

E. Fund Accounting (continued)

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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into eight fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

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

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

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

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

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

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

E. Fund Accounting (continued)

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the following:

- Food Service Fund This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.
- Community Education This fund accounts for the revenues and expenses pertaining to the District's community education program.
- After Care Program This fund accounts for the revenues and expenses pertaining to the District's after care program.
- Bengal Cubs Early Learning Center This fund accounts for the revenues and expenses pertaining to the District's after care program.

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

Revenues are divided into operating and non-operating revenues. Operating revenues consist of daily sales. Non-operating revenues consist of federal and state reimbursable revenues and interest income.

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

Food Service Fund: Equipment

15 Years

Note 1: Summary of Significant Accounting Policies (continued)

E. Fund Accounting (continued)

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains an Unemployment Trust Fund as a private purpose trust.

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

F. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

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

In its accounting and financial reporting, the Barnegat Township School District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Barnegat Township School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

Note 1: Summary of Significant Accounting Policies (continued)

G. Budgets/Budgetary Control

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

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 and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the 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.6:20-2A(m)1. All budget amendments must be approved by School Board resolution.

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

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

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

Exhibit C-3 presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

H. Encumbrances

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

Open encumbrances in the special revenue fund for which the Barnegat Township School District has received advances are reflected in the balance sheet as either deferred revenues or as a reduction of the receivable at fiscal year-end.

Note 1: Summary of Significant Accounting Policies (continued)

H. Encumbrances (continued)

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.

I. Cash & Cash Equivalents

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

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

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

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

J. Tuition Receivable/Payable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

K. Inventories and Prepaid Expenses

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

Note 1: Summary of Significant Accounting Policies (continued)

L. Short-Term Interfund Receivables/Payables

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

M. Capital Assets

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General capital assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the government-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery and Equipment	5 – 20 Years
Building & Other Improvements	10 – 50 Years

N. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is an accrual of \$1,151,698 at June 30, 2016 for such salaries.

O. 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 is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Note 1: Summary of Significant Accounting Policies (continued)

P. Unearned Revenue

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

Q. Long-Term Obligations

In government-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

R. Fund Balance

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

- <u>Non-spendable</u> includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- <u>Restricted</u> includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- <u>Committed</u> includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- <u>Assigned</u> includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- <u>Unassigned</u> includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

S. Net Position

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

• <u>Net Investment in Capital Assets</u> – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Note 1: Summary of Significant Accounting Policies (continued)

S. Net Position (continued)

- <u>Restricted</u> Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- <u>Unrestricted</u> Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

T. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement 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. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

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,

Note 1: Summary of Significant Accounting Policies (continued)

T. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements (continued)

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

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.* The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions.* This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

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

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

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

Note 1: Summary of Significant Accounting Policies (continued)

U. 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.

V. 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.

W. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position reports 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 reports 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.

X. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through October 24, 2016, which is the date the financial statements were available to be issued.

Y. Pensions

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

Note 2: Cash Deposits and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2016, and reported at fair value are as follows:

Туре	Carrying Value
Deposits: Demand Deposits	<u>\$13,996,800</u>
Total Deposits	<u>\$13,996.800</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Governmental Activities	\$11,601,659
Business-Type Activities	472,555
Fiduciary Funds	1,922,586
Total Cash and Cash Equivalents	<u>\$13,996,800</u>

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 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, 2016, the District's bank balance of \$17,170,890 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 254,328
Uninsured and uncollateralized	2,286,394
Collateralized in the District's Name	
Under GUDPA	 14,630,168
Total	\$ 17,170,890

New Jersey Cash Management Fund - All investments in the fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments existence, the Division has never suffered a default of principal or interest on any short term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council Regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2016, the District had \$4,328 on deposit with the New Jersey Cash Management Fund.

Note 3: Reserve Accounts

A. Capital Reserve Account

Barnegat Township Board of Education established a Capital Reserve Account on September 25, 2000 for the accumulation of Funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$2,187,541
Increase per Resolution Passed June 28, 2016	350,000
Interest Earned	4,472
Ending Balance, June 30, 2016	<u>\$2,542,013</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted Capital Projects at June 30, 2016 is \$16,115,598.

B. Maintenance Reserve Account

Barnegat Township Board of Education established a Maintenance Reserve Account on June 9, 2009 for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Note 3: Reserve Accounts (continued)

B. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$1,714,311
Increase per Resolution Passed June 28, 2016	350,000
Interest Earned	<u>3,577</u>
Ending Balance, June 30, 2016	<u>\$2,067,888</u>

C. Emergency Reserve Account

An emergency reserve account was established by the Barnegat Township Board of Education by inclusion of \$300,000 on June 17, 2015 for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A.* 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 493,288
Increase per Resolution Passed June 28, 2016	12,465
Interest Earned	946
Ending Balance, June 30, 2016	<u>\$ 506,699</u>

Note 4: Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Note 4: Accounts Receivable (continued)

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Proprietary <u>Fund</u>	<u>Total</u>
Intergovernmental Other	\$ 471,273 144,581	\$ - 362,818	\$ 45,188 30,748	\$ 516,461 538,147
Total	\$ 615,854	\$ 362,818	\$ 75,936	\$ 1,054,608

Note 5: Capital Assets

Capital assets activity for the fiscal year ended June 30, 2016 was as follows:

Governmental Activities:	June 30, <u>2015</u>	Additions	Deletions	<u>Adjustment</u>	June 30, <u>2016</u>
Capital assets not being depreciated: Land Construction in Progress	\$ 11,696,706 	\$ - -	\$ - -	\$ - -	\$ 11,696,706 -
Total capital assets not being depreciated	11,696,706	-	-	-	11,696,706
Capital assets being depreciated: Site Improvements Buildings Machinery & Equipment	8,209,273 143,486,507 11,452,288	- 230,935 588,240	(10,024)	- (376,221) 180,875	8,209,273 143,341,221 12,211,379
Total historical cost	163,148,068	819,175	(10,024)	(195,346)	163,761,873
	June 30, <u>2015</u>	<u>Additions</u>	Deletions	<u>Adjustment</u>	June 30, <u>2016</u>
Accumulated depreciation:					
Site improvements	(4,159,251)	(352,930)	-	-	(4,512,181)
Buildings	(34,391,065)	(4,481,306)	-	-	(38,872,371)
Machinery & equipment	(9,439,008)	(537,718)	10,024	6,983	(9,959,719)
Total accumulated depreciation	(47,989,324)	(5,371,954)	10,024	6,983	(53,344,271)
Capital assets being depreciated, net	115,158,744	(4,552,779)	-	(188,363)	110,417,602
Total Governmental Activities, net	\$ 126,855,450	\$ (4,552,779)	\$ -	\$ (188,363)	\$ 122,114,308

Note 5: Capital Assets (continued)

Business Type Activities:	J	une 30, <u>2015</u>	A	<u>dditions</u>	<u>D</u>	<u>eletions</u>	Ad	jus tme nt	J	une 30, <u>2016</u>
Capital assets being depreciated:	<u>^</u>		*		â		¢		<u>^</u>	
Equipment	\$	848,799	\$	-	\$	-	\$	-	\$	848,799
Total historical cost		848,799		-		-		-		848,799
Accumulated depreciation:										
Equipment		(599,361)		(36,744)		-		-		(636,105)
Total accumulated depreciation		(599,361)		(36,744)		-		-		(636,105)
Capital assets being depreciated, net		249,438		(36,744)		-		-		212,694
Total Business-Type Activities, net	\$	249,438	\$	(36,744)	\$	-	\$	-	\$	212,694

Depreciation expense was charged to governmental and business-type functions/programs as follows:

Governmental Activities:	
Unallocated	\$ 5,371,954
Total Depreciation Expense - Governmental Activites	\$ 5,371,954
Business-Type Activities:	
Food Service Fund	\$ 36,744
Total Depreciation Expense - Business-Type Activites	\$ 36,744

Note 6: Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund Capital Projects Fund After Care Program Fiduciary Funds	\$ 456,433 8,265	\$ 8,265 453,617
	\$ 464,698	\$ 464,698

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.

Note 6: Interfund Receivables, Payables and Transfers (continued)

Fund	Transfers In		Tra	nsfers Out
General Fund	\$	211,137	\$	4,612
Special Revenue Fund		4,612		-
Capital Projects Fund		-		109,598
Debt Service Fund		109,598		-
Food Service Fund		-		4,429
Enterprise Funds				206,708
	\$	325,347	\$	325,347

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

Note 7: Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term debt:

Governmental Activit	Balance ies: 6/30/15	Accrued/ Issued	Retired/ Decreases	Balance 6/30/16	Due Within One Year
Net Pension Liability	\$14,155,421	\$ 1,660,287	\$ -	\$15,815,708	\$ -
Compensated Absences	5				
Payable	1,637,246	289,816	-	1,927,062	-
Capital Leases	3,991,648	-	309,976	3,681,672	346,672
Bond Premium	447,869	565,916	64,703	949,082	80,583
Bonds Payable	33,345,000	20,825,000	21,525,000	32,645,000	1,480,000
Total	<u>\$53,577,184</u>	\$23,341,019	\$ 21,899,679	\$55,018,524	\$1,907,255

A. Bonds Payable

The voters of the municipality, through referendums, authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Description of Bonds Payable

At June 30, 2016, Bonds payable consisted of the following issues:

\$22,000,000 School Bonds dated November 1, 2007, due in annual installments through April 15, 2032, bearing interest at various rates from 4.375% to 4.500% per annum. These bonds were refunded in the current year and as a result, the balance remaining as of June 30, 2016 is now \$210,000.

\$6,105,000 Refunding School Bonds dated April 24, 2012, due in annual installments through July 15, 2024, bearing interest at various rates from 2.00% to 5.00% per annum. The balance remaining as of June 30, 2016 is \$5,485,000.

Note 7: Long-Term Obligations (continued)

A. Bonds Payable (continued)

In 2015, District refinanced \$8,000,000 of the Refunding Bonds of 2004 into the new 2014 Refunding School Bonds. \$7,600,000 Refunding School Bonds dated February 24, 2015, due in annual installments through April 1, 2025, bearing interest at various rates from 2.00% to 5.00% per annum. The balance remaining as of June 30, 2015 is \$6,210,000.

In 2016, District refinanced \$20,040,000 of the Series 2007 Bonds into the new 2015 Refunding School Bonds. \$20,825,000 Refunding School Bonds dated December 3, 2015, due in annual installments through April 15, 2032, bearing interest at various rates from 2.00% to 5.00% per annum. The balance remaining as of June 30, 2016 is \$20,740,000. Refunding bond proceeds totaled \$21,390,916, whereas \$21,175,214 was deposited to the escrow agent and the remaining \$215,702 were paid out as cost of issuance related to the refunding.

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

Fiscal Year				
Ending June 30,	Principal	Interest		Total
2017	\$ 1,480,000	\$ 1,203,631	\$	2,683,631
2018	1,530,000	1,163,544		2,693,544
2019	1,570,000	1,121,444		2,691,444
2020	1,625,000	1,058,244		2,683,244
2021	1,690,000	999,594		2,689,594
2022-2026	9,760,000	4,180,119		13,940,119
2027-2031	12,285,000	1,695,494		13,980,494
2032-2033	 2,705,000	 94,675		2,799,675
	\$ 32,645,000	\$ 11,516,744	\$	44,161,744

B. Obligations Under Capital Leases

The District is leasing equipment and vehicles totaling \$4,735,000 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

Year-ending	
June 30,	Amount
2017	\$ 453,054
2018	343,049
2019	350,846
2020	363,202
2021	374,970
2022-2026	2,045,643
2027	447,789
Total Minimum Lease Payments	4,378,553
Less: Amount Representing Interest	<u>(696,881</u>)
Present Value of Lease Payments	<u>\$3,681,672</u>

Note 8: Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

Tier

Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS 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.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal

Note 8: Pension Obligations (continued):

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

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.

<u>Year</u> Funding	-	<u>Pension</u> ost (APC)	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>(</u>	<u>Net</u> <u>Pension</u> Dbligation
6/30/2016	\$	605,723	100%	\$	15,815,708
6/30/2015	\$	623,841	100%	\$	14,155,421
6/30/2014	\$	578,481	100%	\$	14,673,153

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$15,815,708 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.07045% percent, which was a decrease of 0.07561% from its proportion measured as of June 30, 2014.

Collective Balances at June 30, 2016 and June 30, 2015

	6/30/2016		6/30/2015	
Actuarial valuation date (including roll forward)		June 30, 2015		June 30, 2014
Deferred Outflows of Resources	\$	2,075,788	\$	1,068,963
Deferred Inflows of Resources	\$	1,226,481	\$	1,032,327
Net Pension Liability	\$	15,815,708	\$	14,155,421
District's portion of the Plan's total net pension Liability		0.07045%		0.07561%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$829,488. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Note 8: Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,698,481	\$ -
Net difference between expected and actual experience	377,307	-
Net difference between projected and actual earnings on pension plan investments	-	254,286
Changes in proportion and differences between District contributions and proportionate		
share of contributions	 -	972,195
Total	\$ 2,075,788	\$ 1,226,481

The \$2,075,788 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. 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 Ended June 30:	<u>PERS</u>
2017	\$ 119,634
2018	119,634
2019	119,634
2020	330,530
2021	159,875
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Note 8: Pension Obligations (continued):

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

	PERS
Measurement date	June 30, 2015
Acturial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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, 2015 are summarized in the following table:

Note 8: Pension Obligations (continued):

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

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 plan members will be made based on the average of the last five years of contributions made in relation to the last five years of 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments through 2033.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	1%	(Current	1%
	Decrease	<u>I</u>	Discount	Increase
	<u>(3.90%)</u>	Rat	e (4.90%)	<u>(5.90%)</u>
District's proportionate share of				
the net pension liability	\$ 19,656,990	\$	15,815,708	\$ 12,595,205

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

Tier

Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF 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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* 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.

Note 8: Pension Obligations (continued):

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

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

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

<u>Year</u> Funding	<u>Pension</u> Cost (APC)	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> Obligation	
6/30/2016	\$ 3,346,323	100%	\$	-
6/30/2015	\$ 2,647,242	100%	\$	-
6/30/2014	\$ 2,184,368	100%	\$	-

Teachers Pensions and Annuity Fund (TPAF) - 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.

Measurement date	<u>TPAF</u> June 30, 2015
Acturial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience

Inflation rate

2.50%

Note 8: Pension Obligations (continued):

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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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, 2015 are summarized in the following table:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	100%	

Note 8: Pension Obligations (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 plan members will be made based on the average of the last five years of employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 10: Risk Management

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

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

Note 10: Risk Management (continued)

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

	Ľ	District	Interest	Am	ount	Ending
<u>Fiscal Year</u>	Con	tributions	Earned	Reim	bursed	Balance
2015-2016	\$	83,025	\$770	\$	-	\$625,338
2014-2015	\$	59,576	\$632	\$	-	\$541,543
2013-2014	\$	60,613	\$559	\$	35	\$481,335

Note 11: Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the 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.

Note 12: Economic Dependency

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

Note 13: Deferred Compensation

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

Siracusa	Lincoln Investment	Equitable Life
Valic	Vanguard	Travelers' Insurance
Prudential		

Note 14: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not

Note 14: Compensated Absences (continued)

contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$1,927,062

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 15: Fund Balance

General Fund – Of the \$10,787,641 General Fund fund balance at June 30, 2016, \$2,542,013 has been restricted for the capital reserve account; \$2,067,888 has been restricted for the maintenance reserve account; \$506,699 has been restricted for the emergency reserve account; \$3,599,428 has been restricted for the excess surplus; \$2,633,110 has been restricted for the excess surplus designated for subsequent year's expenditures; \$175,241 has been committed for other purposes; and (\$736,738) is unassigned.

Debt Service Fund – All of the \$198,351 Debt Service Fund fund balance at June 30, 2016 is restricted for debt service.

Note 16: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(18,576,762) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 17: Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7, as amended. 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 District has excess fund balance of \$3,599,428 at June 30, 2016. This represents a \$966,318 increase from prior year.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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Revenues:	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Local Sources:	10.1010	* * * · · · · · · · · ·	<u>^</u>	* * ***	* • • • • • • • • • •	¢
Local Tax Levy	10-1210	\$ 28,542,745	\$ -	\$ 28,542,745	\$ 28,542,745	
Tuition from Individuals	10-1310	68,000	-	68,000	-	(68,000)
Tuition from Other LEA's Within State	10-1320	39,131	-	39,131	124,890	85,759
Interest Earned on Capital Reserve Funds Interest Earned on Maintenance Reserve	10-1511	750	-	750	4,472	3,722
Funds	10-1512	1,000	-	1,000	3,577	2,577
Interest Earned on Emergency Reserve Funds		250	-	250	946	696
Unrestricted Miscellaneous Revenues	10-1xxx	36,351	-	36,351	137,795	101,444
Total Local Sources		28,688,227	-	28,688,227	28,814,425	126,198
State Sources:						
Extraordinary Aid	10-3131	250,000	-	250,000	390,225	140,225
Categorical Special Education Aid	10-3132	1,848,507	-	1,848,507	1,848,507	-
Equalization Aid	10-3176	17,838,317	-	17,838,317	17,838,317	-
Categorical Security Aid	10-3177	102,344	-	102,344	102,344	-
Adjustment Aid	10-3178	2,113	-	2,113	2,113	-
Categorical Transportation Aid	10-3121	185,800	-	185,800	185,800	-
Other State Aids	10-3XXX	63,280	-	63,280	73,267	9,987
Nonbudgeted:					,	
On-Behalf TPAF Pension Contributions		-	-	-	1,527,497	1,527,497
On-Behalf TPAF Post-Retirement Medical		-	-	-	1,818,826	1,818,826
Reimbursed TPAF Social Security			-	-	1,380,107	1,380,107
Total State Sources		20,290,361		20,290,361	25,167,003	4,876,642
Federal Sources:						
Medicaid Aid Reimbursement	10-4200	69,170	-	69,170	100,531	31,361
Total Federal Sources		69,170	-	69,170	100,531	31,361
Total Revenues		49,047,758	-	49,047,758	54,081,959	5,034,201
Expenditures: Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	103,111	-	103,111	88,913	14,198
Kindergarten	11-110-100-101	819,551	(65,079)		617,036	137,436
Grades 1 - 5	11-120-100-101	5,112,311	(192,397)	4,919,914	4,790,321	129,593
Grades 6 - 8	11-130-100-101	3,080,577	(57,218)	3,023,359	2,998,871	24,488
Grades 9 - 12	11-140-100-101	3,786,679	(270,422)	3,516,257	3,344,714	171,543
Regular Programs - Home Instruction:						
Other Salaries	11-150-100-106	42,878	39,023	81,901	81,901	-
Purchased Professional -						
Educational Services	11-150-100-320	8,000	54,058	62,058	56,662	5,396

Educational Services1Purchased Technical Services1	11-190-100-106 11-190-100-320 11-190-100-340 11-190-100-500 11-190-100-610 11-190-100-640	81,897 87,344 239,380	(13,362) 58,883	68,535	64,233	
Other Salaries1Educational Services1Purchased Technical Services1	11-190-100-320 11-190-100-340 11-190-100-500 11-190-100-610	87,344 239,380	58,883	· · · ·	61 722	
Educational Services 1 Purchased Technical Services 1	11-190-100-320 11-190-100-340 11-190-100-500 11-190-100-610	87,344 239,380	58,883	· · · ·		4,302
Purchased Technical Services 1	11-190-100-340 11-190-100-500 11-190-100-610	239,380		146,227	140,192	6,035
	11-190-100-500 11-190-100-610		(34,331)	205,049	158,645	46,404
	11-190-100-610	409,233	(91,114)	318,119	257,683	60,436
General Supplies 1		611,406	69,004	680,410	594,512	85,898
		304,468	(20,336)	284,132	244,447	39,685
	11-190-100-800	129,163	(81,469)	47,694	36,934	10,760
Total Regular Programs - Instruction	-	14,815,998	(604,760)	14,211,238	13,475,064	736,174
Special Education:						
Learning and/or Language Disabilities:						
	11-204-100-101	64,172	(64,172)	_	_	_
	11-204-100-101	84,132	(84,131)	- 1	_	- 1
	11-204-100-610	2,600	(28)	2,572	-	2,572
Total Learning and/or Language Disabilities	-	150,904	(148,331)	2,573	-	2,573
Behavioral Disabilities:						
Salaries of Teachers 1	11-209-100-101	172,404	-	172,404	172,404	-
Other Salaries for Instruction 1	11-209-100-106	61,408	67,171	128,579	127,976	603
General Supplies 1	11-209-100-610	1,800	-	1,800	152	1,648
Other Objects 1	11-209-100-800	5,000	-	5,000	2,501	2,499
Total Behavioral Disabilities	-	240,612	67,171	307,783	303,033	4,750
Multiple Disabilities:						
	11-212-100-101	588,451	164,646	753,097	750,745	2,352
Other Salaries for Instruction 1	11-212-100-106	696,160	179,851	876,011	871,709	4,302
General Supplies 1	11-212-100-610	8,390	17,637	26,027	20,609	5,418
Total Multiple Disabilities	-	1,293,001	362,134	1,655,135	1,643,063	12,072
Resource Room/Resource Center:			(11.050)	0 405 450		101 - 61
	11-213-100-101	2,481,730	(44,258)	2,437,472	2,332,708	104,764
	11-213-100-106 11-213-100-610	243,579 9,800	21,940	265,519 9,800	256,188 6,380	9,331 3,420
Total Resource Room	-	2,735,109	(22,318)	2,712,791	2,595,276	117,515
Total Resource Room	-	2,755,109	(22,516)	2,712,791	2,393,270	117,515
Preschool Disabilities - Full-Time:			(0.000)		10.1.0-	
	11-216-100-101	173,048	(8,000)	165,048	134,199	30,849
	11-216-100-106 11-216-100-600	145,935 1,500	(49,690)	96,245 1,500	94,335 719	1,910 781
Total Preschool Disabilities - Full-Time		320,483	(57,690)	262,793	229,253	33,540

Home Instruction:	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Other Salaries for Instruction	11-219-100-106	30,000	7,790	37,790	4,424	33,366
Total Home Instruction		30,000	7,790	37,790	4,424	33,366
Total Special Education		4,770,109	208,756	4,978,865	4,775,049	203,816
Instruction:						
Basic Skills/Remedial:	11 220 100 101	07(00)	42,422	1 020 400	(2(00)	204 200
Salaries of Teachers	11-230-100-101	976,986	43,422	1,020,408	636,086	384,322
General Supplies	11-230-100-610	9,600	4,688	14,288	13,169	1,119
Total Basic Skills/Remedial		986,586	48,110	1,034,696	649,255	385,441
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	183,435	(2,529)	180,906	180,632	274
Other Purchased Professional &						
Technical Services	11-000-223-390	4,500	(4,500)	-	-	
Purchased Services (300-500 Series)	11-401-100-500	500	7,230	7,730	7,730	-
Supplies and Materials	11-401-100-600	23,700	2,526	26,226	21,284	4,942
Other Objects	11-401-100-800	5,500	(222)	5,278	5,103	175
Total School Sponsored Cocurricular Activities		217,635	2,505	220,140	214,749	5,391
School Sponsored Athletics:						
Salaries	11-402-100-100	597,867	(51,716)	546,151	520,081	26,070
Purchased Services (300-500 Series)	11-402-100-500	114,925	53,936	168,861	160,912	7,949
Supplies and Materials	11-402-100-600	85,086	(9,790)	75,296	74,475	821
Other Objects	11-402-100-800	48,000	-	48,000	48,000	-
Total School Sponsored Athletics		845,878	(7,570)	838,308	803,468	34,840
Other Instructional Programs:						
Supplies and Materials	11-403-100-600	3,300	-	3,300	482	2,818
Other Objects	11-403-100-800	5,000	-	5,000	(176)	5,176
Total Instructional Programs - Instruction		8,300	_	8,300	306	7,994
Total - Instruction		21,644,506	(352,959)	21,291,547	19,917,891	1,373,656
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's - Within State						
Regular	11-000-100-561	140,000	(59,380)	80,620	66,000	14,620
Tuition to Other LEA's - Within State						
Special	11-000-100-562	353,838	(11,719)	342,119	49,376	292,743
Tuition to County Vocational						
School District - Regular	11-000-100-563	44,000	20,500	64,500	64,500	-
Tuition to CSSD & Regional Day Schools	11-000-100-565		38,880	38,880	38,880	_
5010015	11-000-100-303		30,000	30,000	30,000	-

Tuition to Private School for the	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Disabled Within State	11-000-100-566	758,917	(30,555)	728,362	513,966	214,396
Tuition - State Facilities	11-000-100-568	36,806	-	36,806	36,806	-
Tuition - Other	11-000-100-569	152,429	(82,816)	69,613	18,390	51,223
Total Undistributed Expenditures - Instruction		1,485,990	(125,090)	1,360,900	787,918	572,982
Attendance & Social Work Services:						
Salaries	11-000-211-100	122,100	-	122,100	117,736	4,364
Supplies and Materials	11-000-211-600	1,000	-	1,000	31	969
Total Attendance & Social Work Services		123,100	-	123,100	117,767	5,333
Health Services:						
Salaries	11-000-213-100	492,561	14,488	507,049	503,341	3,708
Purchased Professional & Technical Services	11-000-213-300	30,000	(3,000)	27,000	26,290	710
Other Purchased Services (400-500	11-000-213-300	30,000	(3,000)	27,000	20,290	/10
Series)	11-000-213-500	9,899	(5,785)	4,114	874	3,240
Supplies and Materials	11-000-213-600	9,185	2,647	11,832	10,789	1,043
Total Health Services		541,645	8,350	549,995	541,294	8,701
Other Support Services - Students - Related Se	rvices:					
Salaries	11-000-216-100	428,116	3,750	431,866	281,824	150,042
Purchased Professional -	11 000 016 000	22.250	20.050	(1.200	24,400	24 500
Educational Services Supplies and Materials	11-000-216-320 11-000-216-600	22,250 3,000	39,050	61,300 3,000	36,600 2,086	24,700 914
Supplies and Materials	11 000 210 000	5,000		5,000	2,000	714
Total Other Support Services - Students - Relation	ted					
Services		453,366	42,800	496,166	320,510	175,656
Other Support Services - Students - Regular: Salaries of Other Professional						
Staff	11-000-218-104	870,007	(16,572)	853,435	792,302	61,133
Salaries of Secretarial & Clerical	11 000 010 105	70 (28	461	80.000	70.000	210
Assistants Purchased Professional -	11-000-218-105	79,638	461	80,099	79,889	210
Educational Services	11-000-218-320	13,000	(8,000)	5,000	3,729	1,271
Supplies & Materials	11-000-218-600	28,800	16,567	45,367	37,962	7,405
Total Other Support Services - Students - Reg	gular	991,445	(7,544)	983,901	913,882	70,019
Other Support Services - Students - Special: Salaries of Other Professional						
Staff	11-000-219-104	1,156,432	(14,306)	1,142,126	1,098,559	43,567
Salaries of Secretarial & Clerical	11 000 010 105		12 410	07.007	07 410	1 470
Assistants Purchased Professional -	11-000-219-105	73,477	13,419	86,896	85,418	1,478
Educational Services	11-000-219-320	34,500	929	35,429	4,335	31,094

Other Developed Dev foreigned &	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Other Purchased Professional & Technical Services	11-000-219-390	307,311	9,900	317,211	292,942	24,269
Supplies & Materials	11-000-219-390	21,600	13,157	34,757	292,942 25,606	9,151
Other Objects	11-000-219-000	5,200	790	5,990	23,000 5,919	9,131 71
olifei objects	11-000-219-000	5,200	190	5,770	5,717	/ 1
Total Other Support Services - Students - Specia	al .	1,598,520	23,889	1,622,409	1,512,779	109,630
Improvement of Instruction Services/Other Support Services - Instruction Staff: Salaries of Supervisors of						
Instruction Salaries of Secretarial & Clerical	11-000-221-102	671,635	11,200	682,835	682,833	2
Aides - Summer	11-000-221-104	9,885	(2,943)	6,942	6,942	-
Aides - Normal School Year	11-000-221-105	71,948	(2,500)	69,448	68,372	1,076
Other Purchased Professional &						
Technical Services	11-000-221-390	50,000	(28,900)	21,100	17,923	3,177
Supplies and Materials	11-000-221-600	1,350	218,194	219,544	219,416	128
Other Objects	11-000-221-800	8,500	2,495	10,995	10,546	449
Total Improvement of Instruction Services/Othe Support Services - Instructional Staff	r	813,318	197,546	1,010,864	1,006,032	4,832
Educational Media Services/School Library: Salaries Purchased Professional &	11-000-222-100	215,199	4,200	219,399	219,256	143
Technical Services	11-000-222-300	6,150	_	6,150	2,469	3,681
Supplies and Materials	11-000-222-500	38,457	(368)	38,089	35,592	2,497
Total Educational Media Services/School Libra	•	259,806	3,832	263,638	257,317	6,321
	. y	239,000	5,052	205,050	237,317	0,521
Instructional Staff Training Services: Purchased Professional -						
Educational Services Other Purchased Professional &	11-000-223-320	10,000	(2,500)	7,500	518	6,982
Technical Services	11-000-223-390	8,000	-	8,000	6,736	1,264
Other Purchased Services (400-500					• • • •	
Series)	11-000-223-500	4,800	-	4,800	309	4,491
Supplies and Materials	11-000-223-600	1,095	-	1,095	576	519
Total Instructional Staff Training Services		23,895	(2,500)	21,395	8,139	13,256
Support Services General Administration:						
Salaries	11-000-230-100	204,492	(7,794)	196,698	196,530	168
Legal Services	11-000-230-331	122,000	(45)	121,955	74,647	47,308
Audit Fees	11-000-230-332	39,000	-	39,000	28,530	10,470
Architectural/Engineering Fees Other Purchased Professional	11-000-230-334	29,770	(6,769)	23,001	-	23,001
Services	11-000-230-339	77,409	46,736	124,145	105,845	18,300
Purchased Technical Services	11-000-230-340	33,855	17,622	51,477	30,885	20,592
Communications/Telephone	11-000-230-530	94,050	18,379	112,429	67,228	45,201
Travel	11-000-230-580	2,600	(2,600)	-	-	-

	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	<u>ACTUAL</u>	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Other Purchased Services (400-500						
Series)	11-000-230-590	15,901	(2,100)	13,801	9,009	4,792
General Supplies	11-000-230-610	9,000	(300)	8,700	7,534	1,166
Judgments Against School District	11-000-230-820	6,500	-	6,500	-	6,500
Miscellaneous Expenditures	11-000-230-890	12,000	-	12,000	6,208	5,792
BOE Membership Dues & Fees	11-000-230-895	33,500	-	33,500	24,877	8,623
Total Support Services General Administration		680,077	63,129	743,206	551,293	191,913
Support Services School Administration: Salaries of Principals & Assistant						
Principals	11-000-240-103	995,853	16,245	1,012,098	983,102	28,996
Salaries of Secretarial & Clerical						
Assistants	11-000-240-105	423,621	(9,792)	413,829	411,806	2,023
Other Purchased Professional &						
Technical Services	11-000-240-390	8,800	(4,362)	4,438	1,138	3,300
Other Purchased Services (400-500						
Series)	11-000-240-500	2,500	1,000	3,500	1,261	2,239
Travel	11-000-240-580	1,000	(1,000)	-	-	
Supplies & Materials	11-000-240-600	37,300	53,872	91,172	86,864	4,308
Other Objects	11-000-240-890	26,240	15,218	41,458	33,031	8,427
Total Support Services School Administration		1,495,314	71,181	1,566,495	1,517,202	49,293
Central Services:						
Salaries	11-000-251-100	433,931	3,590	437,521	433,798	3,723
Purchased Professional Services	11-000-251-330	7,695	-	7,695	850	6,845
Purchased Technical Services	11-000-251-340	25,500	390	25,890	15,940	9,950
Supplies & Materials	11-000-251-600	-	9,093	9,093	9,093	
Miscellaneous Expenditures	11-000-251-890	9,000	(6,098)	2,902	449	2,453
Total Central Services		476,126	6,975	483,101	460,130	22,971
Administrative Information Technology:						
Salaries	11-000-252-100	255,660	11,290	266,950	258,457	8,493
Purchased Technical Services	11-000-252-340	74,836	23,414	98,250	63,788	34,462
General Supplies	11-000-252-610	-	3,924	3,924	3,922	2
Miscellaneous Expenditures	11-000-252-890	2,500	(170)	2,330	1,490	840
Total Administrative Information Technology		332,996	38,458	371,454	327,657	43,797
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	210,865	(12,934)	197,931	190,919	7,012
Cleaning, Repair & Maintenance		, -		,		,
Services	11-000-261-420	267,000	(22,472)	244,528	236,585	7,943
General Supplies	11-000-261-610	98,989	20,121	119,110	118,879	231
Other Objects	11-000-261-800	4,250	1,301	5,551	5,541	10
Total Allowable Maintenance For School Facilit	ies	581,104	(13,984)	567,120	551,924	15,196

BARNEGAT TOWNSHIP BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT <u>NUMBERS</u>	ORIGINAL BUDGET	BUDGET <u>TRANSFERS</u>	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Other Operation & Maintenance of Plant Servic	es:					
Salaries	11-000-262-100	1,320,255	39,557	1,359,812	1,343,477	16,335
Salaries Building & Grounds	11-000-262-105	44,524	(44,524)	-	-	
Salaries of Non-Instructional Aides	11-000-262-107	58,413	900	59,313	55,312	4,001
Cleaning, Repair & Maintenance						
Services	11-000-262-420	66,207	(7,025)	59,182	49,554	9,628
Other Purchased Property		,		,	,	,
Services	11-000-262-490	211,361	(1,940)	209,421	111,769	97,652
Insurance	11-000-262-520	270,923	52,129	323,052	319,593	3,459
Travel	11-000-262-580	2,500		2,500	1,191	1,309
General Supplies	11-000-262-610	107,854	9,733	117,587	117,585	2
Energy (Natural Gas)	11-000-262-621	214,000	(44,000)	170,000	170,000	-
Energy (Electricity)	11-000-262-622	728,655	210,391	939,046	939,046	_
Other Objects	11-000-262-800	15,000	(2,161)	12,839	11,158	1,681
Interest - Energy Saving Impr Prog Bonds	11-000-262-837	105,606	(942)	104,664	104,664	1,001
Principal - Energy Saving Impr Prog Bonds	11-000-262-917		(942)			-
Principal - Energy Saving Impr Prog Bonds	11-000-262-91/	225,000	-	225,000	225,000	-
Total Operation & Maintenance of Plant Service	es	3,370,298	212,118	3,582,416	3,448,349	134,067
Come and Universe of Creanings						
Care and Upkeep of Grounds:	11 000 2(2 100	240 402	11.002	260.206	2(0.100	207
Salaries	11-000-263-100	248,403	11,993	260,396	260,109	287
Cleaning, Repair & Maintenance						
Services	11-000-263-420	63,000	(7,363)	55,637	55,633	4
General Supplies	11-000-263-610	89,000	18,611	107,611	105,912	1,699
Other Objects	11-000-263-800	600	440	1,040	1,040	-
Total Care and Upkeep of Grounds		401,003	23,681	424,684	422,694	1,990
Security:						
Salaries	11-000-266-100	220,660	(2,912)	217,748	214,837	2,911
Purchased Technical Services	11-000-266-420	30,000	(12,592)	17,408	17,408	-
General Supplies	11-000-266-610	5,700	2,226	7,926	7,925	1
Other Objects	11-000-266-800	4,300	(1,879)	2,421	2,277	144
Total Security		260,660	(15,157)	245,503	242,447	3,056
Total Security		200,000	(15,157)	245,505	242,447	5,050
Student Transportation Services:						
Student Transportation Services. Salaries of Non-Instructional Aides	11 000 270 107	102 516	(010)	102 609	00 622	12 075
	11-000-270-107	103,516	(818)	102,698	90,623	12,075
Salaries for Pupil Transportation						
(Between Home & School) -		1 1 (= 0 0 0	(1 = 1 =)	1 1 4 4 4 9 9 9	1 00 1 00 5	50 0 50
Regular	11-000-270-160	1,167,802	(1,713)	1,166,089	1,094,037	72,052
Other Purchased Professional &						
Technical Services	11-000-270-390	19,066	1,960	21,026	20,160	866
Lease Purchase Payments - Buses	11-000-270-443	78,314	(25,163)	53,151	53,151	-
Contracted Services (Aid-in-Lieu)						
Choice Student	11-000-270-505	36,600	(3,600)	33,000	28,531	4,469
Contracted Services (Special Education						
Students) - Jointure Agreements	11-000-270-515	14,000	-	14,000	2,103	11,897
Contracted Services - ESC's &						
CTSA's - (Special Education						
Students)	11-000-270-518	383,107	68,065	451,172	440,092	11,080
Aid in Lieu	11-000-270-503	23,400	5,772	29,172	29,172	-
		_0,100	2,772	,		

BARNEGAT TOWNSHIP BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Miscellaneous Purchased Services -			<i></i>			
Transportation	11-000-270-593	33,280	(13,000)	20,280	12,120	8,160
Transportation Supplies	11-000-270-615	296,000	(68,304)	227,696	176,766	50,930
Miscellaneous Expenditures	11-000-270-800	-	715	715	715	-
Total Student Transportation Services	-	2,155,085	(36,086)	2,118,999	1,947,470	171,529
Student Transportation Services - Employee B						
Health Benefits	11-000-270-270	580,000	(580,000)	-	-	-
Total Student Transportation Services - Emplo	yee Benefits	580,000	(580,000)	-	-	-
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-000-291-220	810,203	(900)	809,303	679,723	129,580
Other Retirement Contributions -	11 000 201 241	(12)(((21.202	((2.0(0	(17 77 1	16 104
PERS Other Retirement Contributions -	11-000-291-241	642,666	21,302	663,968	647,774	16,194
Regular	11-000-291-249	56,000	(14,776)	41,224	30,000	11,224
Unemployment Compensation	11-000-291-249	175,607	(69,581)	106,026	106,019	11,224
Workman's Compensation	11-000-291-250	305,000	12,152	317,152	317,032	120
Health Benefits	11-000-291-200	8,249,424	249,535	8,498,959	7,766,124	732,835
Tuition Reimbursement	11-000-291-270	486,941	(429,149)	57,792	55,797	1,995
Other Employee Benefits	11-000-291-290	180,000	590,132	770,132	769,771	361
Total Unallocated Benefits - Employee Benefit	-	10,905,841	358,715	11,264,556	10,372,240	892,316
Nonbudgeted: On-Behalf TPAF Pension Contributions On-Behalf TPAF Post Retirement Medical Reimbursed TPAF Social Security		- - -	- - -	- - -	1,527,497 1,818,826 1,380,107	(1,527,497 (1,818,826 (1,380,107
Total Undistributed Expenditures	-	27,529,589	270,313	27,799,902	30,033,474	(2,233,572
Fotal Expenditures - Current Expense		49,174,095	(82,646)	49,091,449	49,951,365	(859,916
Capital Outlay: Equipment:						
Undistributed Expenditures:	12-120-100-730	40,000	(2.650)	36,350	17,885	
Grades 1-5 Grades 6-8	12-120-100-730	40,000	(3,650) (8,850)	30,330	17,883	
Grades 9-12	12-130-100-730	40,000	12,500	12,500	6,249	
Instruction	12-000-100-730	12,000	114,237	12,300	126,237	
Support Services - Related & Extra	12-000-21X-730	12,000	-	120,237	120,237	-
Support Services - Child Studdy Team	12-000-217-730	7,000	(5,302)	1,698	15,000	1,698
Support Services - Instructional Staff	12-000-220-730	62,257	(3,302)	62,257	61,000	1,050
School Administration	12-000-220-730	4,000	10,345	14,345	10,025	4,320
Operation & Maintenance of	12-000-240-750	4,000	10,545	14,545	10,025	4,520
operation & Munitenance of			05 592	145,582	120,070	25,512
Plant Services	12-000-261-730	50.000	97 78 /			
Plant Services Security	12-000-261-730 12-000-266-730	50,000 80,252	95,582			-
Security	12-000-266-730	80,252	-	80,252	80,252	-
			95,582 - 163,257 (432)			84,465

BARNEGAT TOWNSHIP BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	<u>ACTUAL</u>	POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>			
Facilities Acquisition & Construction Services:									
Other Purchased Prof. and Tech Services	12-000-400-390	34,218	(24,000)	10,218	9,820	398			
Construction Services	12-000-400-450	121,110	(19,110)	102,000	76,214	25,786			
Assessment for Debt Service SDA	12-000-400-896	804,036	-	804,036	804,036				
Total Facilities Acquisition & Construction Serv	vices	959,364	(43,110)	916,254	890,070	26,184			
Total Capital Outlay	<u> </u>	1,473,664	334,577	1,808,241	1,623,211	143,436			
Total Expenditures	-	50,647,759	251,931	50,899,690	51,574,576	(716,480)			
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,600,001)	(251,931)	(1,851,932)	2,507,383	4,317,721			
Other Financing Sources/(Uses):									
Cancellation of Prior Year Payables		-	-	-	361,472	361,472			
Transfer of Funds To Charter Schools Interest Deposited Into Capital Reserve		(20,108)	-	(20,108)	(20,108)	- 750			
Interest Deposited Into Capital Reserve		(750) (1,000)	-	(750) (1,000)	-	1,000			
Interest Deposited Into Emergency Reserve		(1,000) (250)	-	(1,000) (250)	-	250			
Total Other Financing Sources/(Uses)	-	(22,108)	-	(22,108)	341,364	363,472			
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(U	200)	(1,622,109)	(251,931)	(1,874,040)	2,848,747	4,681,193			
Fund Balances, July 1	505)	9,837,019	(231,931)	9,837,019	2,848,747 9,837,019	4,001,195			
i und Dulunees, vuly i	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
Fund Balances, June 30	:	\$ 8,214,910	\$ (251,931) \$	7,962,979	\$ 12,685,766	\$ 4,681,193			
RECAPITULATION OF BUDGET TRANSFERS									

RECALIFICIATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	\$ 251,931
	\$ 251,931

POSITIVE/

BARNEGAT TOWNSHIP BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT <u>NUMBERS</u>	ORIGINAL <u>BUDGET</u>	BUDGET <u>TRANSFERS</u>	FINAL <u>BUDGET</u>	ACTUAL	(NEGATIVE) FINAL TO <u>ACTUAL</u>
RECA	APITULATION	OF FUND BALA	ANCE			
Restricted Fund Balance:						
Capital Reserve					\$ 2,542,013	
Maintenance Reserve					2,067,888	
Emergency Reserve					506,699	
Excess Surplus					3,599,428	
Excess Surplus Designated for Subsequent Year's	Expenditures				2,633,110	
Committed Fund Balance:						
Year-End Encumbrances					175,241	
Assigned Fund Balance:						
Designated for Subsequent Year's Expenditures					74,212	
Unassigned Fund Balance					1,087,175	
Subtotal					12,685,766	
Reconciliation to Governmental Fund Statements (G	GAAP):					
Last State Aid Payments Not Recognized on GAA	/				(1,898,125)	
Fund Balance per Governmental Funds (GAAP)					\$ 10,787,641	

VARIANCE

BARNEGAT TOWNSHIP BOARD OF EDUCATION SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

REVENUES	RIGINAL UDGET	IDGET NSFERS		NAL DGET	AC	ΓUAL	(NEC FIN	SITIVE/ GATIVE) IAL TO CTUAL
Federal Sources Local Sources	\$ 970,979 -	\$ 369,394 25,723	\$ 1,3	340,373 25,723	1,3	340,373 19,007	\$	- (6,716)
Total Revenues	 970,979	395,117	1,3	366,096	1,3	59,380		(6,716)
EXPENDITURES: Instruction: Salaries of Teachers Tuition	970,979	(523,893) 775,818		147,086 775,818		45,848		1,238
Purchased Professional - Educational Services General Supplies	 -	5,250	,	<u>-</u> 5,250	,	- 5,250		-
Total Instruction	 970,979	257,175	1,2	228,154	1,2	26,916		1,238
Support Services: Salaries of Other Professional Staff	_	_		-		_		_
Personal Services - Employee Benefits Purchased Professional -	-	103,992	1	103,992	1	.03,992		-
Educational Services Supplies & Materials	 -	9,465 24,485		9,465 24,485		9,465 19,007		5,478
Total Support Services	 -	137,942	1	137,942	1	32,464		5,478
Total Outflows	 970,979	395,117	1,3	366,096	1,3	59,380		6,716
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ 	\$ 	\$	_	\$	_	\$	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BARNEGAT TOWNSHIP BOARD OF EDUCATION REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE NOTE TO RSI FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Sources/Inflows of Resources:	(GENERAL FUND	SPECIAL REVENUE FUND
Actual Amounts (Budgetary Basis) "Revenue"			
From the Budgetary Comparison Schedule (C-Series)	\$	54,081,948	\$ 1,359,380
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related			
revenue is recognized.			
revenue is recognized.			
Current Year		-	-
Prior Year		-	-
State aid payment recognized for GAAP statements in			
the current year, previously recognized for budgetary			
purposes.		1,906,940	-
State aid payment recognized for budgetary purposes,			
not recognized for GAAP statements until the subsequent		(1 000 105)	
year.		(1,898,125)	-
Total Revenues as Reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental			
Funds. (B-2)	\$	54,090,763	\$ 1,359,380
			· · · ·
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total expenditures" from the			
budgetary comparison schedule	\$	51,574,576	\$ 1,359,380
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but			
not received is reported in the year the order is placed for			
budgetary purposes, but in the year the supplies are received			
for <i>financial reporting</i> purposes.			
Comment View			
Current Year Prior Year		-	-
FIIOI I Cal		-	
Total Expenditures as Reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$	51,574,576	\$ 1,359,380

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

EXHIBIT L-1

BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST THREE FISCAL YEARS

	2016	2015	2014
District's proportion of the net pension liability (asset)	7.04549%	0.07561%	0.07677%
District's proportionate share of the net pension liability (asset)	\$ 15,815,708	\$ 14,155,421	\$ 14,673,153
District's covered-employee payroll	\$ 4,651,310	\$ 4,794,351	\$ 4,735,961
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	340.03%	295.25%	309.82%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	48.72%

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.

EXHIBIT L-2

BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHEDULE OF DISTRICT CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST THREE FISCAL YEARS

	2016			2015	 2014
Contractually required contribution	\$	605,723	\$	623,281	\$ 578,481
Contributions in relation to the contractually required contribution		605,723		623,281	578,481
Contribution deficiency (excess)	\$	_	\$	_	\$
District's covered-employee payroll	\$	4,651,310	\$	4,794,351	\$ 4,735,961
Contributions as a percentage of covered- employee payroll		13.02%		13.00%	12.21%

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.

EXHIBIT L-3

BARNEGAT TOWNSHIP BOARD OF EDUCATION STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT'S TEACHERS' PENSION AND ANNUITY FUND LAST THREE FISCAL YEARS

	2016		 2015	2014
District's proportion of the net pension liability (asset)		0.18924%	0.19561%	0.19149%
State's proportionate share of the net pension liability (asset) associated with the District	\$	119,606,276	\$ 104,549,683	\$ 96,775,286
District's covered-employee payroll	\$	19,262,475	\$ 19,058,623	\$ 18,864,172
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability		28.71%	33.64%	33.76%

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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

BARNEGAT TOWNSHIP SCHOOL DISTRICT NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF 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.

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS 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.

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. 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.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

BARNEGAT TOWNSHIP BOARD OF EDUCATION SPECIAL REVENUE FUND COMBINING SCHEDULE OF REVENUES AND EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

		I.D.E.A.	PAR	TΒ	NO CHILD LEFT BEHIND				
		BASIC EGULAR		BASIC ESCHOOL	-	FITLE I	TI	TLE IIA	
Revenues:									
Federal Sources	\$	777,718	\$	32,008	\$	449,305	\$	81,342	
Local Sources		-		-		-		-	
Total Revenues	\$	777,718	\$	32,008	\$	449,305	\$	81,342	
Expenditures:									
Instruction:									
Salaries of Teachers	\$	-	\$	25,403	\$	362,130	\$	58,315	
Tuition		775,818		-		-		-	
Purchased Professional - Educational Services									
General Supplies		-		-		3,750		1,500	
r i i i i i i i i i i i i i i i i i i i						-)		,	
Total Instruction		775,818		25,403		365,880		59,815	
Support Sorvigos:									
Support Services: Personal Services - Employe	e e								
Benefits		-		6,605		82,225		15,162	
Purchased Professional -				,		,		,	
Educational Services		1,900		-		1,200		6,365	
Supplies & Materials		-		-		-		-	
Total Support Services		1,900		6,605		83,425		21,527	
Total Expenditures	\$	777,718	\$	32,008	\$	449,305	\$	81,342	

BARNEGAT TOWNSHIP BOARD OF EDUCATION SPECIAL REVENUE FUND COMBINING SCHEDULE OF REVENUES AND EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

P		RNEGAT SPORTS		ROBMS SIGN	OTHER LOCAL GRANTS			TOTAL		
Revenues: Federal Sources	\$		\$		\$		\$	1 240 272		
Local Sources	Э	- 6,517	Э	- 11,695	Э	- 795	\$	1,340,373 19,007		
Local Sources		0,317		11,095		195		19,007		
Total Revenues	\$	6,517	\$	11,695	\$	795	\$	1,359,380		
Expenditures:										
Instruction:										
Salaries of Teachers	\$	-	\$	-	\$	-	\$	445,848		
Tuition		-		-		-		775,818		
Purchased Professional -										
Educational Services		-		-		-		-		
General Supplies		-		-		-		5,250		
Total Instruction		_		-		-		1,226,916		
Support Somicos										
Support Services: Personal Services - Employee Benefits Purchased Professional -		-		-		-		103,992		
Educational Services								9,465		
Supplies & Materials		6,517		11,695		- 795		19,007		
Supplies & Materials		0,517		11,075		1)5		17,007		
Total Support Services		6,517		11,695		795		132,464		
Total Expenditures	\$	6,517	\$	11,695	\$	795	\$	1,359,380		

F. Capital Projects Fund

N/A

G. Proprietary Funds

Enterprise Funds

BARNEGAT TOWNSHIP BOARD OF EDUCATION ENTERPRISE FUND COMBINING SCHEDULE OF NET POSITION AS OF JUNE 30, 2016

		ACT	NESS-TYPE IVITIES - PRISE FUNDS		
ASSETS	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	TOTALS
Current Assets: Cash	\$ 299,748	\$ 39,583	\$ 108,394	\$ 24,830	\$ 472,555
Accounts Receivable:	\$ 299,140	\$ 59,585	\$ 106,394	\$ 24,830	\$ 472,333
State	856	_	_	-	856
Federal	44.332	_	_	_	44,332
Other	127	_	29,168	1,453	30,748
Inventories	17,504	_	-	-	17,504
Interfund Receivable		-	8,265	-	8,265
Total Current Assets	362,567	39,583	145,827	26,283	574,260
Noncurrent Assets:					
Furniture, Machinery & Equipment	848,799	-	-	-	848,799
Less: Accumulated Depreciation	(636,105)	-	-	-	(636,105)
Total Noncurrent Assets	212,694	-	-	-	212,694
Total Assets	575,261	39,583	145,827	26,283	786,954
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	-	-	921	921
Unearned Revenue	-	-	-	1,685	1,685
Interfund Payable	-	-	-	-	-
Total Current Liabilities				2,606	2,606
NET POSITION					
Net Investment in Capital Assets	212,694	-	-	-	212,694
Unrestricted	362,567	39,583	145,827	23,677	571,654
Total Net Position	\$ 575,261	\$ 39,583	\$ 145,827	\$ 23,677	\$ 784,348

BARNEGAT TOWNSHIP BOARD OF EDUCATION ENTERPRISE FUND COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION AS OF JUNE 30, 2016

		A	SINESS-TYPE CTIVITIES - RPRISE FUNDS		
Operating Revenues:	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	TOTALS
Charges for Services: Daily Sales - Reimbursable Programs: School Lunch Program Daily Sales Nonreimbursable Programs:	\$ 370,03	8 \$ -	\$-	\$-	\$ 370,038
School Lunch Program Program Revenues	186,93	0 -	- 194,762	265,480	186,930 460,242
Total Operating Revenues	556,96	8 -	194,762	265,480	1,017,210
Operating Expenses:	512 (2	7			512 (27
Cost of Sales	513,63		-	-	513,637
Salaries & Benefits Management & Administrative Fees	398,55 73,62		112,471	179,427	690,448 73,623
Other Purchased Services	14,56		21,435	25,242	61,239
Cleaning, Repair & Maintenance Services	66,07		- 21,455	-	66,078
Depreciation	36,74		-	-	36,744
Total Operating Expenses	1,103,19	4 -	133,906	204,669	1,441,769
Operating Income/(Loss)	(546,22	6) -	60,856	60,811	(424,559)
Nonoperating Revenues (Expenses): State Sources:					
State School Lunch Program Federal Sources:	11,17	7 -	-	-	11,177
National School Lunch Program	414,55	5 -	-	-	414,555
National School Performance Based Program			-	-	13,878
National School Breakfast Program	124,20		-	-	124,200
National School After School Snack Program			-	-	3,078
Food Distribution Program	93,40		-	-	93,409
Interest & Investment Revenue	38		231	169	837
Miscellaneous Revenue	33,78	(5)			33,787
Transfer (Out)/In		(3	(231)	(109)	(451)
Total Nonoperating Revenues/(Expenses)	694,47	0 -	-	-	694,470
Change in Net Position	148,24		60,856	60,811	269,911
Total Net Position - Beginning	427,01	7 39,58	84,971	(37,134)	514,437
Total Net Position - Ending	\$ 575,26	1 \$ 39,583	3 \$ 145,827	\$ 23,677	\$ 784,348

BARNEGAT TOWNSHIP BOARD OF EDUCATION ENTERPRISE FUND COMBINING SCHEDULE OF CASH FLOWS AS OF JUNE 30, 2016

		ACT	TIV	SS-TYPE ITIES - SE FUNDS				
	FOOD ERVICE	MUNITY CATION		AFTER CARE	EARY L	AL CUBS EARNING NTER	TO	OTALS
Cash Flows From Operating Activities: Receipts from Customers Payments for Operations	\$ 556,968 (981,745)	\$ -	\$	93,795 (133,906)	\$	150,136 (204,669)		800,899 ,320,320)
Net Cash Provided/(Used) by Operating Activities	(424,777)	-		(40,111)		(54,533)	((519,421)
Cash Flows From Capital Financing Activities: Purchases of Capital Assets Adjustment to Capital Assets	-	-		-		-		-
Net Cash Provided/(Used) by Capital Financing Activities	-	-		_		-		-
Cash Flows From Noncapital Financing Activities: State Sources Federal Sources Miscellaneous Revenue	12,960 615,505 33,628	-		- - -		-		12,960 615,505 33,628
Net Cash Provided/(Used) by Noncapital Financing Activities	662,093	_		-		-		662,093
Cash Flows From Investing Activities: Interest & Dividends Transfer (out)/in	386 -	51 (51)		231 (231)		169 (169)		837 (451)
Net Cash Provided/(Used) by Investing Activities	386	-		-		-		386
Net Increase/(Decrease) in Cash & Cash Equivalents Balances - Beginning of Year	237,702 62,046	- 39,583		(40,111) 148,505		(54,533) 79,363		143,058 329,497
Balances - End of Year	\$ 299,748	\$ 39,583	\$	108,394	\$	24,830	\$	472,555

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss) \$	(546,226)	\$ -	\$ 60,856 \$	60,811 \$	(424,559)
Adjustments to Reconcile Operating Income/(Loss) to					
Net Cash Provided/(Used) by Operating Activities:					
Food Distribution Program	93,409	-	-	-	93,409
Depreciation & Net Amortization	36,744	-	-	-	36,744
(Increase)/Decrease in Accounts Receivable -					
Other	(127)	-	(1,741)	(1,294)	(3,162)
(Increase)/Decrease in Inventories	(4,148)	-	-	-	(4,148)
(Increase)/Decrease in Interfunds	(4,429)	-	(99,226)	(115,746)	(219,401)
Increase/(Decrease) in Accounts Payable	-	-	-	1,696	1,696
Total Adjustments	121,449	-	(100,967)	(115,344)	(94,862)
-					
Net Cash Provided/(Used) by Operating Activities \$	(424,777)	\$ -	\$ (40,111) \$	(54,533) \$	6 (519,421)

Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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EXHIBIT H-1

BARNEGAT TOWNSHIP BOARD OF EDUCATION FIDUCIARY FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

	PRIV PUR UNEMPL						
ASSETS	COMPEN	NSATION UST	F	AGE PAYROLL FUND	S	TUDENT CTIVITY	TOTALS
Cash & Cash Equivalents	\$	625,338	\$	1,154,514	\$	142,734	\$ 1,922,586
Total Assets		625,338		1,154,514		142,734	1,922,586
LIABILITIES							
Payable to Student Groups		-		-		142,734	142,734
Accrued Salaries & Wages		-		1,151,698		-	1,151,698
Interfund Payable		-		2,816		-	2,816
Total Liabilities		-		1,154,514		142,734	1,297,248
NET POSITION							
Held in Reserve for							
Unemployment Claims		625,338		-		-	625,338
Total Net Position	\$	625,338	\$	-	\$	-	\$ 625,338

EXHIBIT H-2

BARNEGAT TOWNSHIP BOARD OF EDUCATION FIDUCIARY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

ADDITIONS	PU UNEM COMP	RIVATE JRPOSE PLOYMENT PENSATION TRUST	TOTAL
Contributions:			
Plan Members	\$	83,025 \$	
Interest Earned		770	770
Total Additions		83,795	83,795
DEDUCTIONS			
Unemployment Claims		-	-
Total Deductions		-	
Change in Net Position		83,795	83,795
Net Position - Beginning of the Year		541,543	541,543
Net Position - End of the Year	\$	625,338 \$	625,338

BARNEGAT TOWNSHIP BOARD OF EDUCATION STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

ASSETS	 ALANCE ULY 1, 2015	AI	DDITIONS	DI	ELETIONS	BALANCE JUNE 30, 2016
Student Activities High School Activities High School Sports	\$ 16,523 28,217 99,429	\$	32,134 244,380 125,668	\$	34,695 241,163 127,759	\$ 13,962 31,434 97,338
Total Assets	\$ 144,169	\$	402,182	\$	403,617	\$ 142,734
LIABILITIES						
Payable to Student Groups	\$ 144,169	\$	402,182	\$	403,617	\$ 142,734
Total Liabilities	\$ 144,169	\$	402,182	\$	403,617	\$ 142,734

EXHIBIT H-4

PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

ASSETS	BALANCE JULY 1, 2015 ADDITIONS I				D	ELETIONS	 BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$	1,135,814	\$	34,208,906	\$	34,190,206	\$ 1,154,514
Total Assets	\$	1,135,814	\$	34,208,906	\$	34,190,206	\$ 1,154,514
LIABILITIES							
Payroll Deductions & Withholdings	\$	-	\$	33,057,208	\$	33,057,208	\$ -
Accrued Salaries & Wages Interfund Payable		1,109,601 26,213		1,151,698 -		1,109,601 23,397	1,151,698 2,816
Total Liabilities	\$	1,135,814	\$	34,208,906	\$	34,190,206	\$ 1,154,514

I. Long-Term Debt

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BARNEGAT TOWNSHIP BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF SERIAL BONDS PAYABLE JUNE 30, 2016

7/15/2	2016 520,000 2017 540,000 2018 560,000 2019 580,000 2020 600,000 2021 625,000 2022 655,000	4.375% 3.000% 3.000% 4.000% 4.000% 4.000%	\$	20,440,000 5,990,000	\$	-	\$	20,040,000	\$	190,000 505,000	\$	210,000
7/15// 7/15// 7/15// 7/15// 7/15// 7/15// 7/15//	2017 540,000 2018 560,000 2019 580,000 2020 600,000 2021 625,000 2022 655,000	3.000% 4.000% 4.000% 4.000%		5,990,000		-		-		505.000		
//15/.		4.000% 5.000% 5.000% 4.000%										5,485,000
4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2	018 690,000 019 690,000 020 675,000 021 685,000 022 680,000 023 700,000 024 680,000	2.000% 2.000% 3.000% 5.000% 5.000% 3.250% 3.375% 3.500%		6,915,000		-		-		705,000		6,210,000
4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/ 4/15/	2018 300,000 2019 320,000 2020 370,000 2021 405,000 2022 455,000 2023 495,000 2024 570,000 2025 600,000 2026 2,305,000 2027 2,305,000 2028 2,385,000 2029 2,450,000 2030 2,530,000 2031 2,515,000	$\begin{array}{c} 1.000\%\\ 1.200\%\\ 1.420\%\\ 1.660\%\\ 1.940\%\\ 2.170\%\\ 2.420\%\\ 2.620\%\\ 5.000\%\\ 3.500\%\\ 3.000\%\\ 3.250\%\\ 3.250\%\\ 3.250\%\\ 3.375\%\\ 3.500\%\\ \end{array}$		-		20,825,000		-		85,000		20,740,000
	7/15/2 7,600,000 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/1/2 4/15/2 4/12/2 4/1	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$									

Total

<u>\$ 33,345,000 \$ 20,825,000 \$ 20,040,000 \$ 1,485,000 \$ 32,645,000</u>

BARNEGAT TOWNSHIP BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES JUNE 30, 2016

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	οι	AMOUNT JTSTANDING JUNE 30, 2015	ISS	SUED	ETIRED URRENT YEAR	OU	AMOUNT TSTANDING JUNE 30, 2016
Energy Savings Improvement Plan	2.94%	4,135,000	\$	3,750,000	\$	-	\$ 190,000	\$	3,560,000
School Buses, Computer Equipment & Textbooks	1.41%	600,000		241,648		-	119,976		121,672
		Total	\$	3,991,648	\$	-	\$ 309,976	\$	3,681,672

BARNEGAT TOWNSHIP BOARD OF EDUCATION DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenues:	RIGINAL B <u>UDGET</u>	BUDGET ANSFERS	FINAL <u>BUDGET</u>	<u>ACTUAL</u>	P (N F	ARIANCE OSITIVE/ EGATIVE) INAL TO <u>ACTUAL</u>
Local Sources:						
Local Tax Levy	\$ 2,351,074	\$ -	\$ 2,351,074	\$ 2,351,074	\$	-
Miscellaneous	-	-	-	-		-
State Sources:						
Debt Service Aid Type II	 419,739	-	419,739	419,739		-
Total Revenues	 2,770,813	_	2,770,813	2,770,813		
Expenditures:						
Regular Debt Service:						
Interest	1,370,813	(85,000)	1,285,813	1,205,912		79,901
Redemption of Principal	1,400,000	85,000	1,485,000	1,485,000		-
Cost of Issuance of Debt	 -	-	-	215,702		(215,702)
Total Regular Debt Service	 2,770,813	-	2,770,813	2,906,614		(135,801)
Total Expenditures	 2,770,813	-	2,770,813	2,906,614		(135,801)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 _	_	-	(135,801)		(135,801)
Other Financing Sources (Uses):						
Refunding Bond Proceeds	_	_	_	21,390,916		21,390,916
Deposit to Escrow Agent	-	-	-	(21,175,214)		21,175,214)
Total Other Financing Sources (Uses)	 -	-	-	215,702		215,702
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	-	-	-	79,901		79,901
Fund Balance, July 1	 118,450	-	118,450	118,450		
Fund Balance, June 30	\$ 118,450	\$ -	\$ 118,450	\$ 198,351	\$	79,901

STATISTICAL SECTION (Unaudited)

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EXHIBIT J-1	2010 2009 2008 2007	96,355,634 \$ 95,321,191 \$ 51,451,552 \$ 50,469,989 995,502 1,999,611 32,637,948 (5,869,521) (1,532,062) (692,099) (339,242) (1,559,155)	\$ 95,819,074 \$ 96,628,703 \$ 83,750,258 \$ 43,041,313	269,678 \$ 322,901 \$ 106,186 \$ 115,620 173,686 132,686 28,533 120,776	443,364 \$ 455,587 \$ 134,719 \$ 236,396	<pre>\$ 96,625,312 \$ 95,644,092 \$ 51,557,738 \$ 50,585,609 995,502 1,999,611 32,637,948 (5,869,521) (1,358,376) (559,413) (310,709) (1,438,379) \$ 96,262,438 \$ 97,084,290 \$ 83,884,977 \$ 43,277,709</pre>
CATION	NG JUNE 30, 2011	\$ 95,731,157 \$ 998,512 1,319,040	\$ 98,048,709 \$	293,263 \$ 137,444	430,707 \$	<pre>\$ 96,024,420 \$ 998,512 1,456,484 \$ 98,479,416 \$</pre>
RNEGAT TOWNSHIP BOARD OF EDUCATION NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Accrual Basis of Accounting)	FISCAL YEAR ENDING JUNE 30 2012 2011	\$ 96,705,379 \$ 1,448,415 2,275,895	\$100,429,689 \$	\$ 326,732 \$ 112,339	\$ 439,071 \$	\$ 97,032,111 \$ 1,448,415 2,388,234 \$100,868,760 \$
T TOWNSHIP BOARD OF E T POSITION BY COMPONE LAST TEN FISCAL YEARS (Accrual Basis of Accounting)	FISC 2013	93,930,312 1,404,515 2,118,891	97,453,718	275,488 80,450	355,938	94,205,800 1,404,515 2,199,341 97,809,656
BARNEGAT NET L (A	2014	93,001,950 \$ 5,191,822 (2,321,816)	95,871,956 \$	241,520 \$ 135,332	376,852 \$	93,243,470 \$ 5,191,822 (2,186,484) 96,248,808 \$
	2015	\$ 89,636,561 \$ 8,196,710 (17,373,614)	\$ 80,459,657 \$	\$ 249,438 \$ 264,999	\$ 514,437 \$	<pre>\$ 89,885,999 \$ 8,196,710 (17,108,615) \$ 80,974,094 \$</pre>
	2016	\$ 86,983,014 9 11,547,489 (18,576,762)	\$ 79,953,741	\$ 212,694 \$ 571,654	\$ 784,348 §	\$ 87,195,708 5 11,547,489 (18,005,108) \$ 80,738,089 5
		Governmental Activities: Net Investment in Capital Assets, Restricted Unrestricted	Total Governmental Activities Net Position	Business-Type Activities: Net Investment in Capital Assets, Unrestricted	Total Business-Type Activities Net Position	District-Wide: Net Investment in Capital Assets, Restricted Unrestricted Total District Net Position

Source: District CAFR, Schedule A-1

		CHANG	BARNEGAT T JES IN NET POSI LA	T TOWNSHIP BOARD OF E DSITION - (ACCRUAL BASI LAST TEN FISCAL YEARS	BARNEGAT TOWNSHIP BOARD OF EDUCATION CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS	N NU NU			Ξ.	EXHIBIT J-2 (Page 1 of 3)
				FISC	FISCAL YEAR ENDING JUNE 30.	VG JUNE 30,				
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses: Governmental Activities Instruction:										
Regular Special Education Othere Second Education	\$ 14,701,980 \$ 4,775,049	14,953,495 \$ 4,442,230 1,602,020	14,517,601 \$ 4,211,048 1703 314	15,212,116 \$ 4,158,217	14,914,501 \$ 4,074,599	14,095,891 \$ 3,877,190 1718 585	15,469,793 \$ 3,859,197 2,010,487	15,535,294 \$ 3,617,328 1,806,723	15,598,078 \$ 3,270,502 1,575,600	16,946,136 5,925,299 2,105,602
Support Services: Tuition	920,382	904,033	1,427,499	1,206,492	1,420,914	1,301,806	1,945,710	1,993,203	1,874,863	2,125,002 3,736,225
Student & Instruction Related Services	4 677 720	4 211 955	4 092 541	4 227 395	3 905 059	3 857 375	4 127 425	4 147 876	4 053 292	5 058 701
General Administrative Services	4,017,720 551,293	624,907	514,057	4,227,325 664,145	615,632	690,219	4,127,423	4,147,620	4,000,292 812,398	1,038,952
School Administrative Services	1,517,202	1,497,164 155 131	1,441,871 137672	1,433,741	1,450,603	1,429,639	1,466,713 196.767	1,381,140	1,498,133	1,760,911
Central Services Admin Information Technology	400,150 327,657	309,001	249,164	400,203	420,631 221,236	405,107 205,272	460,207	432,732 81,265	1,920,947 69,583	
Plant Operations & Maintenance	4,355,438	4,426,143	4,099,493	3,594,962	4,864,239	3,933,889	4,404,492	4,772,700	3,006,400	3,684,497
Pupil Transportation Unallocated Employee Benefits	1,947,470 21,387,804	2,505,761 18,377,141	2,609,206 $13,192,300$	3,016,676 13,063,771	2,915,158 11,767,033	2,952,138 11,234,022	3,609,704 11,578,013	4,041,363 $10,682,741$	3,499,404 $10,225,147$	2,803,402 -
Special Schools		1	1	1	1	1		1	360	ı
Collection of Filor 1 ear Receivables Transfers to Charter Schools	s - 20.108		9.630				٥/٥/٥٤ -			
Long-Term Debt and other charges	1,993,570	2,156,759	2,431,333	1,574,335	1,662,516	1,734,411	1,819,159	1,782,719	1,468,794	1,764,514
Absence Expense	ı		·		32,306	56,322	(41,782)	53,064	63,825	
Unanocated Aujustinent to Fixed Assets Unallocated Depreciation	188,363 5,371,954	954,107 4,407,707	- 4,477,908	4,130,896 2,984,330	(201,997) 2,668,756	599,538 2,771,654	905,688 2,812,117	- 2,701,060	- 1,841,486	- 1,779,365
Total Governmental Activities Expenses	64,863,898	61,908,775	55,414,638	57,793,540	52,605,045	50,861,119	55,378,788	53,819,544	50,778,911	47,459,196
Business-Type Activities: Food Service	1,103,194	1,083,336	1,131,081	1,192,627	1,214,875	1,225,063	1,185,354	1,192,308	1,280,512	1,106,101
Community Education Aftercare Program Bengal Cubs Early Learning Center	- 133,906 204,669	- 100,340 115,681	- 101,224 -	389 		372 - -	45,074 - -	31,810 - -		
Total Business-Type Activities Expense	1,441,769	1,299,357	1,232,305	1,193,016	1,214,875	1,225,435	1,230,428	1,224,118	1,280,512	1,106,101
Total District Expenses	\$ 66,305,667 \$	63,208,132 \$	56,646,943 \$	58,986,556 \$	53,819,920 \$	52,086,554 \$	56,609,216 \$	55,043,662 \$	52,059,423 \$	48,565,297
Program Revenues: Governmental Activities: Grants & Contributions	\$ 12,540,159 \$	10,651,951 \$	5,606,899 \$	5,933,603 \$	1,839,045 \$	1,799,937 \$	2,776,133 \$	1,863,395 \$	2,222,149 \$	13,943,079
Total Governmental Activities Program Revenues	12,540,159	10,651,951	5,606,899	5,933,603	1,839,045	1,799,937	2,776,133	1,863,395	2,222,149	13,943,079

		CHANG	BARNEGAT 1 JES IN NET POS L/	T TOWNSHIP BOARD OF EI SSITION - (ACCRUAL BASI LAST TEN FISCAL YEARS	BARNEGAT TOWNSHIP BOARD OF EDUCATION CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS	ON COUNTING)) (EXHIBIT J-2 (Page 2 of 3)
Business-Tyme Activities	2016	2015	2014	FISC/ 2013	FISCAL YEAR ENDING JUNE 30, 2016 2012 2011	3 JUNE 30, 2016 2011	2010	2009	2008	2007
Community Education Food Services: Community Education Aftercare Program Bengal Cubs Early Learning Center Operating Grants & Contributions	556,968 - 194,762 265,480 660,297	491,442 - 173,599 78,513 618,258	527,936 1,050 112,761 - 604,494	548,824 1,150 - 594,145	668,041 - - 554,776	710,408 - 501,093	737,538 16,116 - 473,199	760,077 70,559 - 417,155	802,326 - 376,071	734,696 - 332,602
Total Business Type Activities Program Revenues	1,677,507	1,361,812	1,246,241	1,144,119	1,222,817	1,211,501	1,226,853	1,247,791	1,178,397	1,067,298
Total District Program Revenues	\$ 14,217,666 \$	12,013,763 \$	6,853,140 \$	7,077,722 \$	3,061,862 \$	3,011,438 \$	4,002,986 \$	3,111,186 \$	3,400,546 \$	15,010,377
Net (Expense)/Revenue: Governmental Activities Business-Type Activities	\$ (52,323,739) \$ 235,738	(51,256,824) \$ 62,455	(49,807,739) \$ 13,936	(51,859,937) \$ (48,897)	(50,766,000) \$ 7,942	(49,061,182) \$ (13,934)	(52,602,655) \$ (3,575)	(51,956,149) \$ 23,673	(48,556,762) \$ (102,115)	$\frac{(33,516,117)}{(38,803)}$
Total District-Wide Net Expense	\$ (52,088,001) \$	(51,194,369) \$	(49,793,803) \$	(51,908,834) \$	(50,758,058) \$	(49,075,116) \$	(52,606,230) \$	(51,932,476) \$	(48,658,877) \$	(33, 554, 920)
General Revenues & Other Changes in Net Position: Governmental Activities: Property Taxes Levied for General Purposes, Net \$ 28,54 Taxes Levied for Debt \$ 2,35 General Purposes, Net \$ 2,35 Taxes Levied for Debt \$ 2,35 Bervice \$ 2,35 Umestricted for Debt \$ 2,35 Direstricted for Debt \$ 2,35 Unrestricted for Debt \$ 20,27 Direstricted Grants & \$ 20,27 Unrestricted Grants & \$ 20,27 Unrestricted Grants & \$ 20,27 Unrestricted Grants & \$ 20,27 Tuition \$ 12 Miscellaneous Income \$ 16 Cancellation of Prior Year Receivables \$ 36 Cancellation of Prior Year Receivables \$ 36 Cancellation of Prior Year Receivables \$ 36 Total Governmental Activities \$ 36 Business-Type Activities \$ 36 Adjustment to Fixed Assets \$ 33 Transfer Out \$ 36 Adjustment to Fixed Assets \$ 36 Transfer Out \$ 36 Total Business-Type Activities \$ 36 Adjustment to Fixed Assets<	tet Position: \$ 28,542,745 \$ 2,351,074 2,351,074 20,271,845 124,890 165,797 165,797 361,472 51,817,823 51,817,823 33,787 - - (451) - - 34,173	27,609,823 \$ 2,241,723 20,330,090 185,995 150,047 - - 50,517,678 328 26,580 48,219 38 26,580 48,219 - 3 - 50,517,678 - - 50,517,678 - - 50,517,678 - - - - - - - - - - - - - - - - - - -	26,418,198 \$ 2,326,455 2,326,455 20,477,810 125,976 125,976 (1,272,627) 48,225,977 48,225,977 (1,106) - (1,106) - (6,978	25,696,073 \$ 2,542,367 20,427,004 68,598 149,924 - - - - - - - - - - - - - - (26,621) (23,575) - - - - - - (23,575) - - - - - - - (23,575) - - - - - - - (23,57) - 5 - - - - - - - - - - - - - - - - -	26,379,687 \$ 2,321,440 24,275,797 42,199 127,857 - 53,146,980 - 53,146,980 - - - 422 - -	26,379,687 \$ 2,319,468 22,188,249 403,413 - 51,290,817 1,277 - - - - - - - -	24,229,720 \$ 2,162,004 23,693,211 205,521 - 50,290,456 - 2,014 - 2,014 - 2,777 2,777 29,791	24,129,720 \$ 2,209,674 2,209,674 22,653,547 1,832,594 - 50,825,535 - 1,425 - -	23,859,822 \$ 2,475,572 23,468,068 183,845 - 49,987,307 - - - 438 - - - - - - - - - - - - - - - - - - -	19,755,300 781,800 22,138,534 304,649 - - 42,980,283 306 - - - - - - - - - - - - - - - - - - -
Total District-Wide	\$ 51,851,996 \$	50,592,808 \$	48,232,955 \$	48,849,730 \$	53,147,402 \$	51,292,094 \$	50,320,247 \$	50,826,960 \$	49,987,745 \$	42,980,589

BARNEGAT TOWNSHIP BOARD OF EDUCATION CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS

	2009 2008 2007		(1,130,614) \$ $1,430,545$ \$ $9,464,166$		(1,105,516) \$ 1,328,868 \$ 9,425,669
	2010		(2,312,199) \$ ((2,285,983) \$ (
G JUNE 30, 2016	2011		2,229,635 \$	(12,657)	2,216,978 \$
FISCAL YEAR ENDING JUNE 30, 2016	2012		2,380,980 \$	8,364	2,389,344 \$
FISC	2013		(2,975,971) \$	(83, 133)	(3,059,104) \$
	2014		(1,581,762) \$	20,914	(1,560,848) \$
	2015		(739,146) \$	137,585	\$ (601,561) \$
	2016		\$ (505,916) \$	269,911 137,585	\$ (236,005) \$
	I		\$	ļ	S
		Change in Net Position:	Governmental Activities	Business-Type Activities	Total District

Source: District CAFR, Schedule A-2

					BA	RNEGAT ND BALA I (Modi	BARNEGAT TOWNSHIP BOARD OF EDUCATION FUND BALANCES AND GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)	BOAI GOVEJ SCAL Basis o	XD OF EDUC RNMENTAI YEARS f Accounting	CATION FUNDS						
		2016		2015	2014		2013	FISCA	FISCAL YEAR ENDING JUNE 30. 2012 2011	IDING JUN 2011	NE 30, I	2010	2009		2008	2007
General Fund: Restricted Committed Assigned Unassigned	S	11,349,138 175,241 (736,738)	\$	8,196,710 5 251,931 - (518,562)	\$ 5,082 772 (18	082,227 \$ 772,358 (18,704)	3,817,797 - 355,429	S	3,255,633 - 1,173,151	\$ 3,46 (4/	3,462,641 \$ - (448,946)	1,275,029 - (1,168,758)	\$ 2,0 (1,0	2,077,708 \$ - 1,089,692)	1,380,649 - (92,840)	\$ 143,614 - (9,739)
Total General Fund	S	\$ 10,787,641	Ś	7,930,079 \$	5,835,881	5,881 \$	4,173,226	s	4,428,784	\$ 3,01	3,013,695 \$	106,271	\$ 9	988,016 \$	1,287,809	\$ 133,875
All Other Governmental Funds: Restricted Capital Projects Fund Debt Service Fund	50	- 198,351	S	- \$ 118,450	\$ 109 24	9,595 \$ 4,844	1,404,515 24,843	S	1,448,415 -	\$ 1,46	1,460,914 \$	1,479,761 1	\$ 2,2	2,233,071 \$ 55,978	\$ 32,976,470 \$ (5,574,593) 55,977 -	\$ (5,574,593) -
Commutea: Capital Projects Fund		·		·			1,385					ı			I	ı
Onassigned. Special Revenue Fund		ı													(22,278)	(15,028)
Total All Other Governmental Funds	S	198,351 \$	S	118,450 \$	13	4,439 \$	1,430,743	S	1,448,415 \$		1,460,914 \$	1,479,762	\$ 2,2	89,049 \$	2,289,049 \$ 33,010,169 \$ (5,589,621)	\$ (5,589,621)
Source: District CAFR, Schedule B-1	B-1															

Source: District CAFK, Schedule B-1

EXHIBIT J-3

		B CHAN	ARNEGAT TC GES IN FUND LAS (Modifie	BARNEGAT TOWNSHIP BOARD OF EDUCATION CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)	tD OF EDUCA DVERNMENTA YEARS f Accounting)	LION L FUNDS,				EXHIBIT J-4 (Page 1 of 2)
*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues: Tax Levy Miscellaneous State Sources Federal Sources	\$ 30,893,819 290,687 25,595,557 1,440,904	<pre>\$ 29,851,546 \$ 336,042 24,924,282 1,455,092</pre>	28,744,653 276,141 24,741,894 1,342,815	<pre>\$ 28,238,440 \$ 218,522 25,018,642 1,341,965</pre>	<pre>\$ 28,701,127 \$ 170,056 24,124,164 1,990,678</pre>	<pre>\$ 28,699,155 \$ 403,413 22,688,337 1,299,849</pre>	26,391,724 205,521 21,180,352 5,288,992	\$ 26,339,394 1,832,594 23,330,592 1,186,350	<pre>\$ 26,335,394 5 183,845 24,577,140 1,113,077</pre>	<pre>\$ 20,537,100 304,650 34,972,601 1,109,013</pre>
Total Revenue	58,220,967	56,566,962	55,105,503	54,817,569	54,986,025	53,090,754	53,066,589	52,688,930	52,209,456	56,923,364
Expenditures: Instruction: Regular Instruction Special Education Instruction Other Special Instruction	14,701,980 4,775,049 1,667,778	14,953,495 4,442,230 1,682,938	14,517,601 4,211,048 1,703,314	15,212,116 4,158,217 1,811,770	14,914,501 4,074,599 1,867,639	14,095,891 3,877,190 1,718,586	15,469,793 3,859,197 2,010,487	15,535,294 3,617,328 1,896,723	15,598,078 3,270,502 1,575,699	12,568,651 4,338,752 1,661,699
Support Services: Tuition	920,382	904,033	1,427,499	1,206,492	1,420,914	1,301,806	1,945,710	1,993,203	1,874,863	3,736,225
Student & Instruction Related Services General Administrative Services	4,677,720 551,293	4,211,955 624,907	4,092,541 514,057	4,227,395 664,145	3,905,059 615,632	3,857,375 690,219	4,127,425 663,650	4,147,826 680,386	4,053,292 812,398	3,706,018 859,316
School Administrative Services Central Services Plant Operations & Maintenance	1,517,202 787,787 4.665,414	1,497,164 764,435 4,743,311	1,441,871 686,837 4,675,911	1,433,741 714,694 4.262,208	1,450,603 648,087 5.367,042	1,429,639 608,439 4.447,153	1,466,713 658,344 5.058,551	1,381,140 533,997 5.330.201	1,498,133 1,990,530 4,329,195	1,251,223 536,858 3.921,272
Pupil Transportation Unallocated Benefits	1,947,470 15,098,670	2,505,761 13,709,553	2,609,206 13,149,410	3,016,676 13,191,824	2,915,158 11,746,033	2,952,138 11,234,022	3,609,704 11,578,013	4,041,363 10,682,741	3,499,404 10,225,148	2,385,342 9,820,128
Special School Capital Outlay Debt Service:	- 1,623,211	- 1,684,212	- 1,618,049	- 5,915,541	- 2,785,987	- 1,123,451	- 3,161,913	- 21,436,777	500 23,657,467	- 16,693,391
Principal Interest & Other Charges	1,485,000 1,421,614	1,340,000 1,424,759	1,285,000 1,649,713	1,320,000 1,519,993	1,161,000 1,698,990	1,110,000 1,756,269	1,055,000 1,813,234	1,000,000 1,865,502	1,839,160 1,396,973	745,000 1,790,139
Total Expenditures	55,840,570	54,488,753	53,582,057	58,654,812	54,571,244	50,202,178	56,477,734	74,142,481	75,621,202	64,014,014

		CHANG	BARNEGAT TOWNSHIP BOARD OF EDUCATION CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)	EGAT TOWNSHIP BOARD OF EDUC N FUND BALANCES, GOVERNMEN LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)	OF EDUCATI ERNMENTAL EARS ccounting)	FUNDS,				(Tage 2 01 2)
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess (Deficiency) of Kevenues Over/(Under) Expenditures	2,380,397	2,078,209	1,523,446	(3, 837, 243)	414,781	2,888,576	(3,411,145)	(21,453,551) (23,411,746)	(23, 411, 746)	(7,090,650)
Other Financing Sources/(Uses): Cancellation of Prior Year Receivables			(1,272,627)	,	ı		·			
Cancellation of Prior Year Payables Capital Leases/Bond Proceeds Transfer of Funds To Charter Schools	361,472 215,702 (20,108)		- 116,917	- 3,562,628			- 24,646	- 1,437,531	- 23,887,069	
Total Other Financing Sources/ (Uses)	557,066		(1,155,710)	3,562,628			24,646	1,437,531	23,887,069	
Net Change in Fund Balances	\$ 2,937,463 \$ 2,078,209 \$; 2,078,209 \$	367,736 \$	(274,615) \$	414,781 \$		(3,386,499)	2,888,576 \$ (3,386,499) \$ (20,016,020) \$		475,323 \$ (7,090,650)
Debt Service as a Percentage of Noncapital Expenditures	5.36%	5.24%	5.65%	5.38%	5.52%	5.84%	5.38%	5.44%	6.23%	5.36%
Source: District CAFR, Schedule B-2										

EXHIBIT J-4 (Page 2 of 2)

BARNEGAT TOWNSHIP BOARD OF EDUCATION GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON VESTMENTS	TUITIO	DN	RENTA FACILIT			TUIT	ION	PUI	LEASE RCHASE OCEEDS	MISC	ELLANEOUS	r	FOTAL
2016	\$ 8,995	\$	-	\$	-		\$	-	\$	-	\$	137,795	\$	146,790
2015	8,004		-		-			-		-		120,860		128,864
2014	7,787		-		-			-		-		139,855		147,642
2013	126		-		-			-		-		117,234		117,360
2012	2,331	42	,199		-			-		-		95,463		139,993
2011	39,315	17	,661		30,018	3	17,	662		-		90,211		194,867
2010	14,088		-		24,020)	22,	026		-		94,596		154,730
2009	22,975		-		14,266	5	50,	117		-		194,278		281,636
2008	104,774		-		-			-		-		79,071		183,845
2007	146,621		-		-			-		-		17,806		164,427

Source: District records

BARNEGAT TOWNSHIP BOARD OF EDUCATION ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

TOTAL DIRECT SCHOOL TAX RATE	1.345 1.364	1.750	1.281	1.252	1.284	N/A	0.919	N/A	0.969
NET VALUATION TAXABLE	2,277,326,500 2.259.116.163	2,242,519,332	2,236,431,203	2,234,362,076	2,223,179,651	2,719,343,101	2,839,774,417	2,842,692,658	2,790,603,086
PUBLIC	\$ 5.323.237	4,422,968	4,959,197	5,808,224	5,850,349	6,515,499	6,375,083	6,232,113	5,931,286
TOTAL ASSESSED VALUE	<pre>\$ 2,277,326,500 2.264,439,400</pre>	2,246,942,300	2,241,390,400	2,240,170,300	2,229,030,000	2,725,858,600	2,846,149,500	2,836,460,545	2,784,671,800
APARTMENT	<pre>\$ 32,459,100 32,459,100</pre>	32,459,100	32,459,100	32,459,100	32,459,100	38,013,300	43,169,300	43,169,300	45,669,300
COMMERCIAL INDUSTRIAL APARTMENT	3,189,400	3,189,400	5,619,400				7,028,900	7,122,700	7,258,300
COMMERCIAL	<pre>\$ 136,330,400 136.781.200</pre>	133,948,600	136,842,200	138,673,800	135,712,600	148,040,800	162,228,500	168,459,700	158,395,300
QFARM	316,700 196.100	109,500	105,600	85,800	81,000	105,900	101,200	78,500	77,900
FARM REG.	Ś	3,363,000	3,011,800	2,220,700	2,220,700	2,799,500	2,891,500	2,385,300	2,562,300
RESIDENTIAL	<pre>\$ 2,013,691,900 1.995.757.600</pre>	1,975,973,100	1,964,235,300	1,954,463,500	1,938,444,700	2,383,866,100	2,473,115,600	2,415,733,945	2,337,695,000
VACANT LAND	\$ 86,667,800 91.882.700	97,899,600	99,117,000	106,648,000	114,492,500	139,796,300	157,614,500	199,511,100	233,013,700
FISCAL YEAR ENDED JUNE 30,	2016 2015	2014	2013	2012	2011	2010	2009	2008	2007

Source: Abstract of Ratables "Assessed Value by Classification"

*Revaluation

EXHIBIT J-7

BARNEGAT TOWNSHIP BOARD OF EDUCATION DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (Rate per \$100 of Assessed Value)

Ē	DIRECT AND	OVERLAPPING	TAX RATE	N/A	2.536	2.471	2.417	2.374	2.397	1.895	1.627	1.631	1.594
	COUNTY	OPEN	SPACE	N/A	0.012	0.012	0.022	0.014	0.013	0.011	0.011	0.011	0.010
	res	COUNTY	HEALTH	N/A	0.013	0.014	0.015	0.014	0.014	0.011	0.011	0.011	0.012
	OVERLAPPING RATES	COUNTY	LIBRARY	N/A	0.037	0.038	0.040	0.038	0.037	0.028	0.028	0.028	0.028
	OVEI	OCEAN	COUNTY	N/A	0.346	0.343	0.345	0.329	0.317	0.242	0.239	0.239	0.232
	TOWNSHIP	OF	BARNEGAT	N/A	0.783	0.754	0.738	0.727	0.732	0.602	0.419	0.419	0.343
ECT RATE		TOTAL	DIRECT	N/A	1.345	1.310	1.257	1.252	1.284	1.001	0.919	0.923	0.969
SCHOOL DISTRICT DIRECT RATE	GENERAL OBLIGATION	DEBT	SERVICE	N/A	N/A	N/A	0.101	0.101	0.104	0.082	N/A	N/A	0.067
SCHOOL		LOCAL	SCHOOL	N/A	1.345	N/A	1.156	1.151	1.180	0.919	0.919	0.923	0.902
	FISCAL YEAR	ENDED	JUNE 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007

Source: Abstract of Ratables, Breakdown of General Tax Rate

*Revaluation

BARNEGAT TOWNSHIP BOARD OF EDUCATION PRINCIPAL PROPERTY TAX PAYERS, CURRENT YEAR AND NINE YEARS AGO

	_		2016	
				% OF TOTAL
]	TAXABLE		DISTRICT NET
	A	SSESSED		ASSESSED
TAXPAYER		VALUE	RANK	VALUE
Atlantic Heights LLC,	\$	30,892,800	1	33.92%
Barnegat Village Square		8,745,300	2	9.60%
Walters Development Co LLC		8,360,000	3	9.18%
Hometown Brighton @ Barnegat		8,051,100	4	8.84%
Pinewood Estates Assoc LLC		6,348,000	5	6.97%
Barnegat Real Property LLC		6,214,000	6	6.82%
D&F Barnegat Develipment LLC		5,895,500	7	6.47%
Paramount Homes at Wall LLC		5,684,400	8	6.24%
Bay Shore Plaza Shopping Center		5,500,000	9	6.04%
Federal National Mortgage Assoc		5,376,600	10	5.90%
Total	\$	91,067,700		100.00%

		2007	
			% OF TOTAL
	TAXABLE		DISTRICT NET
	ASSESSED		ASSESSED
TAXPAYER	VALUE	RANK	VALUE
	N/A	1	N/A
	N/A	2	N/A
	N/A	3	N/A
	N/A	4	N/A
	N/A	5	N/A
	N/A	6	N/A
	N/A	7	N/A
	N/A	8	N/A
	N/A	9	N/A
	N/A	10	N/A

-

-

Total

Source: 2005Audit/CAFR

BARNEGAT TOWNSHIP BOARD OF EDUCATION PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL		ITHIN THE FISCAL <u>5 THE LEVY</u> PERCENTAGE	COLLECTIONS IN SUBSEQUENT
JUNE 30,	YEAR	AMOUNT	OF LEVY	YEARS
2016	\$ 30,893,819	\$ 30,893,819	100.00%	-
2015	29,851,546	29,851,546	100.00%	-
2014	28,744,653	28,744,653	100.00%	-
2013	28,238,440	28,238,440	100.00%	-
2012	28,701,127	28,701,127	100.00%	-
2011	28,699,155	28,699,155	100.00%	-
2010	26,391,724	26,391,724	100.00%	-
2009	26,339,394	26,339,394	100.00%	-
2008	26,335,394	26,335,394	100.00%	-
2007	20,537,100	20,537,100	100.00%	-

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

BARNEGAT TOWNSHIP BOARD OF EDUCATION RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Dollars in Thousands, Except per Capita)

	GOVER	NMENTAL A	CTIVITIES			
FISCAL			BOND/GRANT			
YEAR	GENERAL		ANTICIPATION		PERCENTAGE	PER CAPITA
ENDED	OBLIGATION	CAPITAL	NOTES	TOTAL	OF PERSONAL	PERSONAL
JUNE 20,	BONDS	LEASES	(BANS)	DISTRICT	INCOME	INCOME
2016	\$ 32,645,000	\$ 3,681,672		36,326,672	N/A	N/A
2015	33,345,000	3,991,648	-	37,336,648	N/A	N/A
2014	34,685,000	4,308,816	-	38,993,816	N/A	N/A
2013	36,370,000	4,885,234	-	41,255,234	N/A	N/A
2012	37,690,000	4,952,480	-	42,642,480	N/A	N/A
2011	38,830,000	1,320,284	-	40,150,284	N/A	N/A
2010	39,940,000	1,829,248	-	41,769,248	0.09%	40,291
2009	40,995,000	2,344,683	-	43,339,683	0.09%	39,331
2008	41,995,000	1,464,653	-	43,459,653	0.09%	40,975
2007	21,190,000	1,544,539	22,689,700	45,424,239	0.07%	39,214

Source: District CAFR Schedules I-1 & I-2

BARNEGAT TOWNSHIP BOARD OF EDUCATION RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS (Dollars in Thousands, Except per Capita)

	GENERAL BONDED DEBT OUTSTANDING					
				NET	PERCENTAGE	
FISCAL				GENERAL	OF ACTUAL	
YEAR	(GENERAL		BONDED	TAXABLE	PER CAPITA
ENDED	OI	BLIGATION		DEBT	VALUE OF	PERSONAL
JUNE 30,		BONDS	DEDUCTIONS	OUTSTANDING	PROPERTY	INCOME
2016	\$	32,645,000	N/A	32,645,000	N/A	N/A
2015	*	33,345,000	N/A	33,345,000	N/A	N/A
2014		34,685,000	N/A	34,685,000	N/A	N/A
2013		36,370,000	N/A	36,370,000	N/A	N/A
2012		37,690,000	N/A	37,690,000	1.68%	N/A
2011		38,830,000	N/A	38,830,000	1.42%	N/A
2010		39,940,000	N/A	39,940,000	1.46%	40,291
2009		40,995,000	N/A	40,995,000	1.44%	39,331
2008		41,995,000	N/A	41,995,000	1.48%	40,975
2007		21,190,000	N/A	21,190,000	0.76%	39,214

EXHIBIT J-12

BARNEGAT TOWNSHIP BOARD OF EDUCATION RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2015

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	
Overlapping Debts: Barnegat Township County of Ocean	\$ 16,100,758 451,253,286	72.40% 48.80%	\$ 11,656,949 220,211,604
Subtotal, Overlapping Debt			231,868,553
Barnegat Township School District Direct Debt	32,645,000	100.00%	32,645,000
Total Direct & Overlapping Debt			\$ 264,513,553

Sources: Township of Barnegat, Statement of Indebtedness as of December 31, 2015 Debt outstanding data provided by each governmental unit.

NOTES

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

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

EXHIBIT J-13

BARNEGAT TOWNSHIP BOARD OF EDUCATION LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	2016	2015	2014	2013	FISCAL YEAR 2012 2	EAR 2011	2010	2009	2008	2007
Debt Limit	\$ 89,875,083	\$ 89,875,083 \$ 91,095,672 \$ 94,123,335	\$ 94,123,335 \$	97,912,092	97,912,092 \$ 101,208,281 \$ 103,113,921 \$ 110,904,623 \$ 109,526,257 \$ 102,843,085 \$ 100,077,721	: 103,113,921 \$	110,904,623 \$	109,526,257 \$	102, 843, 085	\$ 100,077,721
Total Net Debt Applicable to Limit	32,645,000	33,345,000	34,685,000	36,370,000	37,690,000	38,830,000	39,940,000	40,995,000	41,995,000	21,190,000
Legal Debt Margin	\$ 57,230,083	57,230,083 \$ 57,750,672 \$ 59,438,335	\$ 59,438,335 \$	61,542,092 \$	\$ 63,518,281 \$	64,283,921 \$	70,964,623 \$	68,531,257 \$	60,848,085	\$ 78,887,721
Total Net Debt Applicable to the Limit as a % of Debt Limit	36.32%	ó 36.60%	36.85%	37.15%	37.24%	37.66%	36.01%	37.43%	40.83%	21.17%
Legal Deb	ot Margin Calcu	Legal Debt Margin Calculation for Fiscal Year 2013	Year 2013							
			Equalized Valuation Basis 2016 \$ 2,277 2015 \$ 2,210 2014 <u>\$ 2,255</u>	Basis 2,277,326,500 2,210,886,977 2,252,417,735						
			S	6,740,631,212						
Average Equalized Valuation of Taxable Property	able Property		\$	2,246,877,071						
Debt Limit (4 % of Average Equalized Valuation) Net Bonded School Debt	d Valuation)			\$89,875,083 32,645,000						
Legal Debt Margin				\$57,230,083						

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See J-10 for bonded debt of the district. Equalized Valuation Bases were obtained from the web site of the State of New Jersey, Department of the Treasury, Division of Taxation, Local Property Tax Statistical Section, Tables of Equalized Valuations.

Source:

BARNEGAT TOWNSHIP BOARD OF EDUCATION DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

			PER CAPITA	
			PERSONAL	UNEMPLOYMENT
YEAR	I	POPULATION (a)	INCOME (b)	RATE (c)
2016		N/A	N/A	5.1%
2015		22,108	N/A	6.7%
2014		22,303	44381	6.7%
2013		21,913	43,214	8.8%
2012		21,418	43,200	9.7%
2011		21,037	40,724	9.5%
2010	*	20,936	40,291	9.5%
2009		22,643	39,331	5.3%
2008		22,255	40,975	5.2%
2007		21,867	39,214	5.5%

*2010 Census

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development b Per Capita Personal income for Ocean County - NJ Dept of Labor

^c Unemployment data provided by the NJ Dept of Labor and Workforce Development

EXHIBITS J-15 DATA NOT AVAILABLE

BARNEGAT TOWNSHIP SCHOOL DISTRICT FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM LAST SEVEN FISCAL YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010
Instruction:							
Regular	242	241	243	175	197	201	210
Special Education	60	52	52	16	78	77	85
Other Special Education	22	21	21	53	20	20	20
Other Instruction	1	1	1	63	25	18	18
Adult Continuing Education Programs						2	3
Support Services:							
Student & Instruction Related Services	106	82	83	58	61	65	67
General Administration	3	3	3	3	3	3	3
School Administrative Services	18	18	18	24	24	25	27
Business Administrative Services	8	8	8	7	13	11	11
Plant Operations & Maintenance	47	49	49	58	63	61	90
Secretary	21	21	21				
Pupil Transportation	34	37	38	38	36	42	54
Total	562	533	537	495	519	523	587

Source: District Personnel Records

STUDENT ATTENDANCE PERCENTAGE	93.98%	93.17%	93.05%	93.21%	92.33%	91.92%	90.51%	92.82%	94.20%	97.09%
% CHANGE IN AVERAGE STUDENT DAILY ATTENDANCE ENROLLMENT PERCENTAGE	-1.51%	0.16%	-0.56%	-0.25%	-2.14%	1.30%	-1.97%	0.27%	-1.35%	45.88%
AVERAGE AVERAGE DAILY DAILY ENROLLMENT ATTENDANCE (ADE) (c) (ADA) (c)	2,980	3,003	3,001	3,020	2,987	3,028	3,041	3,066	3,094	3,232
CHER RATIO CHER RATIO MIDDLE HIGH SCHOOL SCHOOL (ADE) (c)	3,131	3,179	3,174	3,192	3,200	3,270	3,228	3,293	3,284	3,329
	1:18	1:13	1:15	1:15	1:16	1.15	1:16	1:15	1:10	1:07
PUPIL/TEACHER RATIO MENTARY MIDDLE H CHOOL SCHOOL SCI	1:12.77	1:11.5	1:11	1:14	1:15	1:16	1:14	1:11	1:13	1:11
PUPIL/TEACHER RATIOTEACHING ELEMENTARY MIDDLE HIGHSTAFF (b)SCHOOLSCHOOLSCHOOL	1:15.10	1:11.5	1:11	1:14	1:17	1:18	1:19	1:17	1:16	11:1
TEACHING STAFF (b)	N/A	N/A	N/A	495	519	455	662	505	487	464
ERCENTAGE CHANGE	4.22%	2.12%	-2.55%	5.26%	7.92%	-4.65%	-0.13%	4.09%	8.87%	-21.74%
DOST PER F	16,181	15,526	15,203	15,601	14,821	13,733	14,402	14,420	13,854	12,726
OPERATING EXPENDITURES COST PER PERCENTAGE (a) PUPIL CHANGE	51,310,745	50,039,782	49,029,295	50,546,982	47,944,704	45,235,378	48,390,977	47,630,014	45,913,004	42,402,265
CHOOL ENROLLMENT	3,171	3,223	3,225	3,240	3,235	3,294	3,360	3,303	3,314	3,332
SCHOOL YEAR	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007

Sources: District records

Note: Enrollment based on annual October District count.

a. Enrollment based on annual October District count.
b. Operating expenditures equal total expenditures less Debt service (Fund 40) and Capital outlay (Fund 30). Large increase in 2009-2010 due to Federal ARRA & Ed Jobs stimulus funding. New elementary school opened in Sept 2008.
c. Teaching staff includes only full-time equivalents of instructional certificated staff.

EXHIBIT J-17

BARNEGAT TOWNSHIP BOARD OF EDUCATION OPERATING STATISTICS LAST TEN FISCAL YEARS

EXHIBIT J-18

BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

DISTRICT BUILDINGS

Elementary Schools: Cecil S. Collins(1980)	Square Feet Capacity (Students) Enrollment Tillian M Dundee (1974)	Square Feet Capacity (Students) Enrollment (a) Rohert 1 Horhelt (2001)	Square Feet Capacity (Students) Enrollment Losenh T Donahue (2008)	Square Feet Capacity (Students) Enrollment V Edwards (1927).	Square Feet Capacity (Students) Enrollment (a) Middle School: Russell O Brackman (1900)	Earollment High School:	Other Buildings: Transport (Students) Enrollment Other Buidlings: Transportation (2003)	Square Feet Central Administration (2003)	Square Feet Maintenance (2003)	Square Feet	Number of Schools at June 30, 2016: Elementary = 5 Middle School = 1 Senior High School = 1 Other = 3
2016	86,000 1,091 419	70,817 1,027 366	80,586 554 444	72,300 805 262	36,000 126 -	172,970 1,815 746	201,214 2,282 986	2,356	2,585	788	
2015	86,000 1,091 419	70,817 1,027 366	80,586 554 444	72,300 805 262	36,000 126 -	172,970 1,815 746	201,214 2,282 986	2,356	2,585	788	
2014	$\begin{array}{c} 86,000\\ 1,091\\ 388\end{array}$	70,817 1,027 377	80,586 554 440	72,300 805 272	36,000 126 -	172,970 1,815 750	201,214 2,282 988	2,356	2,585	788	
2013	86,000 1,091 388	70,817 1,027 377	80,586 554 440	72,300 805 272	36,000 126 -	172,970 1,815 750	201,214 2,282 988	2,356	2,585	788	
2012	86,000 1,091 341	70,817 1,027 395	80,586 554 424	72,300 805 311	36,000 126 -	172,970 1,815 786	201,214 2,282 1,025	2,356	2,585	788	
2011	86,000 1,091 416	70,817 1,027 342	80,586 554 402	72,300 805 308	36,000 126 -	172,970 1,815 766	201,214 2,282 1,047	2,356	2,585	788	
2010	86,000 1,091 416	70,817 1,027 342	80,586 554 402	72,300 805 308 -	36,000 126 -	172,970 1,815 766	201,214 2,282 1,047	2,356	2,585	788	
2009	86,000 680 691	46,000 391 350	65,000 277 424	72,300 805	36,000 126 -	126,000 825 794	155,000 1,141 1,037	2,356	2,585	788	
2008	86,000 680 658	46,000 391 352	65,000 277 423		36,000 126 -	126,000 825 800	155,000 1,141 1,087	2,356	2,585	788	
2007	86,000 680 663	46,000 391 348	65,000 277 420		36,000 126 -	126,000 825 797	155,000 1,141 842	2,356	2,585	788	

Source: District Facilities Office 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.

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EXHIBIT J-19

BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHEDULE OF REQUIRED MAINTENANCE LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

	PROJECT #'S	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Cecil S. Collins Elementary	N/A	\$ 61,554 \$		62,703 \$	73,945	\$ 949,822	\$ 67,118	\$ 111,316	\$ 78,164	\$ 118,678	\$ 100,497
Joseph T. Donahue Elementary		44,949		64,257	44,762	63,712	56,426	65,734	67,850		·
Lillian M. Dunfee Elementary	N/A	64,518	79,500	73,676	41,157	62,405	55,268	76,945	91,619	130,337	117,557
Robert L. Horbelt Elementary	N/A	55,250	91,987	73,428	58,387	71,013	62,892	94,471	74,720	110,604	95,869
Russell O. Brackman Middle School	N/A	146,326	139,088	118,483	113,603	152,424	134,993	179,086	127,193	102,898	83,686
Barnegat High School	N/A	161, 174	143,070	120,806	144,003	177,313	157,035	200,630	173,853	185,423	160,933
Elizabeth V. Edwards Elementary	N/A	18,153	16,891	1,743	2,845	31,724	28,096	23,252	20,905	40,695	41,994
Maintenance/Bus Depot	N/A	I	13,757	11,212	85,338	6,168	5,464	·	ı	ı	ı
Board Office	N/A	I	3,876	4,293	9,480	2,644	2,341	ı		ı	ı
Total School Facilities	u	\$ 551,924 \$ 659,	659,543 \$,543 \$ 530,601 \$	47	573,520 \$ 1,517,225 \$ 569,633	\$ 569,633	\$ 751,434	\$ 634,304 \$ 688,635	\$ 688,635	\$ 600,536

Collins School 2012 expenditures include mold remediation and refit costs of approximately \$900,000.
* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District budget records for maintenance accounts; Annual M-1 Report

BARNEGAT TOWNSHIP SCHOOL DISTRICT INSURANCE SCHEDULE JUNE 30, 2016

<u>1. School Package Policy:</u> - Property Including: - Inland Marine - Boiler and Machinery - Crime - Blanket Fidelity (All Risk Including Earthquake & Fidelity	INSURANCE <u>CARRIER</u> SAIF pood)	COVERAGE <u>TYPE</u> Replacement Value Included Included Included	<u>COVERAGE</u> \$250,000,000/Occurrence \$250,000,000/Occurrence \$100,000,000/Occurrence \$500,000/Occurrence	DEDUCTIBLE \$2,500/Occurrence \$2,500/Occurrence \$2,500/Occurrence \$1,000/Occurrence
- Automotive Physical Damage	SAIF	Included	\$250,000,000/Occurrence	\$1,000/Occurrence
- General Liability - FDLL - Medical Payments	SAIF	Included	\$15,000,000/Occurrence \$2,500,000/Occurrence \$5,000/Occurrence	None None None
- Automotive Liability	SAIF	Included	\$15,000,000/Occurrence	None
<u>2. School Leaders Prof Liability</u>Defense Cost Outside of Limit	SAIF		\$10,000,000/Claim	\$10,000/Occurrence
3. Workers' Compensation - Employers Liability	SAIF		New Jersey Statutory \$5,000,000/Occurrence	N/A
4. Storage Tank Pollution Liability	SAIF		\$1,000,000/Occurrence	\$2,500/Occurrence
5. Student Accident Insurance 6. Fidelity Bonds	Administrator-Bollinger Zurich Insurance Company		\$1,000,000 (Sublimit \$25,000) (Benefit Period 5 Years)	\$0
 Business Administrator/Board Secretary Treasurer of School Monies 	Selective Ins. Co. of America Selective Ins. Co. of America		\$273,000 \$300,000	

SAIF: School Alliance Insurance Fund Source: District records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members of the Board of Education Barnegat Township School District County of Ocean Barnegat, New Jersey 08005

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 and business-type activities, each major fund and the aggregate remaining fund information of the Barnegat Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Barnegat Township School District's basic financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Toms River, New Jersey October 24, 2016



EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT 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 Barnegat Township School District County of Ocean Barnegat, New Jersey 08005

Report on Compliance for Each Major Federal and State Program

We have audited Barnegat Township 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 District's major federal and state programs for the year ended June 30, 2016. Barnegat Township 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Barnegat Township 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* 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 Barnegat Township 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 Barnegat Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Barnegat Township 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, 2016.

Report on Internal Control Over Compliance

Management of Barnegat Township 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 Barnegat Township 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 Barnegat Township 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 of deficiencies, in internal control over compliance that is less severe than a material weakness 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.

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.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Toms River, New Jersey October 24, 2016

			SCB	ARNEGAT 7 HEDULE OI FOR THE F	FOWNSHIP FEDERAL SCAL YEAL	BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016	DUCATION NSISTANCE E 30, 2016					S E	EXHIBIT K-3 SCHEDULE A
FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	FEDERAL AWARD INDENTIFICATION NUMBER	AWARD C AMOUNT P	B GRANT PERIOD	BALANCE AT C JUNE 30, (v 2015	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	DEFERRED REVENUE AT JUNE 30, 2016	(ACCOUNTS RECEIVABLE) JUNE 30, 2016	DUE TO GRANTOR JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: Child Nutriution Cluster Non-Cash Assistance Food Distribution Program	DN: 10.555	1616NJ304N1099	\$ 93,409 7/1/1	7/1/15-6/30/16 \$	ب م	'	\$ 93,409	S (93,409)	Ś	, vo	م	ی د	1
Cash Assistance National School Lunch Program National School Lunch Program National Performance Based Lunch National Performance Based Lunch National School After School Snack Program National School After School Snack Program Subiotal	10.555 10.555 10.555 10.555 10.555 10.555	15 15 NJ3 04 NI 099 16 16 NJ3 04 NI 099 15 15 NJ3 04 NI 099 16 16 NJ3 04 NI 099 15 15 NJ3 04 NI 099 16 16 NJ3 04 NI 099	403,325 7/// 414,555 7/// 13,974 7/// 13,878 7/// 2,929 7//// 3,078 7////	7/1/14-6/30/15 7/1/15-6/30/16 7/1/14-6/30/15 7/1/15-6/30/16 7/1/15-6/30/15	(78,157) - (2,648) - (481) - - (81,286)		78,157 382,548 2,648 12,817 481 2,890 572,950	(414,555) (414,555) (13,878) (13,078) (3,078) (324,920)				- (32,007) - (1,061) - (188) (188) (33,256)	
National School Breakfast Program National School Breakfast Program Subtotal	10.553 10.553	1515NJ304N1099 1616NJ304N1099	105,368 7/1/1 124,200 7/1/1	7/1/14-6/30/15 7/1/15-6/30/16	(22,840) - (22,840)		22,840 113,124 135,964	- (124,200) (124,200)				- (11,076) (11,076)	
Total Child Nutriution Cluster Total II S Denartment of A oriculture				I	(104,126)		708,914	(649,120)				(44,332)	
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: General Fund: Special Education - Medicaid Aid Subtoral	0N: 93.778	1605NJ5MAP	100,531 7/1/15-6/30/16	5-6/30/16			100,531 100,531	(100,531) (100,531)		т т			
Total General Fund							100,531	(100,531)			,		ı
Special Revenue Fund: Title I Title II A Subtotal	84.010 84.367	S010A150030 S367A150029	449,305 7/1// 81,342 7/1//	7/1/15-6/30/16			365,559 63,620 429,179 429,179	(449,305) (81,342) (530,647) (530,647)				(83,746) (17,722) (101,468) (101,468)	
I.D.E.A. Part B. Basic Regular I.D.E.A. Preschool Subtotal	84.027 84.173	H027A150100 H173A150114	777,718 7/1/1 32,008 7/1/1	7/1/15-6/30/16 7/1/15-6/30/16			525,859 22,517 548,376	(777,718) (32,008) (809,726)				$\begin{array}{c} (251,859) \\ (9,491) \\ (261,350) \end{array}$	
Total Special Revenue Fund				ļ			1,078,086	(1,440,904)				(362, 818)	
Total U.S. Department of Education				Į			1,078,086	(1,440,904)				(362,818)	
Total Federal Financial Assistance				S	(104,126) \$	1	\$ 1,787,000	\$ (2,090,024)	-	\$	' S	\$ (407,150) \$	

			BA SC	BARNEGAT TOWNSHIP BOARD OF EDUCATION SCHEDULE OF STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2016	HIP BOARD OF I TE FINANCIAL A TEAR ENDED JU	DUCATION SSISTANCE NE 30, 2016					SCHEDULE B
STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPIENT EXPENDITURES	DEFERRED REVENUE AT JUNE 30, 2016	(ACCOUNTS RECEIVABLE) JUNE 30, 2016	MEMC BUDGETARY RECEIVABLE	MEMO ONLY CUMULATIVE ARY TOTAL BLE EXPENDITURES
State Department of Education:											
General Fund: Categorical Special Education Aid	16-495-034-5120-089	\$ 1,848,507	7/1/15-6/30/16	- \$		\$ (1,848,507)		•	•	\$ 175,082	\$ 1,848,507
Equalization Àid Cateoorical Security Àid	16-495-034-5120-078 16-495-034-5120-078	17,838,317	7/1/15-6/30/16		17,838,317	(17,838,317)				1,689,665 9,694	17,838,317
Categorical Transportation Aid	16-495-034-5120-014	185,800	7/1/15-6/30/16		185,800	(185,800)				17,598	185,800
Extraordinary Aid Extraordinary Aid	16-495-034-5120-473	390,225	7/1/15-6/30/16	-	- 334 050	(390,225)		1	(390,225)	I	390,225
Adjustment Aid	16-495-034-5120-085	2,113	7/1/15-6/30/16	(000'±00)	2,113	(2,113)				200	2,113
Additional Transportation Aid	15-495-034-5120-014	9,214	7/1/14-6/30/15	(9,214)	9,214			ı	- 00	I	
Additional Transportation Aid PARCC Readiness Aid	16-495-034-5120-014 N/A	31,640	7/1/15-6/30/16	- (31.640)	31 640	(7.86.7)		'	(9,987)		9,987
Per Pupil Growth Aid	N/A	31,640	7/1/14-6/30/15	(31,640)	31,640			,			
PARCC Readiness Aid Per Pupil Growth Aid	N/A N/A	31,640 31,640	7/1/15-6/30/16 7/1/15-6/30/16			(31,640) (31,640)			(31,640) (31,640)	2,943 2,943	31,640 31,640
Reimbursed TPAF Social Security	000 J001 100 001 J1				100.00						
Contributions (Nonbudgeted) Reimbursed TPAF Social Security	15-100-034-5095-002	1,417,954	1,417,954 7/1/14-6/30/15	(69,305)	69,305				ı		
Contributions (Nonbudgeted)	16-100-034-5095-002	1,380,107	,380,107 7/1/15-6/30/16		1,309,046	(1, 380, 107)	-	•	(71,061)		1,380,107
Contributions (Nonbudgeted)	16-100-034-5095-001	1,527,497	1,527,497 7/1/15-6/30/16		1,527,497	(1,527,497)	-				1,527,497
Medical (Nonbudgeted)	16-100-034-5095-001	1,818,826	1,818,826 7/1/15-6/30/16		1,818,826	(1,818,826)	-				1,818,826
Total General Fund			ļ	(475,849)	25,108,299	(25, 167, 003)	-		(534,553)	1,898,125	25,167,003
Debt Service Fund: Debt Service Aid Type II	16-495-034-5120-075	419,739	419,739 7/1/15-6/30/16		419,739	(419,739)	- (419,739
Total Debt Service Fund					419,739	(419,739)	-				419,739
Enterprise Fund: National School Lunch Program (State Share)	15-100-010-3350-023	11,587	11,587 7/1/14-6/30/15	(2,480)	2,480						
National School Lunch Program (State Share)	16-100-010-3350-023	11,177	11,177 7/1/15-6/30/16		10,321	(11,177)	- ((856)		11,177
Total Enterprise Fund				(2,480)	12,801	(11,177)	-		(856)		11,177
Total State Financial Assistance			ņ	\$ (478,329) \$	25,540,839	(25,597,919)	- \$ (- \$	\$ (535,409)	\$ 1,898,125	\$ 25,597,919
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08:	ect to New Jersey OMB Circul	lar 15-08:									
Medical (Nonbudgeted)	16-100-034-5095-001	1,818,826	1,818,826 7/1/15-6/30/16			1,818,826					
On-Benair 1 FAF Fension Contributions (Nonbudgeted)	16-100-034-5095-001	1,527,497	1,527,497 7/1/15-6/30/16		I	1,527,497	. 1				
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08	New Jersey OMB Circular 1:	5-08			n	\$ (22.251.596)	đ				

EXHIBIT K-4

BARNEGAT TOWNSHIP SCHOOL DISTRICT NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Barnegat Township School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Barnegat Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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.

BARNEGAT TOWNSHIP SCHOOL DISTRICT NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2016

Note 3: Relationship to Basic Financial Statements (continued):

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,815 for the general fund and \$0 for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	\$ 100,531	\$25,175,818	\$25,276,349
Special Revenue Fund	1,340,373	-	1,340,373
Debt Service Fund	-	419,739	419,739
Food Service Fund	649,120	11,177	660,297
Total Financial Assistance	\$2,090,024	\$25,606,734	\$27,696,758

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: Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

Note 6: Federal and State Loans Outstanding

The Barnegat Township School District had no loan balances outstanding at June 30, 2016.

BARNEGAT TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS & QUESTIONED COSTS For the Fiscal Year Ended June 30, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported
Federal Awards	
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	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 the Uniform Guidance?	No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.173A	H173A150114	I.D.E.A., Preschool Program

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	Yes

BARNEGAT TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS & QUESTIONED COSTS For the Fiscal Year Ended June 30, 2016

Section I – Summary of Auditor's Results (continued):

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
16-495-034-5120-078	Equalization Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-089	Special Educational Categorical Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-096	Under Adequacy Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness
16-100-034-5095-002	Reimbursed TPAF Social Security Contributions

BARNEGAT TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS & QUESTIONED COSTS For the Fiscal Year Ended June 30, 2016 (continued)

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.

No Current Year Findings

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

BARNEGAT TOWNSHIP SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT For the Fiscal Year Ended June 30, 2016

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, United States OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings