

BARNEGAT TOWNSHIP SCHOOL DISTRICT

Barneget, New Jersey
County of Ocean

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BARNEGAT TOWNSHIP SCHOOL DISTRICT

BARNEGAT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

Business Office – Lourdes LaGuardia, Business Administrator/Board Secretary

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10
FINANCIAL SECTION	
Independent Auditor's Report	13
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	19
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	41
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	42
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	43
Proprietary Funds:	
B-4 Statement of Net Position	47
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	48
B-6 Statement of Cash Flows	49
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	53
B-8 Statement of Changes in Fiduciary Net Position	54
Notes to Financial Statements	57
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	97
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	106
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	109

OUTLINE OF CAFR (continued):

PAGE

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	115
L-2 Schedule of the District Contributions – PERS	116
L-3 State's Proportionate Share of the Net Pension Liability Associated with the District's – TPAF	117
L-4 Schedule of District Contributions – TPAF	118

Notes to the Required Supplementary Information - Part III	121
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Other Supplementary Information

D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	129
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	137
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	138
G-3 Combining Statement of Cash Flows	139
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

PAGE

H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	145
H-2 Combining Statement of Changes in Fiduciary Net Position	146
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	147
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	151
I-2 Schedule of Obligations Under Capital Leases	152
I-3 Debt Service Fund Budgetary Comparison Schedule	153

TABLE OF CONTENTS (continued):

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Position by Component	157
J-2 Changes in Net Position	158
J-3 Fund Balances - Governmental Funds	161
J-4 Changes in Fund Balance - Governmental Funds	162
J-5 Other Local Revenue by Source - General Fund	164

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	165
J-7 Direct & Overlapping Property Tax Rates	166
J-8 Principal Property Taxpayers	167
J-9 Property Tax Levies & Collections	168

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	169
J-11 Ratios of General Bonded Debt Outstanding	170
J-12 Direct & Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	171

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	172
J-15 Principal Employers	N/A

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	173
J-17 Operating Statistics	174
J-18 School Building Information	175
J-19 Schedule of Required Maintenance	176
J-20 Insurance Schedule	177

SINGLE AUDIT SECTION

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	181
K-2 Independent Auditor's Report on Compliance for Each Major Program And on Report Internal Control Over Compliance Required by Uniform Guidance and New Jersey OMB Circular 15-08	183
K-3 Schedule of Expenditures of Federal Awards, Schedule A	187
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	188
K-5 Notes to Schedules of Awards and Financial Assistance	189
K-6 Schedule of Findings & Questioned Costs - Part I	191
K-7 Schedule of Findings & Questioned Costs - Part II	193
K-8 Summary Schedule of Prior Audit Findings	194

INTRODUCTORY SECTION

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BARNEGAT TOWNSHIP SCHOOL DISTRICT

550 BARNEGAT BOULEVARD NORTH
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(609) 698-5800 FAX (609) 660-5974

Karen M. Wood
Superintendent

Lourdes LaGuardia
Business Administrator/Board Secretary

November 17, 2017

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

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

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Gary Brown Christine Harashinski Scott Sarno, *President* Robert Geddes, *Vice President*
Linda Kropf Maria Pereira David Sherman Peter Toth Andrew Watts



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Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

The Barnegat Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units. The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as special education for children with special needs. The School District's enrollment for the past ten years are detailed below.

	Enrollment	% change
2016-2017	3132	-1.23%
2015-2016	3171	-1.61%
2014-2015	3223	-0.03%
2013-2014	3225	-0.46%
2012-2013	3240	0.15%
2011-2012	3235	-1.79%
2010-2011	3294	-1.96%
2009-2010	3360	1.73%
2008-2009	3303	-0.33%
2007-2008	3314	0.54%

ECONOMIC CONDITION AND OUTLOOK

The financial condition of the district has been stable over the last 6 years as an operating Pre K -12 school district. The district has maintained an average 1.74% of annual tax based revenue increases over the last six years, which equates to less than the average 2% cap per year. This is attributed in part to the status of taxable ratables in the Township of Barnegat. The Board of Education is cognizant that the taxable ratables are primarily residential and have concerns on the impact of the tax burden to the community. Barnegat Township has a diverse population with a varied socio-economic status. The district's enrollment has shown little movement over the years realizing an approximate 1% decrease each year. Currently the township continues to build residential housing in various sectors including age restricted, single family, and low-income housing. Most recently, the district has seen a trend of higher enrollment in the primary grades, which has the potential for a pendulum shift in future years. For the 2016-2017 school year, the general fund was funded 55% by tax revenues and 39% state aid. Other revenue sources and surplus assist in stabilizing the district budgetary needs and increasing contract costs. State aid has shown a .36% average increase in the last six years.

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Notably, the district has never fully recovered from 2010-2011 when the State of NJ reduced state aid by over \$2.3 million, and still continues to deduct \$804,000 annually towards School Development Authority debt service assessment. This reduction in revenues continues to affect the district in sustaining programs from year to year. The district continues to experience an influx of students with special needs. If the state funding formula does not increase to absorb the financial needs of out of district placements and/or in house support programs, it could ultimately have an impact on property taxes. The district continues to operate revenue-generating programs such as the community based before and aftercare, as well as childcare center. The administration continues to search out and implement district wide character education, and career readiness program partnerships at no cost to the district. These programs range from medical science programs to anti bullying and drug free initiatives. The sunset of the Chapter 78 healthcare benefit, employee contributions; coupled with Affordable Care Act will impact future health benefit increases; and decreases employee share of district health benefit costs.

All in all, how the state funds school districts in ensuing years will have a major impact on the local tax rate in Barneгат due to the significant percentage of state funding the district receives relative to property tax funding.

MAJOR INITIATIVES

The Barneгат Township School District implemented the following to enhance instructional programs and support students diverse learning needs:

Education and Instruction:

1. Two elementary schools became "sister schools", creating a Writing Cafe. Students worked collaboratively on improving writing skills at multiple grade levels, targeting literacy instruction and supporting the New Jersey Learning Standards.
2. All four elementary schools had reading initiatives where students participated in logging the most amount of minutes read per grade. School administrators used incentives and awards to motivate classes with the highest numbers of minutes read. Comprehension skills and fluency were targeted during this initiative.
3. The district continued to use the Danielson framework for teacher evaluation. Through use of the District Advisory Committee, teacher selected indicators to be evaluated on within each domain. Teachers and administrators received professional development training to support instructional practices. Administrators also completed the required inter-rater reliability training for teacher evaluation. In 2016-2017, the Barneгат School District rated 281 of 303 teachers highly effective.
4. Professional development was offered to teachers in the areas of Response to Intervention, Differentiated Instruction, Teaching the Whole Child, SEL (Social Emotional Learning), using Google classroom, Utilizing Technology to Improve Instruction, Supporting the Academic Athlete, Classroom Management, Mindfulness in the Classroom, the NGSS (Next Generation Science Standards), Close Reading, Using Primary Source documents, Preparing for PARCC, MTSS (multi-tiered system of support), Differentiated Assessment, Assessment Design and Implementation, Newsela in the Classroom, Intervention Strategies, and many more. The district provided a Summer Academy for Learning for the

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fifth year in a row where teachers teach teachers strategies and instructional practices used in our district. We had over 400 registrants. Some teachers registered for as many as twelve workshops.

5. All schools participated in Read Across America Day. Not only were school administrators, retired teachers, Township Committee, Board of Education members, local police and fire personnel involved but for the first time this year high school students were encouraged to read in elementary schools that they once attended. We had our highest number of community "readers" than ever before.

6. Anti-bullying programs were provided at all schools, grades Pre-K-12 to educate students and families.

7. Three parent information workshops were held throughout the school year. They were on the 15 Minute Child Break (talking to kids about drugs and alcohol), Internet Safety (sponsored by the NJ State Police) and Autism Awareness (POAC), all at no cost to the district.

8. The district purchased a new mathematics series for elementary schools and provided training for teachers, supervisors, and administrators.

9. The district continued to revise curricula, aligning all curricula to state standards and meeting curriculum revision deadlines in preparation for QSAC.

10. One of our elementary schools continues to embrace and utilize the PBSIS (Positive Behavior Support in Schools) model for student improvement. This model has proven to support the needs of struggling students and helps maintain a positive building culture and climate.

11. 2016-12017 marked our second full year partnership with Barnabas Health, Community Medical Center. Through this partnership, the Barnegat School District has a cohort of high school students who attend hands-on, medical work sessions at the hospital from hospital professionals at no cost to the district. Topics include central sterilization, peri-operative services, etc. The partnership also provides a full time intervention specialist (employed by Barnabas Health) to the Barnegat Schools for five years. The total cost of the partnership is approximately \$500,000 over five years at no cost to the district. The prevention specialist serves our school district with the most critical student needs.

12. The district also participates in the TALK program, sponsored by Barnabas Health. This program enhances our Health curriculum and teaches good decision making to elementary students in the areas of anti-bullying and saying no to drugs or alcohol.

13. Our students received over \$1,000,000 in student scholarships

14. Student actively participate in 9-11 (Patriot's Day) ceremonies, Veteran's Day activities, the Patriot's Pen Essay Contest, Voice of Democracy Essay Contest (both through the local American Legion) as well as the Mahatma Ghandi writing competition.

15. The middle school offered a full STEM program available for all students highlighting Science, Technology, Engineering, and Math.

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16. Our elementary schools implemented the design thinking model through a maker education program, embracing the design thinking concept where empathy, problem-solving, collaboration, communication, and the iteration of designs are embraced to solve a problem.

17. Our sports programs, music programs, and co-curricular activities have remained intact with no decrease to coaches, advisors, or funding even though state aid and the tax base remain challenges in Barneгат.

18. Surveys to teachers and students were initiated in preparation for a culture/climate shift at the middle school. This was based on data that we had an increase of 29% of student disciplinary infractions of our socio-economically disadvantaged subgroup at the middle school from 2015-2016 to 2016-2017. This was a larger increase in disciplinary infractions than any other subgroup.

19. Our school musical programs such as the High School Jazz Band and elementary music programs perform frequently in our multiple senior communities in town.

20. The district continues to embrace technology to engage and instruct teachers by providing several Chromebook carts per school so that students and staff have immediate access to technology in the classroom. The district uses Google classroom as well as many other technology platforms for instruction, class management, training, and parent/community communication.

21. The Barneгат Schools has embraced social media to keep families informed of achievements and events.

22. The Barneгат School district is comprised of approximately three hundred certificated staff and approximately 150 non-certificated and substitute employees. One of our primary goals is to attract and retain staff. The turnover of staff over the last several years is voluminous. Exit interviews with previous employees indicates "salary" the primary reason for leaving the district. Despite turnover, teachers work hard and are dedicated to the needs of our diverse student population.

Facilities: Buildings and Grounds:

1. Revisions and implementation of HVAC equipment maintenance plans was a focal objective as the school district hired its first licensed trade maintenance person. This move helps in reducing the outsourcing costs of HVAC services.
2. Streamline work order system. All maintenance techs now have iPads with district email and receive work orders in real time. Reducing the wait time for district wide response and prioritization..
3. The district continues to make internal improvements to further enhance the cleanliness and safety of its buildings, by ensuring staff accountability, training and equipment repair/replacement.

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Technology:

1. Devices:
 - a. Replacements for windows computers in the district
 - i. All staff
 - ii. Every windows student lab
 1. 3 at BHS (B108, B103, Library)
 2. 2 at ROBMS (328, 329)
 - b. Additions
 - i. 2 carts of 30 14" units at BHS and ROBMS
 - ii. 1 cart of 30 14" units at each elementary
 - iii. 50 New i-pads for CST and Curriculum
2. High school auditorium projector and screen was finished
3. Deployed new website

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

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

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Superintendent

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ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,

Karen Wood

Karen Wood
Superintendent

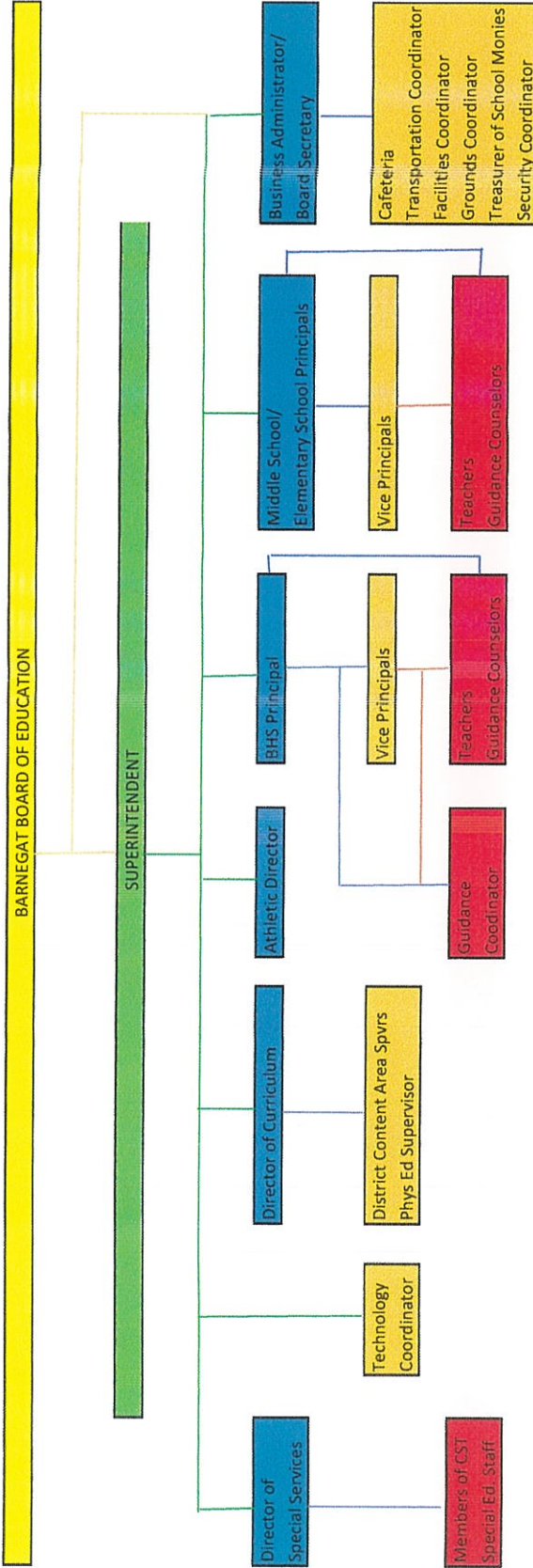
Lourdes LaGuardia

Lourdes LaGuardia
School Business Administrator/Board Secretary

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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, 2017

MEMBERS OF THE SCHOOL DISTRICT	TERM EXPIRES
Scott Sarno, President	2019
Robert Geddes, Vice President	2017
Gary Brown	2017
Christine Harashinski	2019
Linda Kropf	2018
Maria Pereira	2017
David Sherman	2018
Peter Toth	2019
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
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CONSULTANTS AND ADVISORS

ATTORNEY

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620 West Lacey Road
P.O. Box 1057
Forked River, New Jersey 08731

AUDIT FIRM

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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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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

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194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No.1148

Toms River, New Jersey
November 17, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

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, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to 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 State Department of Education. Comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is required and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2017 are as follows:

- General revenues of the governmental activities accounted for \$52,121,901 or 76.06% percent of revenues. Program specific revenues in the form of federal and state operating grants and contributions, accounted for \$7,221,840 or 12.17% of total operating revenues of \$59,343,741. *Ex A-2*
- Local tax levy of \$30,893,294 accounts for 45.08% of operating budget with a 0% increase of local contributions. *Ex A-2*
- The school district had \$71,435,682 in expenses; \$69,793,071 of these expenses were general governmental and \$1,642,611 of these expenses were business/enterprise activities which include food service, aftercare, and early learning center; \$7,910,119 of these expenses were offset by program specific charges for state/federal grants and \$1,115,684 were offset by charges for services. General revenues (primarily taxes and state aid) of \$ 52,121,901 were adequate to provide for these programs. *Ex A-2*
- Among governmental general funds per Exhibit B-2, the General Fund had \$55,516,030 in revenues and other financing sources and \$52,966,816 in expenditures. The General Fund's fund balance increased \$2,549,214 from 2016. Energy Savings Improvement (ESIP) bond proceeds, and reductions in utility costs and other operating expenses will continue to be reflected in future years.
- Savings are attributed through retirements, health benefit and employee share, contract renegotiations, debt service refinancing, expense stabilization through gradual growth and replacement plans. Increased fund balance is an annual and not recurring savings event. We continue to see a decrease in annual increases.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

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 93.07% 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 2017? 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 and deferred outflows and inflows of resources 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 fund is the major enterprise fund reported as a business activity. The district has engaged in providing cost effective before/aftercare service to the parents of the district. This program replaced the YMCA program, which posed a financial hardship on some of our parents. The generic before aftercare program is self-sustaining and has expanded to each of the 4 elementary schools. Additionally the district offers an on premise Daycare facility to

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

accommodate primarily district employees and inquiring residents. While there is a small residual of funds left and reported for the Community Education program, this program has been inactive since 2010 and recently been approved to provide district wide signage as funds permit. 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 General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

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 governmental funds; therefore, these statements are essentially the same. The National School Lunch Program is the major source of revenue within the fund. 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 government-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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

The School District as a Whole (Continued)

Table 1 provides a summary of the School District's Net Position for 2017 and 2016. [Source: Exhibit A-1]

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	Current and other assets	\$ 14,489,816	\$ 817,121	\$ 15,306,937	\$ 12,574,882	\$ 574,260
Capital assets, net	117,559,239	204,992	117,764,231	122,114,308	212,694	122,327,002
Total assets	132,049,055	1,022,113	133,071,168	134,689,190	786,954	135,476,144
Deferred outflow of resources	7,192,465	-	7,192,465	3,183,680	-	3,183,680
Long-term liabilities	58,014,679	-	58,014,679	55,018,524	-	55,018,524
Other liabilities	1,775,531	76,098	1,851,629	1,674,124	2,606	1,676,730
Total liabilities	59,790,210	76,098	59,866,308	56,692,648	2,606	56,695,254
Deferred inflow of resources	764,163	-	764,163	1,226,481	-	1,226,481
Net Investment in Capital Assets	83,380,138	204,992	83,585,130	86,983,014	212,694	87,195,708
Restricted	13,636,799	-	13,636,799	11,547,489	-	11,547,489
Unrestricted	(18,329,790)	740,933	(17,588,857)	(18,576,762)	571,654	(18,005,108)
	\$ 78,687,147	\$ 945,925	\$ 79,633,072	\$ 79,953,741	\$ 784,348	\$ 80,738,089

Table 2 shows changes in net position for year 2017 and 2016. [Source: Exhibit A-2]

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue						
Program Revenue:						
Charges for Services	\$ -	\$ -	\$ 1,115,684	\$ 1,017,210	\$ 1,115,684	\$ 1,017,210
Operating Grants	7,221,840	12,540,159	688,279	660,297	7,910,119	13,200,456
General Revenues:						
Property Taxes	30,893,294	30,893,819	-	-	30,893,294	30,893,819
Federal & State Aid Not Restricted to Specific Purposes	20,704,002	20,271,845	-	-	20,704,002	20,271,845
Tuition	156,135	124,890	-	-	156,135	124,890
Cancellation of Prior Year payable	246,576	361,472	-	-	246,576	361,472
Miscellaneous	121,894	165,797	-	33,336	121,894	199,133
Investment Earnings	-	-	574	837	574	837
Total Revenues	59,343,741	64,357,982	1,804,537	1,711,680	61,148,278	66,069,662
Expenses						
Instructional Services	20,877,717	21,144,807	-	-	20,877,717	21,144,807
Support Services	32,430,729	36,165,204	1,642,960	1,441,769	34,073,689	37,606,973
Unallocated Depreciation & Adj to FA	5,323,247	5,560,317	-	-	5,323,247	5,560,317
Interest on Long-Term Liabilities	1,978,642	1,993,570	-	-	1,978,642	1,993,570
Total Expenses	60,610,335	64,863,898	1,642,960	1,441,769	62,253,295	66,305,667
Change in Net Position	\$ (1,266,594)	\$ (505,916)	\$ 161,577	\$ 269,911	\$ (1,105,017)	\$ (236,005)

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

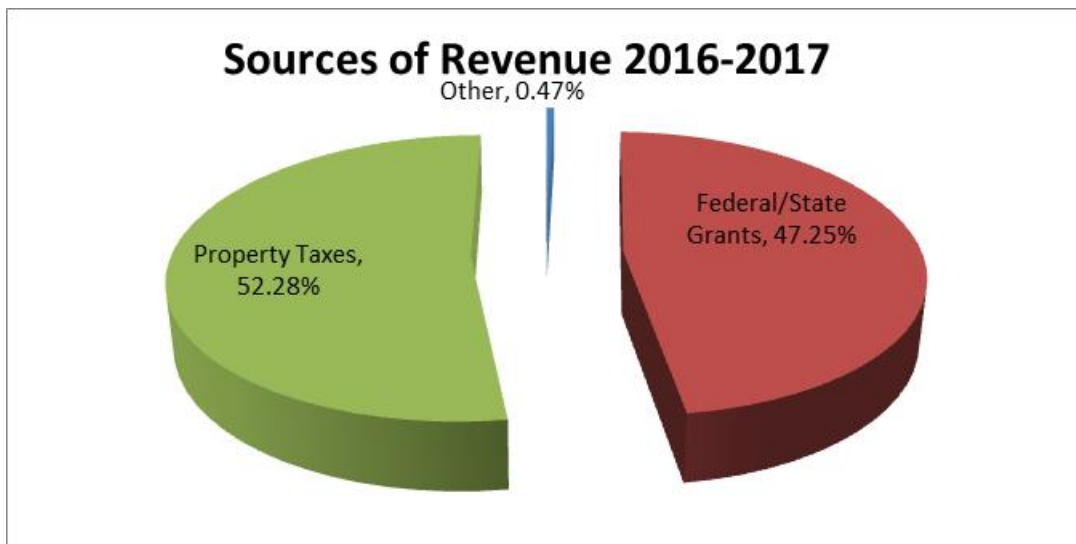
Business-Type Activities [Source: A-2;B-5]

Revenues for the District’s business-type activities were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$32,956
- Charges for food service represent \$502,822 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 \$688,279, an increase of 4.24% from the prior year.
- In 2013-2014 the district terminated the outsourcing of aftercare services and initiated a program whereby in 2016-2017, program revenues exceeded the total expenditures by \$66,557.
- In 2014-2015 the district engaged in the startup of infant – pre kindergarten Bengal Cubs program. For the 2016-2017 program revenue was a net gain of \$62,413 for a total positive net position of \$88,914.

Governmental Funds [Source: B-2]

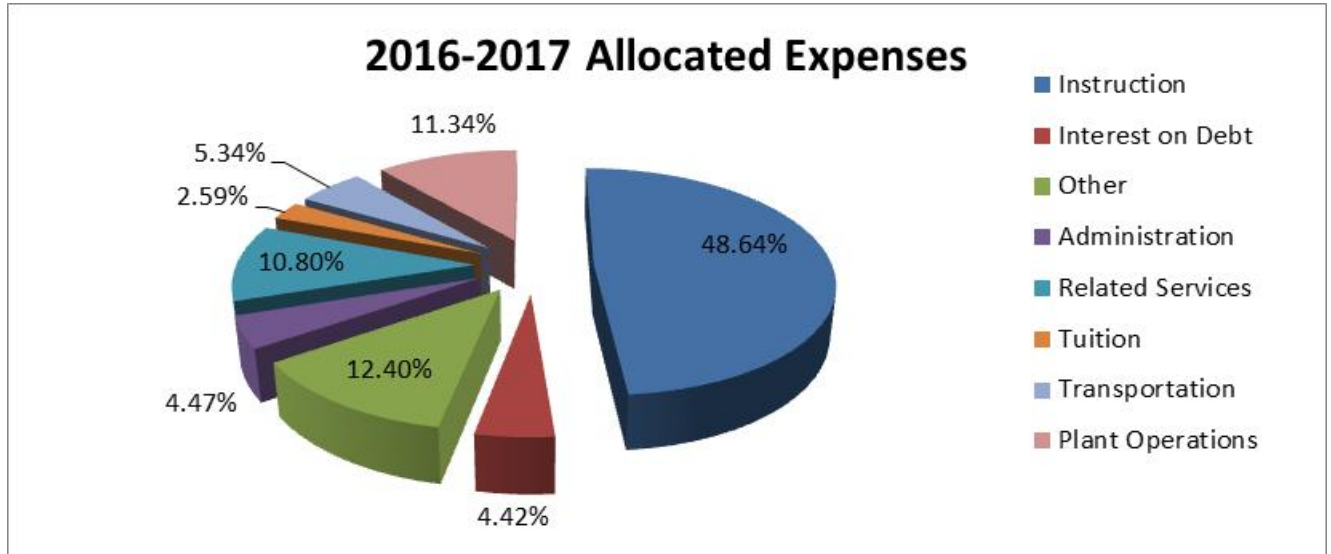
The unique nature of property taxes in New Jersey creates legal requirements to annually seek voter approval for the School District operations prior to 2012. Per legislation enacted in 2012, the Board Of Education approved the move of the school election to November. This eliminated the requirement for voter approval on the budget if the proposed tax levy increase did not exceed 2% and accumulated banked caps. Property taxes made up 52.28% of revenues for governmental activities for the Barnegat Township School District for year 2016-2017. The District’s total operating revenues were \$59,097,165 for the year ended June 30, 2017. Federal, state and local grants accounted for another 47.25% of revenue.



**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

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

The total cost of all programs and services was \$56,912,977.



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.

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 \$59,343,765 and expenditures were \$56,913,001, including other financing sources. The net change in fund balance for the year was an increase of \$2,430,764.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

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, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	Sources of Revenue & Other Funding				
	<u>2016-2017 Amount</u>	<u>Percent of Total</u>	<u>2015-2016 Amount</u>	<u>Increase (Decrease) From PY</u>	<u>Percent of Increase or Decrease</u>
Property Taxes	\$30,893,294	52.28%	\$ 30,893,819	\$ (525)	0.00%
Other Local Sources	278,029	0.47%	290,687	(12,658)	-4.35%
State Sources	26,500,387	44.84%	25,595,530	904,857	3.54%
Federal Sources	1,425,455	2.41%	1,440,904	(15,449)	-1.07%
Total	<u>\$59,097,165</u>	<u>100.00%</u>	<u>\$ 58,220,940</u>	<u>\$ 876,225</u>	

Total revenues increased by \$876, 225. Increase in State Aid revenue is attributable to increase in Special Education and reimbursed extraordinary aid. The Federal revenue source has maintained leveled funding to the district.

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, 2017, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	Summary of Expenditures				
	<u>2016-2017 Amount</u>	<u>Percent of Total</u>	<u>2015-2016 Amount</u>	<u>Increase (Decrease) from PY</u>	<u>Percent of Increase or Decrease</u>
Current Expense:					
Instruction	\$19,734,309	34.67%	\$19,917,891	\$ (183,582)	-0.92%
Undistributed Expenditures	31,660,293	55.63%	30,033,474	1,626,819	5.42%
Capital Outlay	1,572,214	2.76%	1,623,211	(50,997)	-3.14%
Special Revenue	1,262,529	2.22%	1,359,380	(96,851)	-7.12%
Debt Service	2,683,632	4.72%	2,906,614	(222,982)	-7.67%
Total	<u>\$56,912,977</u>	<u>100.00%</u>	<u>\$55,840,570</u>	<u>\$ 1,072,407</u>	

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

The School District's Funds (Continued)

Changes in expenditures for capital outlay were due in part to a technology shift from infrastructure improvements to device upgrades. Undistributed expenditures include the realignment of guidance and child study team practices thus investments for these expenses were slightly increased. We are in the second 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.

Capital Assets

At the end of the year 2017, the School District had \$117,559,239 invested in land, building, furniture and equipment, and vehicles. Table 4 shows year 2017 balances compared to 2016.

Capital Assets at June 30, 2017 (Net of Depreciation)

	2017	2016
Land	\$ 11,696,706	\$ 11,696,706
Land Improvements	8,381,910	8,209,273
Building & Building Improvements	143,351,251	143,341,221
Machinery and Equipment	<u>12,657,390</u>	<u>12,211,379</u>
Total Asset Book Value	176,087,257	175,458,579
Less Accumulated Depreciation	<u>(58,528,018)</u>	<u>(53,344,271)</u>
Capital Assets, net	<u><u>\$ 117,559,239</u></u>	<u><u>\$ 122,114,308</u></u>

Overall capital assets decreased \$4,555,069 from year 2016 to year 2017. 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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

Debt Administration

At June 30, 2017, the School District had \$58,014,679 of long-term obligations. Of this amount, \$1,763,866 is for compensated absences; \$868,499 is for Bond Premium; \$31,165,000 is for Bond Principal; \$20,882,314 for Net Pension Liability; and \$3,335,000 for capital leases.

Summary of Bonded Debt Outstanding at June 30, 2017 and 2016

	2017	2016
2007 Issue Bonds	\$ -	\$ 210,000
2012 Issue Refunding Bonds	4,965,000	5,485,000
2014 Issue Refunding Bonds 1/2004	5,505,000	6,210,000
2015 Issue Refunding Bonds 1/2007	20,695,000	20,740,000
Total	\$ 31,165,000	\$ 32,645,000

At June 30, 2017, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements, Schedule I-1 and J-13.

“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>.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BARNEGAT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2017

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 7,491,100	\$ 717,732	\$ 8,208,832
Receivables, Net (Note 4)	701,479	86,625	788,104
Inventory	-	12,674	12,674
Restricted Cash & Cash Equivalents	6,297,237	-	6,297,237
Capital Assets, Net (Note 5)			
Non-depreciable	11,696,706	-	11,696,706
Depreciable	105,862,533	204,992	106,067,525
Total Assets	132,049,055	1,022,023	133,071,078
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	6,155,256	-	6,155,256
Deferred Loss on Refunding of Debt	1,037,209	-	1,037,209
Total Deferred Outflow of Resources	7,192,465	-	7,192,465
Total Assets and Deferred Outflow of Resources	139,241,520	1,022,023	140,263,543
LIABILITIES			
Accounts Payable	688,576	2,676	691,252
Due to Other Governments	636,363	-	636,363
Unearned Revenue	302,497	3,220	305,717
Internal Balances	(70,202)	70,202	-
Accrued Interest Payable	218,297	-	218,297
Long-Term Obligations (Note 7):			
Due Within One Year	1,870,583	-	1,870,583
Due Beyond One Year	56,144,096	-	56,144,096
Total Liabilities	59,790,210	76,098	59,866,308
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	764,163	-	764,163
Total Deferred Inflow of Resources	764,163	-	764,163
Total Liabilities and Deferred Inflow of Resources	60,554,373	76,098	60,630,471
NET POSITION			
Net Investment in Capital Assets	83,380,138	204,992	83,585,130
Restricted For:			
Capital Projects	2,896,776	-	2,896,776
Debt Service	79,901	-	79,901
Emergency Reserve	525,000	-	525,000
Maintenance Reserve	2,421,820	-	2,421,820
Excess Surplus	7,713,302	-	7,713,302
Unrestricted	(18,329,790)	740,933	(17,588,857)
Total Net Position	\$ 78,687,147	\$ 945,925	\$ 79,633,072

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES		
Governmental Activities:								
Instruction:								
Regular	\$ 14,618,584	\$ -	1,262,529	\$ -	(13,356,055)	\$ -	\$ -	(13,356,055)
Special Education	4,585,566	-	-	-	(4,585,566)	-	-	(4,585,566)
Other Special Instruction	1,673,567	-	-	-	(1,673,567)	-	-	(1,673,567)
Support Services & Undistributed Costs:								
Tuition	1,571,942	-	-	-	(1,571,942)	-	-	(1,571,942)
Student & Instruction Related Services	4,636,365	-	-	-	(4,636,365)	-	-	(4,636,365)
General Administrative Services	455,153	-	-	-	(455,153)	-	-	(455,153)
School Administrative Services	1,462,856	-	-	-	(1,462,856)	-	-	(1,462,856)
Central Services	458,986	-	-	-	(458,986)	-	-	(458,986)
Administrative Information Technology	332,384	-	-	-	(332,384)	-	-	(332,384)
Plant Operations & Maintenance	3,728,393	-	-	-	(3,728,393)	-	-	(3,728,393)
Pupil Transportation	2,290,453	-	224,934	-	(2,065,519)	-	-	(2,065,519)
Unallocated Employee Benefits	17,494,197	-	5,283,744	-	(12,210,453)	-	-	(12,210,453)
Long-Term Debt and Other Charges	1,978,642	-	450,633	-	(1,528,009)	-	-	(1,528,009)
Unallocated Adjustment to Fixed Assets	2,400	-	-	-	(2,400)	-	-	(2,400)
Unallocated Depreciation	5,320,847	-	-	-	(5,320,847)	-	-	(5,320,847)
Total Governmental Activities	60,610,335	-	7,221,840	-	(53,388,495)	-	-	(53,388,495)

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES		
Business-Type Activities:								
Food Service	1,201,254	545,357	688,279	-	-	32,382	32,382	
Aftercare Program	154,770	218,154	-	-	-	63,384	63,384	
Bengal Cubs Early Learning Center	286,936	352,173	-	-	-	65,237	65,237	
Total Business-Type Activities	1,642,960	1,115,684	688,279	-	-	161,003	161,003	
Total Primary Government	\$ 62,253,295	\$ 1,115,684	\$ 7,910,119	-	(53,388,495)	161,003	(53,227,492)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					28,778,745	-	28,778,745	
Property Taxes Levied for Debt Service					2,114,549	-	2,114,549	
Federal & State Aid Not Restricted					20,704,002	-	20,704,002	
Tuition					156,135	-	156,135	
Miscellaneous Income					121,894	-	121,894	
Interest Earnings					-	1,119	1,119	
Special Items:								
Cancellation of Prior Year Payables					246,576	-	246,576	
Transfer In/(Out)					-	(545)	(545)	
Total General Revenues, Special Items & Transfers					52,121,901	574	52,122,475	
Change In Net Position					(1,266,594)	161,577	(1,105,017)	
Net Position - Beginning					79,953,741	784,348	80,738,089	
Net Position - Ending					\$ 78,687,147	\$ 945,925	\$ 79,633,072	

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

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B. Fund Financial Statements

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Governmental Funds

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Cash & Cash Equivalents	\$ 7,401,634	\$ 9,565	\$ 453,641	\$ 79,901	\$ 7,944,741
Receivables, Net					
Due From Other Funds	540,193	-	-	-	540,193
Due From Other Governments:					
Federal	-	180	-	-	180
State	626,365	-	-	-	626,365
Other	73,453	-	-	-	73,453
Restricted Cash & Cash Equivalents	5,843,596	-	-	-	5,843,596
Total Assets	\$ 14,485,241	\$ 9,745	\$ 453,641	\$ 79,901	\$ 15,028,528
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 686,845	\$ 1,731	\$ -	\$ -	\$ 688,576
Due to Other Funds	8,265	6,604	453,641	-	468,510
Unearned Revenue	453,276	1,410	-	-	454,686
Total Liabilities	1,148,386	9,745	453,641	-	1,611,772
Fund Balances:					
Restricted for:					
Capital Reserve	2,896,776	-	-	-	2,896,776
Maintenance Reserve	2,421,820	-	-	-	2,421,820
Emergency Reserve	525,000	-	-	-	525,000
Excess Surplus	4,113,874	-	-	-	4,113,874
Excess Surplus Designated for					
Subsequent Year's Expenditures	3,599,428	-	-	-	3,599,428
Debt Service	-	-	-	79,901	79,901
Committed for:					
Other Purposes	383,398	-	-	-	383,398
Unassigned	(603,441)	-	-	-	(603,441)
Total Fund Balances	13,336,855	-	-	79,901	13,416,756
Total Liabilities & Fund Balances	\$ 14,485,241	\$ 9,745	\$ 453,641	\$ 79,901	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$176,087,257 and the accumulated depreciation is \$58,528,018	117,559,239
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	5,391,093
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(218,297)
Unexpended capital lease proceeds	152,188
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(636,363)
Deferred loss on refunding of debt is not recorded in the fund financials but is recorded on the government wide financials.	1,037,210
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds. (Illustrative Note 7)	(58,014,679)
Net position of Governmental Activities	\$ 78,687,147

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Tax Levy	\$ 28,778,745	\$ -	\$ -	\$ 2,114,549	\$ 30,893,294
Tuition	156,135	-	-	-	156,135
Miscellaneous	119,118	2,752	24	-	121,894
Total Local Sources	29,053,998	2,752	24	2,114,549	31,171,323
State Sources	26,049,754	-	-	450,633	26,500,387
Federal Sources	165,678	1,259,777	-	-	1,425,455
Total Revenues	55,269,430	1,262,529	24	2,565,182	59,097,165
Expenditures:					
Current:					
Regular Instruction	13,475,176	1,143,408	-	-	14,618,584
Special Education Instruction	4,585,566	-	-	-	4,585,566
Other Special Instruction	1,673,567	-	-	-	1,673,567
Support Services & Undistributed Costs:					
Tuition	1,452,821	119,121	-	-	1,571,942
Student & Instruction Related Services	4,636,365	-	-	-	4,636,365
General Administrative Services	455,153	-	-	-	455,153
School Administrative Services	1,462,856	-	-	-	1,462,856
Central Services	458,986	-	-	-	458,986
Administrative Information Technology	332,384	-	-	-	332,384
Plant Operations & Maintenance	4,075,065	-	-	-	4,075,065
Pupil Transportation	2,290,453	-	-	-	2,290,453
Employee Benefits	16,496,210	-	-	-	16,496,210
Debt Service:					
Principal	-	-	-	1,480,000	1,480,000
Interest & Other Charges	804,036	-	-	1,203,632	2,007,668
Capital Outlay	768,178	-	-	-	768,178
Total Expenditures	52,966,816	1,262,529	-	2,683,632	56,912,977
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	2,302,614	-	24	(118,450)	2,184,188
Other Financing Sources/(Uses):					
Transfers In	24	-	-	-	24
Cancellation of Prior Year Payables	246,576	-	-	-	246,576
Transfers Out	-	-	(24)	-	(24)
Total Other Financing Sources & (Uses)	246,600	-	(24)	-	246,576
Net Change in Fund Balances	2,549,214	-	-	(118,450)	2,430,764
Fund Balance - July 1	10,787,641	-	-	198,351	10,985,992
Fund Balance - June 30	\$ 13,336,855	\$ -	\$ -	\$ 79,901	\$ 13,416,756

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

BARNEGAT TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 2,430,764

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:

Depreciation Expense	(5,320,847)	
Deletions & Adjustment to Capital Assets	(2,400)	
Capital Outlay	768,178	(4,555,069)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

PERS Contribution - 2016	626,379	
Pension Expense	(1,787,562)	(1,161,183)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bonds	1,480,000	
Capital Leases	346,672	1,826,672

Deferred loss on refunding of debt 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	(70,683)	
Amortization of Bond Premiums	80,583	9,900

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	1,927,062	
Current Year	(1,763,866)	163,196

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).

Prior Year	237,423	
Current Year	(218,297)	19,126

Change in Net Position of Governmental Activities \$ (1,266,594)

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Proprietary Funds

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Current Assets:					
Cash	\$ 425,063	\$ 39,583	\$ 162,988	\$ 90,098	\$ 717,732
Accounts Receivable:					
State	544	-	-	-	544
Federal	29,571	-	-	-	29,571
Other	16,516	-	37,958	2,036	56,510
Inventories	12,674	-	-	-	12,674
Interfund Receivable	-	-	8,265	-	8,265
Total Current Assets	484,368	39,583	209,211	92,134	825,296
Noncurrent Assets:					
Equipment	877,407	-	-	-	877,407
Less: Accumulated Depreciation	(672,415)	-	-	-	(672,415)
Total Noncurrent Assets	204,992	-	-	-	204,992
Total Assets	689,360	39,583	209,211	92,134	1,030,288
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,676	-	-	-	2,676
Unearned Revenue	-	-	-	3,220	3,220
Interfund Payable	78,467	-	-	-	78,467
Total Current Liabilities	81,143	-	-	3,220	84,363
NET POSITION					
Net Investment in Capital Assets	204,992	-	-	-	204,992
Unrestricted	403,225	39,583	209,211	88,914	740,933
Total Net Position	\$ 608,217	\$ 39,583	\$ 209,211	\$ 88,914	\$ 945,925

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 321,040	\$ -	\$ -	\$ -	\$ 321,040
Daily Sales - Non-Reimbursable Programs	181,782	-	-	-	181,782
Program Revenues	-	-	218,154	352,173	570,327
Miscellaneous Revenue	42,535	-	-	-	42,535
Total Operating Revenues	545,357	-	218,154	352,173	1,115,684
Operating Expenses:					
Cost of Sales-reimbursable programs	350,837	-	-	-	350,837
Cost of Sales-non-reimbursable programs	191,962	-	-	-	191,962
Salaries & Benefits	479,774	-	144,567	262,075	886,416
Management & Administrative Fees	75,060	-	-	-	75,060
Other Purchased Services	13,931	-	10,203	24,861	48,995
Cleaning, Repair & Maintenance Services	53,380	-	-	-	53,380
Depreciation	36,310	-	-	-	36,310
Total Operating Expenses	1,201,254	-	154,770	286,936	1,642,960
Operating Income/(Loss)	(655,897)	-	63,384	65,237	(527,276)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	11,128	-	-	-	11,128
Federal Sources:					
National School Lunch Program	429,459	-	-	-	429,459
National School Performance Based Program	13,777	-	-	-	13,777
National School Breakfast Program	127,356	-	-	-	127,356
National School After School Snack Program	3,100	-	-	-	3,100
Food Distribution Program	103,459	-	-	-	103,459
Interest & Investment Revenue	574	51	253	241	1,119
Transfer In/(Out)	-	(51)	(253)	(241)	(545)
Total Nonoperating Revenues/(Expenses)	688,853	-	-	-	688,853
Change in Net Position	32,956	-	63,384	65,237	161,577
Total Net Position - Beginning	575,261	39,583	145,827	23,677	784,348
Total Net Position - Ending	\$ 608,217	\$ 39,583	\$ 209,211	\$ 88,914	\$ 945,925

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 545,357	\$ -	\$ 209,364	\$ 352,204	\$ 1,106,925
Payment to Employees, Payments for Employee Benefits and Payment to Suppliers	(991,901)	-	(154,770)	(286,936)	(1,433,607)
Net Cash Provided/(Used) by Operating Activities	(446,544)	-	54,594	65,268	(326,682)
Cash Flows From Capital and Related Financing Activities:					
Purchase of Capital Assets	(28,608)	-	-	-	(28,608)
Net Cash Provided/(Used) by Capital Financing Activities	(28,608)	-	-	-	(28,608)
Cash Flows From Noncapital Financing Activities:					
State Sources	11,440	-	-	-	11,440
Federal Sources	588,453	-	-	-	588,453
Net Cash Provided/(Used) by Noncapital Financing Activities	599,893	-	-	-	599,893
Cash Flows From Investing Activities:					
Interest & Dividends	574	51	253	241	1,119
Transfer out	-	(51)	(253)	(241)	(545)
Net Cash Provided/(Used) by Investing Activities	574	-	-	-	574
Net Increase/(Decrease) in Cash & Cash Equivalents	125,315	-	54,594	65,268	245,177
Balances - Beginning of Year	299,748	39,583	108,394	24,830	472,555
Balances - End of Year	\$ 425,063	\$ 39,583	\$ 162,988	\$ 90,098	\$ 717,732

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

Operating Income/(Loss)	\$ (655,897)	\$ -	\$ 63,384	\$ 65,237	\$ (527,276)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Food Distribution Program	103,459	-	-	-	103,459
Depreciation & Net Amortization	36,310	-	-	-	36,310
(Increase)/Decrease in Accounts Receivable - Other	(16,389)	-	(8,790)	(3,259)	(28,438)
(Increase)/Decrease in Inventories	4,830	-	-	-	4,830
(Increase)/Decrease in Interfunds	78,467	-	-	-	78,467
Increase/(Decrease) in Accounts Payable	2,676	-	-	3,290	5,966
Total Adjustments	209,353	-	(8,790)	31	200,594
Net Cash Provided/(Used) by Operating Activities	\$ (446,544)	\$ -	\$ 54,594	\$ 65,268	\$ (326,682)

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

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Fiduciary Fund

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	PAYROLL FUND	STUDENT ACTIVITIES		
Cash & Cash Equivalents	\$ 695,129	\$ 1,192,380	\$ 134,664	\$	\$ 2,022,173
Total Assets	695,129	1,192,380	134,664		2,022,173
LIABILITIES					
Payable to Student Groups	-	-	134,664		134,664
Accrued Salaries & Wages	-	1,190,899	-		1,190,899
Interfund Payable	-	1,481	-		1,481
Total Liabilities	-	1,192,380	134,664		1,327,044
NET POSITION					
Held in Trust for Unemployment Claims	695,129	-	-		695,129
Total Net Position	\$ 695,129	\$ -	\$ -	\$	\$ 695,129

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 68,940
Interest Earned	<u>851</u>
Total Additions	<u>69,791</u>
Change in Net Position	69,791
Net Position - Beginning of the Year	<u>625,338</u>
Net Position - End of the Year	<u><u>\$ 695,129</u></u>

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

BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Barnegat Township School District is a Type II School District located in the County of Ocean, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the School District is to educate students in grades kindergarten through twelfth at its six schools. The School District has an approximate enrollment at June 30, 2017 of 3,132 students.

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

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

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

Component Units

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

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

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

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

C. Proprietary Fund Financial Statements

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

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

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

The School District reports the following major proprietary funds:

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

Community Education Program – The community education fund accounts for the financial transactions related to the community education operations to the School District.

After Care Program – The after care fund accounts for the financial transactions related to the aftercare program operations to the School District.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

C. Proprietary Fund Financial Statements (continued)

Bengal Cubs Early Learning Center Program – The bengal cubs early learning center fund accounts for the financial transactions related to the bengal cubs early learning center operations to the School District.

D. Fiduciary Fund Financial Statements

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

The School District reports the following fiduciary funds:

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

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

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

Budgets/Budgetary Control

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control (continued)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued)

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

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

Tuition Receivable

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

Tuition Receivable

Tuition rates for June 30, 2017 were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

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

Compensated Absences

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Pensions

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

Fund Balance

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1: Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

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

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June

15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

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

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

Note 2: Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$20,605,965 was exposed to custodial credit risk as follows:

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 2: Deposits and Investments (continued)

Deposits (continued)

Insured under FDIC and GUDPA	\$	18,969,561
Uninsured and Uncollateralized		1,636,403
	\$	20,605,965

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, 2017, the District had \$4,352 on deposit with the New Jersey Cash Management Fund.

Note 3: Reserve Accounts

Capital Reserve

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3: Reserve Accounts (continued)

Capital Reserve (continued)

Beginning Balance, July 1, 2016	\$	2,542,013
Increased by:		
Interest Earnings		4,763
Deposits approved by Board		350,000
Ending Balance, June 30, 2017	\$	2,896,776

The June 30, 2017 LRFPP balance of local support costs of uncompleted capital projects at June 30, 2017 is 16,115,598.

Maintenance Reserve

The School District established a maintenance reserve account on June 9, 2009 for the accumulation of funds for use as required maintenance of a facility 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.

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

Beginning Balance, July 1, 2016	\$	2,067,888
Increased by:		
Interest Earnings		3,932
Deposits approved by Board		350,000
Ending Balance, June 30, 2017	\$	2,421,820

Emergency Reserve

An emergency reserve account was established by inclusion of \$300,000 on June 17, 2015 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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3: Reserve Accounts (continued)

Emergency Reserve (continued)

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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	506,699
Increased by:		
Interest Earnings		874
Deposits approved by Board		17,427
Ending Balance, June 30, 2017	\$	525,000

Note 4: Accounts Receivable

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

<u>Description</u>	Governmental Funds				Proprietary Funds			<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>After Care Fund</u>	<u>Bengal Cubs Early Learning</u>	
Federal Awards	\$ -	\$ 180	\$ -	\$ 180	\$ 29,571	\$ -	\$ -	\$ 29,571
State Awards	626,365	-	-	626,365	544	-	-	544
Tuition	73,453	-	-	73,453	-	-	-	-
Other	1,481	-	-	1,481	16,516	37,958	2,036	56,510
Total	\$ 701,299	\$ 180	\$ -	\$ 701,479	\$ 46,631	\$ 37,958	\$ 2,036	\$ 86,625

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5: Capital Assets

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

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 11,696,706	\$ -	\$ -	\$ 11,696,706
Total Capital Assets not being depreciated	<u>11,696,706</u>	<u>-</u>	<u>-</u>	<u>11,696,706</u>
Capital Assets being depreciated:				
Land Improvements	8,209,273	172,637	-	8,381,910
Buildings	143,341,221	10,030	-	143,351,251
Equipment	12,211,379	585,511	(139,500)	12,657,390
Total Capital Assets being depreciated	<u>163,761,873</u>	<u>768,178</u>	<u>(139,500)</u>	<u>164,390,551</u>
Less: Accumulated Depreciation:				
Land Improvements	(4,512,181)	(357,246)	-	(4,869,427)
Buildings	(38,872,371)	(4,487,526)	-	(43,359,897)
Equipment	(9,959,719)	(476,075)	137,100	(10,298,694)
Total Accumulated Depreciation	<u>(53,344,271)</u>	<u>(5,320,847)</u>	<u>137,100</u>	<u>(58,528,018)</u>
Total Capital Assets being depreciated, net	<u>110,417,602</u>	<u>(4,552,669)</u>	<u>(2,400)</u>	<u>105,862,533</u>
Total Governmental Activities Capital Assets, net	<u>\$ 122,114,308</u>	<u>\$ (4,552,669)</u>	<u>\$ (2,400)</u>	<u>\$ 117,559,239</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 848,799	\$ 28,608	\$ -	\$ 877,407
	<u>848,799</u>	<u>28,608</u>	<u>-</u>	<u>877,407</u>
Less: Accumulated Depreciation:				
Equipment	(636,105)	(36,310)	-	(672,415)
	<u>(636,105)</u>	<u>(36,310)</u>	<u>-</u>	<u>(672,415)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 212,694</u>	<u>\$ (7,702)</u>	<u>\$ -</u>	<u>\$ 204,992</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5: Capital Assets (continued)

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6: Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 531,928	\$ -
Special Revenue Fund	-	6,604
Capital Projects Fund	-	453,641
Food Service Fund	-	78,467
Payroll Agency Fund	-	1,481
After Care Program	8,265	-
	<u>\$ 540,193</u>	<u>\$ 540,193</u>

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 24	\$ -
Capital Projects Fund	-	24
	<u>\$ 24</u>	<u>\$ 24</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7: Long-Term Obligations

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

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 32,645,000	\$ -	\$ 1,480,000	\$ 31,165,000	\$ 1,530,000
Capital Leases	3,681,672	-	346,672	3,335,000	260,000
Unamortized Bond Premiums	949,082	-	80,583	868,499	80,583
Compensated Absences	1,927,062	-	163,196	1,763,866	-
Net Pension Liability	15,815,708	5,066,606	-	20,882,314	-
	<u>\$ 55,018,524</u>	<u>\$ 5,066,606</u>	<u>\$ 2,070,451</u>	<u>\$ 58,014,679</u>	<u>\$ 1,870,583</u>

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

Bonds Payable

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

On November 1, 2007, the School District issued \$22,000,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.375% to 4.500%. These bonds were refinanced in the prior year and as a result have no remaining balance.

On April 24, 2012, the School District refunded \$6,105,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on July 15, 2024.

On February 24, 2014, the School 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.

On November 10, 2015, the School 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.

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7: Long-Term Obligations (continued)

Bonds Payable (continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 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	1,760,000	920,594	2,680,594
2023-2027	10,305,000	3,354,269	13,659,269
2028-2032	12,685,000	1,297,750	13,982,750
	<u>\$ 31,165,000</u>	<u>\$ 9,915,439</u>	<u>\$ 41,080,439</u>

Obligations Under Capital Leases

On May 10, 2012, the School District entered into a lease purchase agreement in the amount of \$4,135,000 for an energy savings improvement program. The lease obligation was issued at an interest rate of 2.94% and matures on May 1, 2027.

The following is a schedule of the future minimum lease payments under this leases and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ending June 30,	
2018	\$ 343,049
2019	350,846
2020	363,202
2021	374,970
2022	386,150
2023-2027	2,107,282
Total Minimum Lease Payments	<u>3,925,499</u>
Less: Amount Representing Interest	(590,499)
Present Value of Lease Payments	<u>\$ 3,335,000</u>

Bonds Authorized but not Issued

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$20,882,314 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .07050%, which was an increase of .00005% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$4,787,525 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>PERS</u>	<u>PERS</u>
Differences between Expected and Actual Experience	\$ 388,348	\$ -
Changes of Assumptions	4,325,700	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	796,262	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	8,583	764,163
School District contributions subsequent to measurement date	636,363	-
	\$ 6,155,256	\$ 764,163

\$636,363 as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

Year Ending Dec 31,	PERS
2017	\$ 1,032,556
2018	1,032,561
2019	1,243,455
2020	1,078,715
2021	367,443
	\$ 4,754,730

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

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

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 25,588,838</u>	<u>\$ 20,882,314</u>	<u>\$ 16,996,670</u>

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

Collective Balances at June 30, 2017 and June 30, 2016

	<u>6/30/2017</u>	<u>6/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 5,518,893	\$ 2,075,788
Deferred Inflows of Resources	\$ 764,163	\$ 1,226,481
Net Pension Liability	\$ 20,882,314	\$ 15,815,708
School District's portion of the Plan's total net pension Liability	0.07051%	0.07045%

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/annrpts.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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

The following represents the membership tiers for TPAF:

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

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

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

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$150,083,412. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .19078% which an increase of .00154% from its proportion measured as of June 30, 2015.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

For the fiscal year ended June 30, 2017, the State of New Jersey recognized a pension expense in the amount of \$11,276,680 for the State's proportionate share of the TPAF pension expense attributable to the School District. The pension expense was based on the pension plans June 30, 2016 measurement date.

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

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

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

	TPAF		
	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>179,233,134</u>	<u>150,083,412</u>	<u>126,278,902</u>
	<u>\$ 179,233,134</u>	<u>\$ 150,083,412</u>	<u>\$ 126,278,902</u>

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

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8: Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

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

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

Note 9: State Post-Retirement Medical Benefits

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

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

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

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 10: On-Behalf Payments for Fringe Benefits and Salaries (continued)

payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$2,093,944, \$1,744,731 and \$4,138, respectively.

Note 11: Risk Management

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

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

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -	\$ 68,939	\$ 851	\$ -	\$ 695,128
2015-2016	-	83,025	770	-	625,338
2014-2015	-	59,576	632	-	541,543

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

Note 12: Contingencies

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

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

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 13: Deferred Compensation

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

Lincoln Investment Planning
Variable Annuity Life Insurance Company
Syracusa
Travelers' Insurance
Equitable Life
Vanguard
Prudential

Note 14: Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$1,763,866 and \$0, respectively.

Note 15: Tax Abatements

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 15: Tax Abatements (continued)

due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16: Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$4,113,874.

Note 17: Fund Balances

General Fund – Of the \$13,336,855 General Fund fund balance at June 30, 2017, \$2,896,776 has been restricted for the Capital Reserve Account; \$2,421,820 has been restricted for the Maintenance Reserve Account; \$525,000 has been restricted for the Emergency Reserve Account; \$4,113,874 has been restricted for current year excess surplus; \$3,599,428 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$383,398 has been committed to other purposes; and \$(603,441) has been unassigned.

Debt Service Fund – Of the \$79,901 Debt Service Fund fund balance at June 30, 2017, \$79,901 is restricted for future debt service payments.

Note 18: Deficit Fund Balances

The School District has a deficit fund balance of \$603,441 in the General Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$603,441 which is less than the last state aid payment.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 19: Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$18,329,790 at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 28,778,745	\$ -	\$ 28,778,745	\$ 28,778,745	\$ -
Tuition from Individuals	10-1310	-	-	-	31,933	31,933
Tuition from Other LEA's Within State	10-1320	69,850	-	69,850	124,202	54,352
Interest Earned on Capital Reserve Funds	10-1511	750	-	750	4,763	4,013
Interest Earned on Maintenance Reserve Funds	10-1512	1,000	-	1,000	3,932	2,932
Interest Earned on Emergency Reserve Funds		250	-	250	874	624
Unrestricted Miscellaneous Revenues	10-1xxx	52,758	-	52,758	109,573	56,815
Total Local Sources		28,903,353	-	28,903,353	29,054,022	150,669
State Sources:						
Extraordinary Aid	10-3131	250,000	-	250,000	548,465	298,465
Categorical Special Education Aid	10-3132	1,873,243	-	1,873,243	1,873,243	-
Equalization Aid	10-3176	17,844,465	-	17,844,465	17,844,465	-
Categorical Security Aid	10-3177	119,745	-	119,745	119,745	-
Adjustment Aid	10-3178	2,039	-	2,039	2,039	-
Categorical Transportation Aid	10-3121	218,613	-	218,613	218,613	-
PARCC Readiness Aid	10-3181	31,640	-	31,640	31,640	-
Per Pupil Growth Aid	10-3182	31,640	-	31,640	31,640	-
Prof Learning Com Aid	10-3183	31,160	-	31,160	31,160	-
Homeless Tuition Reimbursement	10-3191	-	-	-	55,323	55,323
Other State Aids	10-3XXX	-	-	-	6,321	6,321
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,093,944	2,093,944
On-Behalf TPAF Post-Retirement Medical		-	-	-	1,744,731	1,744,731
On-Behalf TPAF Post-Retirement Long Term Disability		-	-	-	4,138	4,138
Reimbursed TPAF Social Security		-	-	-	1,445,069	1,445,069
Total State Sources		20,402,545	-	20,402,545	26,050,536	5,647,991
Federal Sources:						
Medicaid Aid Reimbursement	10-4200	82,711	-	82,711	145,961	63,250
Medicaid Aid Reimbursement - ARRA Funds	10-4210	-	-	-	3,174	3,174
FEMA	10-4526	-	-	-	16,543	16,543
Total Federal Sources		82,711	-	82,711	165,678	82,967
Total Revenues		49,388,609	-	49,388,609	55,270,236	5,881,627
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	105,751	48,000	153,751	127,388	26,363
Kindergarten	11-110-100-101	761,356	(48,000)	713,356	637,013	76,343
Grades 1 - 5	11-120-100-101	5,083,592	(94,615)	4,988,977	4,800,097	188,880
Grades 6 - 8	11-130-100-101	3,138,163	(39,635)	3,098,528	2,929,905	168,623
Grades 9 - 12	11-140-100-101	3,756,143	(38,000)	3,718,143	3,584,577	133,566
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	42,878	(42,878)	-	-	-
Other Salaries	11-150-100-106	-	57,639	57,639	56,232	1,407
Purchased Professional - Educational Services	11-150-100-320	10,000	32,300	42,300	42,292	8

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Regular Programs - Undistributed Instruction:						
Purchased Professional -						
Salaries of Teachers	11-190-100-101		-	-	(183)	183
Other Salaries	11-190-100-106	84,309	-	84,309	77,158	7,151
Educational Services	11-190-100-320	108,399	1,708	110,107	103,407	6,700
Purchased Technical Services	11-190-100-340	206,860	(3,212)	203,648	144,315	59,333
Other Purchased Services (400-500)	11-190-100-500	349,433	(18,636)	330,797	245,422	85,375
Travel	11-190-100-580		-			
General Supplies	11-190-100-610	656,297	51,795	708,092	543,544	164,548
Textbooks	11-190-100-640	291,726	(12,200)	279,526	151,957	127,569
Other Objects	11-190-100-800	115,968	(33,061)	82,907	32,052	50,855
Total Regular Programs - Instruction		14,710,875	(138,795)	14,572,080	13,475,176	1,096,904
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	66,651	(62,493)	4,158	4,158	-
Other Salaries for Instruction	11-204-100-106	103,591	(103,591)	-	-	-
General Supplies	11-204-100-610	2,500	(2,500)	-	-	-
Total Learning and/or Language Disabilities		172,742	(168,584)	4,158	4,158	-
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	220,426	-	220,426	185,329	35,097
Other Salaries for Instruction	11-209-100-106	122,303	(10,794)	111,509	107,291	4,218
General Supplies	11-209-100-610	1,800	(930)	870	869	1
Other Objects	11-209-100-800	5,000	(120)	4,880	2,295	2,585
Total Behavioral Disabilities		349,529	(11,844)	337,685	295,784	41,901
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	697,399	113,593	810,992	743,944	67,048
Other Salaries for Instruction	11-212-100-106	829,766	113,671	943,437	814,200	129,237
Purchased Professional Services	11-212-100-320	-	435	435	435	-
General Supplies	11-212-100-610	8,390	2,677	11,067	8,431	2,636
Total Multiple Disabilities		1,535,555	230,376	1,765,931	1,567,010	198,921
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	2,492,190	(114,000)	2,378,190	2,314,339	63,851
Other Salaries for Instruction	11-213-100-106	262,114	5,900	268,014	208,906	59,108
General Supplies	11-213-100-610	9,900	-	9,900	7,216	2,684
Total Resource Room		2,764,204	(108,100)	2,656,104	2,530,461	125,643
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	166,220	-	166,220	112,061	54,159
Other Salaries for Instruction	11-216-100-106	96,431	(2,408)	94,023	73,896	20,127
General Supplies	11-216-100-600	1,500	-	1,500	142	1,358
Total Preschool Disabilities - Full-Time		264,151	(2,408)	261,743	186,099	75,644

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Home Instruction:						
Other Salaries for Instruction	11-219-100-106	30,000	15,000	45,000	2,054	42,946
Total Home Instruction		30,000	15,000	45,000	2,054	42,946
Total Special Education		5,116,181	(45,560)	5,070,621	4,585,566	485,055
Instruction:						
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	1,089,129	(62,100)	1,027,029	622,467	404,562
Other Salaries for Instruction	11-230-100-106	10,600	(10,600)	-	-	-
General Supplies	11-230-100-610	-	7,300	7,300	4,248	3,052
Total Basic Skills/Remedial		1,099,729	(65,400)	1,034,329	626,715	407,614
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	193,435	1,626	195,061	174,054	21,007
Purchased Services (300-500 Series)	11-401-100-500	5,000	(231)	4,769	4,769	-
Supplies and Materials	11-401-100-600	26,000	(3,665)	22,335	19,816	2,519
Other Objects	11-401-100-800	6,000	67	6,067	5,063	1,004
Total School Sponsored Cocurricular Activities		230,435	(2,203)	228,232	203,702	24,530
School Sponsored Athletics:						
Salaries	11-402-100-100	586,741	(12,566)	574,175	535,508	38,667
Purchased Services (300-500 Series)	11-402-100-500	149,925	7,290	157,215	156,215	1,000
Supplies and Materials	11-402-100-600	83,100	14,178	97,278	97,278	-
Other Objects	11-402-100-800	48,000	-	48,000	48,000	-
Total School Sponsored Athletics		867,766	8,902	876,668	837,001	39,667
Other Instructional Programs:						
Supplies and Materials	11-403-100-600	3,300	-	3,300	130	3,170
Other Objects	11-403-100-800	5,000	1,300	6,300	1,210	5,090
Total Instructional Programs - Instruction		8,300	1,300	9,600	1,340	8,260
Community Service Programs/Operations:						
Supplies and Materials	11-800-330-600	-	4,859	4,859	4,809	50
Total Community Service Programs/Operations		-	4,859	4,859	4,809	50
Total - Instruction		22,033,286	(236,897)	21,796,389	19,734,309	2,062,080
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's - Within State Regular	11-000-100-561	120,816	29,000	149,816	149,451	365
Tuition to Other LEA's - Within State Special	11-000-100-562	238,889	37,568	276,457	276,457	-
Tuition to County Vocational School District - Regular	11-000-100-563	52,800	16,455	69,255	69,255	-
Tuition to County Vocational School District - Special	11-000-100-564	24,200	(24,200)	-	-	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	160,054	(61,685)	98,369	79,154	19,215

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Tuition to Private School for the Disabled Within State	11-000-100-566	844,207	31,917	876,124	846,198	29,926
Tuition - State Facilities	11-000-100-568	32,306	4,500	36,806	32,306	4,500
Tuition - Other	11-000-100-569	89,792	(63,500)	26,292	-	26,292
Total Undistributed Expenditures - Instruction		1,563,064	(29,945)	1,533,119	1,452,821	80,298
Attendance & Social Work Services:						
Salaries	11-000-211-100	124,376	-	124,376	113,749	10,627
Supplies and Materials	11-000-211-600	1,000	-	1,000	113	887
Total Attendance & Social Work Services		125,376	-	125,376	113,862	11,514
Health Services:						
Salaries	11-000-213-100	512,048	5,798	517,846	514,595	3,251
Purchased Professional & Technical Services	11-000-213-300	30,000	(2,830)	27,170	25,000	2,170
Other Purchased Services (400-500 Series)	11-000-213-500	9,899	(5,502)	4,397	1,215	3,182
Supplies and Materials	11-000-213-600	10,480	2,810	13,290	12,830	460
Total Health Services		562,427	276	562,703	553,640	9,063
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	413,253	(5,000)	408,253	297,786	110,467
Purchased Professional - Educational Services	11-000-216-320	61,700	-	61,700	48,630	13,070
Supplies and Materials	11-000-216-600	3,000	-	3,000	2,235	765
Total Other Support Services - Students - Related Services		477,953	(5,000)	472,953	348,651	124,302
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	849,864	-	849,864	812,505	37,359
Salaries of Secretarial & Clerical Assistants	11-000-218-105	82,068	(10,252)	71,816	71,197	619
Purchased Professional - Educational Services	11-000-218-320	13,000	(8,000)	5,000	3,342	1,658
Supplies & Materials	11-000-218-600	28,800	-	28,800	21,153	7,647
Total Other Support Services - Students - Regular		973,732	(18,252)	955,480	908,197	47,283
Other Support Services - Students - Special:						
Salaries of Other Professional Staff	11-000-219-104	1,168,494	66,173	1,234,667	1,223,297	11,370
Salaries of Secretarial & Clerical Assistants	11-000-219-105	95,034	(2,151)	92,883	92,769	114
Purchased Professional - Educational Services	11-000-219-320	34,500	(28,681)	5,819	970	4,849

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Purchased Professional & Technical Services	11-000-219-390	301,311	(45,864)	255,447	245,880	9,567
Supplies & Materials	11-000-219-600	23,400	24,124	47,524	45,771	1,753
Other Objects	11-000-219-800	5,800	3,403	9,203	9,203	-
Total Other Support Services - Students - Special		1,628,539	17,004	1,645,543	1,617,890	27,653
Improvement of Instruction Services/Other						
Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	684,285	600	684,885	684,848	37
Salaries of Secretarial & Clerical Aides - Summer	11-000-221-104	9,885	53,389	63,274	54,189	9,085
Aides - Normal School Year	11-000-221-105	77,741	262	78,003	78,003	-
Other Purchased Professional & Technical Services	11-000-221-390	22,700	(2,722)	19,978	18,499	1,479
Supplies and Materials	11-000-221-600	1,350	8,823	10,173	3,641	6,532
Other Objects	11-000-221-800	9,935	(547)	9,388	9,128	260
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		805,896	59,805	865,701	848,308	17,393
Educational Media Services/School Library:						
Salaries	11-000-222-100	221,764	1,002	222,766	222,766	-
Purchased Professional & Technical Services	11-000-222-300	6,150	52	6,202	2,554	3,648
Supplies and Materials	11-000-222-600	34,877	1,788	36,665	14,914	21,751
Total Educational Media Services/School Library		262,791	2,842	265,633	240,234	25,399
Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	9,000	-	9,000	1,058	7,942
Other Purchased Professional & Technical Services	11-000-223-390	8,000	-	8,000	2,172	5,828
Other Purchased Services (400-500 Series)	11-000-223-500	4,800	-	4,800	1,288	3,512
Supplies and Materials	11-000-223-600	1,095	-	1,095	1,065	30
Total Instructional Staff Training Services		22,895	-	22,895	5,583	17,312
Support Services General Administration:						
Salaries	11-000-230-100	200,161	10,922	211,083	204,727	6,356
Legal Services	11-000-230-331	122,000	24,500	146,500	64,142	82,358
Audit Fees	11-000-230-332	39,000	-	39,000	37,071	1,929
Architectural/Engineering Fees	11-000-230-334	29,770	28,124	57,894	55,295	2,599
Other Purchased Professional Services	11-000-230-339	58,495	(6,594)	51,901	31,586	20,315
Purchased Technical Services	11-000-230-340	55,017	(7,030)	47,987	24,086	23,901
Communications/Telephone	11-000-230-530	94,050	(31,816)	62,234	(11,920)	74,154

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Purchased Services (400-500 Series)	11-000-230-590	13,501	953	14,454	8,880	5,574
General Supplies	11-000-230-610	9,000	(238)	8,762	8,731	31
Judgments Against School District	11-000-230-820	6,500	-	6,500	-	6,500
Miscellaneous Expenditures	11-000-230-890	12,000	1,150	13,150	7,252	5,898
BOE Membership Dues & Fees	11-000-230-895	33,500	-	33,500	25,303	8,197
Total Support Services General Administration		672,994	19,971	692,965	455,153	237,812
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	1,012,688	-	1,012,688	986,373	26,315
Salaries of Secretarial & Clerical Assistants	11-000-240-105	422,998	(891)	422,107	405,980	16,127
Other Purchased Professional & Technical Services	11-000-240-390	8,800	3,300	12,100	3,484	8,616
Other Purchased Services (400-500 Series)	11-000-240-500	3,500	(253)	3,247	1,836	1,411
Supplies & Materials	11-000-240-600	38,575	327	38,902	28,834	10,068
Other Objects	11-000-240-890	36,125	5,984	42,109	36,349	5,760
Total Support Services School Administration		1,522,686	8,467	1,531,153	1,462,856	68,297
Central Services:						
Salaries	11-000-251-100	443,764	92	443,856	439,964	3,892
Purchased Professional Services	11-000-251-330	7,695	-	7,695	850	6,845
Purchased Technical Services	11-000-251-340	25,500	20,430	45,930	10,090	35,840
Supplies & Materials	11-000-251-600	5,000	5,000	10,000	4,946	5,054
Miscellaneous Expenditures	11-000-251-890	6,695	23,064	29,759	3,136	26,623
Total Central Services		488,654	48,586	537,240	458,986	78,254
Administrative Information Technology:						
Salaries	11-000-252-100	266,869	1,712	268,581	255,708	12,873
Purchased Technical Services	11-000-252-340	103,205	2,176	105,381	75,474	29,907
Other Purch Serv.	11-000-252-500	176	-	176	52	124
Supplies and Materials	11-000-252-600	2,400	(2,400)	-	-	-
Miscellaneous Expenditures	11-000-252-890	-	2,400	2,400	1,150	1,250
Total Administrative Information Technology		372,650	3,888	376,538	332,384	44,154
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	226,249	-	226,249	209,831	16,418
Cleaning, Repair & Maintenance Services	11-000-261-420	267,528	(2,866)	264,662	215,946	48,716
General Supplies	11-000-261-610	100,385	7,287	107,672	107,544	128
Other Objects	11-000-261-800	4,250	1,983	6,233	6,233	-
Total Allowable Maintenance For School Facilities		598,412	6,404	604,816	539,554	65,262

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,389,028	-	1,389,028	1,195,583	193,445
Salaries of Non-Instructional Aides	11-000-262-107	59,165	-	59,165	54,274	4,891
Cleaning, Repair & Maintenance Services	11-000-262-420	66,207	(5,000)	61,207	52,454	8,753
Other Purchased Property Services	11-000-262-490	211,361	19,229	230,590	113,707	116,883
Insurance	11-000-262-520	359,355	(45,430)	313,925	293,205	20,720
Misc Purchased Services	11-000-262-590	2,500	-	2,500	1,099	1,401
General Supplies	11-000-262-610	107,854	(4,327)	103,527	88,963	14,564
Energy (Natural Gas)	11-000-262-621	210,000	(49,229)	160,771	109,654	51,117
Energy (Electricity)	11-000-262-622	750,951	15,704	766,655	766,655	-
Other Objects	11-000-262-800	15,942	4,592	20,534	20,354	180
Interest - Energy Saving Impr Prog Bonds	11-000-262-837	111,279	-	111,279	18,922	92,357
Principal - Energy Saving Impr Prog Bonds	11-000-262-917	245,000	-	245,000	190,000	55,000
Total Operation & Maintenance of Plant Services		3,528,642	(64,461)	3,464,181	2,904,870	559,311
Care and Upkeep of Grounds:						
Salaries	11-000-263-100	267,742	-	267,742	253,955	13,787
Cleaning, Repair & Maintenance Services	11-000-263-420	65,507	4,094	69,601	57,287	12,314
General Supplies	11-000-263-610	92,197	9,232	101,429	101,373	56
Other Objects	11-000-263-800	1,015	-	1,015	994	21
Total Care and Upkeep of Grounds		426,461	13,326	439,787	413,609	26,178
Security:						
Salaries	11-000-266-100	227,112	-	227,112	206,417	20,695
Purchased Technical Services	11-000-266-420	13,000	(6,425)	6,575	6,540	35
General Supplies	11-000-266-610	5,000	(3,700)	1,300	1,235	65
Other Objects	11-000-266-800	4,702	125	4,827	2,840	1,987
Total Security		249,814	(10,000)	239,814	217,032	22,782
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	106,674	-	106,674	105,932	742
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,186,589	(52,471)	1,134,118	1,071,432	62,686
Other Purchased Professional & Technical Services	11-000-270-390	19,066	(784)	18,282	18,263	19
Lease Purchase Payments - Buses	11-000-270-443	78,314	(24,623)	53,691	53,691	-
Contracted Services (Aid-in-Lieu) Choice School	11-000-270-505	36,600	4,469	41,069	33,000	8,069
Contracted Services (Special Education Students) - Jointure Agreements	11-000-270-515	14,000	(11,580)	2,420	2,420	-
Contracted Services - ESC's & CTSA's - (Special Education Students)	11-000-270-518	383,107	289,310	672,417	671,156	1,261

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Aid in Lieu	11-000-270-503	23,400	12,200	35,600	33,592	2,008
Miscellaneous Purchased Services - Transportation	11-000-270-593	33,280	-	33,280	33,280	-
Transportation Supplies	11-000-270-615	296,000	5,461	301,461	267,487	33,974
Miscellaneous Expenditures	11-000-270-800	6,200	(6,000)	200	200	-
Total Student Transportation Services		2,183,230	215,982	2,399,212	2,290,453	108,759
Student Transportation Services - Employee Benefits:						
Health Benefits	11-000-270-270	649,600	(649,600)	-	-	-
Total Student Transportation Services - Employee Benefits		649,600	(649,600)	-	-	-
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-000-291-220	831,673	-	831,673	661,178	170,495
Other Retirement Contributions - PERS	11-000-291-241	671,074	-	671,074	656,027	15,047
Other Retirement Contributions - Regular	11-000-291-249	56,000	-	56,000	12,750	43,250
Unemployment Compensation	11-000-291-250	106,000	-	106,000	29,773	76,227
Workman's Compensation	11-000-291-260	317,000	25,000	342,000	332,722	9,278
Health Benefits	11-000-291-270	9,075,577	543,932	9,619,509	8,679,721	939,788
Tuition Reimbursement	11-000-291-280	62,741	1,995	64,736	64,029	707
Other Employee Benefits	11-000-291-290	759,200	102,868	862,068	772,128	89,940
Total Unallocated Benefits - Employee Benefits		11,879,265	673,795	12,553,060	11,208,328	1,344,732
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,093,944	(2,093,944)
On-Behalf TPAF Post Retirement Medical		-	-	-	1,744,731	(1,744,731)
On-Behalf TPAF Long Term Disability		-	-	-	4,138	(4,138)
Reimbursed TPAF Social Security		-	-	-	1,445,069	(1,445,069)
Total Undistributed Expenditures		28,995,081	293,088	29,288,169	31,660,293	(2,372,124)
Interest Deposited Into Maintenance Reserve	10-606	1,000	-	1,000	-	(1,000)
Interest Deposited Into Emergency Reserve	10-607	250	-	250	-	(250)
Total Interest Deposited into Maintenance & Emergency Reserve		1,250	-	1,250	-	(1,250)
Total Expenditures - Current Expense		51,029,617	56,191	51,085,808	51,394,602	(311,294)
Capital Outlay:						
Interest Deposited Into Capital Reserve	10-604	750	-	750	-	(750)
Equipment:						
Undistributed Expenditures:						
Grades 1-5	12-120-100-730	40,000	(15,100)	24,900	19,572	5,328
Grades 6-8	12-130-100-730	40,000	(13,700)	26,300	11,508	14,792
Grades 9-12	12-140-100-730	-	35,049	35,049	19,894	15,155
Instruction	12-000-100-730	12,000	24,500	36,500	16,261	20,239
Other Support Services - Students - Special	12-000-219-730	-	7,000	7,000	-	7,000
Support Services - Related & Extra	12-000-21X-730	15,000	(15,000)	-	-	-
Support Services - Child Study Team	12-000-219-730	7,000	(7,000)	-	-	-
Support Services - Instructional Staff	12-000-220-730	62,257	(9,500)	52,757	52,672	85
School Administration	12-000-240-730	4,000	-	4,000	2,900	1,100

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Operation & Maintenance of						
Plant Services	12-000-261-730	50,000	18,128	68,128	68,128	-
Security	12-000-266-730	80,252	21,954	102,206	80,252	21,954
Non-Instructional Equipment	12-000-270-732	172,791	112,393	285,184	285,106	78
Non-Instructional Serv.	12-000-300-732	31,000	(31,000)	-	-	-
Total Equipment		514,300	127,724	642,024	556,293	85,731
Facilities Acquisition & Construction Services:						
Other Purchased Prof. and Tech Services	12-000-400-390	142,328	-	142,328	78,789	63,539
Construction Services	12-000-400-450	71,436	61,563	132,999	132,837	162
Supplies and Materials	12-000-400-600	10,000	-	10,000	259	9,741
Assessment for Debt Service SDA	12-000-400-896	804,036	-	804,036	804,036	-
Total Facilities Acquisition & Construction Services		1,027,800	61,563	1,089,363	1,015,921	73,442
Total Capital Outlay		1,542,850	189,287	1,732,137	1,572,214	158,423
Transfer of Funds To Charter Schools	10-000-100-56X	20,108	-	20,108	-	(20,108)
Total Expenditures		52,592,575	245,478	52,838,053	52,966,816	(172,979)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(3,203,966)	(245,478)	(3,449,444)	2,303,420	5,708,648
Other Financing Sources/(Uses):						
Cancellation of Prior Year Payables		-	-	-	246,576	246,576
Total Other Financing Sources/(Uses)		-	-	-	246,576	246,576
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)		(3,203,966)	(245,478)	(3,449,444)	2,549,996	5,955,224
Fund Balances, July 1		12,685,766	-	12,685,766	12,685,766	-
Fund Balances, June 30		\$ 9,481,800	\$ (245,478)	\$ 9,236,322	\$ 15,235,762	\$ 5,955,224

RECAPITULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	\$ (175,241)
Additional Fund Balance Appropriated	(70,237)
	<u>\$ (245,478)</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 2,896,776
Maintenance Reserve	2,421,820
Emergency Reserve	525,000
Excess Surplus	4,113,874
Excess Surplus Designated for Subsequent Year's Expenditures	3,599,428
Committed Fund Balance:	
Year-End Encumbrances	383,398
Assigned Fund Balance:	
ARRA - Special Education - Medicaid Initiative	3,174
Designated for Subsequent Year's Expenditures	33,927
Unassigned Fund Balance	<u>1,258,365</u>
Subtotal	<u>15,235,762</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(1,898,907)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 13,336,855</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Federal Sources	\$ 1,072,860	\$ 186,917	\$ 1,259,777	\$ 1,259,777	\$ -
Local Sources	-	10,766	10,766	2,752	(8,014)
Total Revenues	1,072,860	197,683	1,270,543	1,262,529	(8,014)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,072,860	(681,209)	391,651	391,651	-
Tuition	-	741,897	741,897	741,897	-
General Supplies	-	9,860	9,860	9,860	-
Total Instruction	1,072,860	70,548	1,143,408	1,143,408	-
Support Services:					
Salaries of Other Professional Staff	-	2,475	2,475	-	2,475
Personal Services - Employee Benefits	-	97,409	97,409	97,409	-
Purchased Professional - Educational Services	-	11,525	11,525	11,525	-
Supplies & Materials	-	8,291	8,291	2,752	5,539
Instructional Equipment	-	7,435	7,435	7,435	-
Total Support Services	-	127,135	127,135	119,121	8,014
Total Outflows	1,072,860	197,683	1,270,543	1,262,529	8,014
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 55,270,236	\$ 1,262,529
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	-
Prior Year	-	-
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	 1,898,125	 -
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	 (1,898,907)	 -
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<hr/> <hr/>	<hr/> <hr/>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 52,966,816	\$ 1,262,529
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	-
Prior Year	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<hr/> <hr/>	<hr/> <hr/>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	7.05075%	7.04549%	0.07561%	0.07677%
District's proportionate share of the net pension liability (asset)	\$ 20,882,314	\$ 15,815,708	\$ 14,155,421	\$ 14,673,153
District's covered-employee payroll	\$ 4,651,310	\$ 4,794,351	\$ 4,735,961	\$ 4,746,513
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	448.96%	329.88%	298.89%	309.14%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 636,363	\$ 626,379	\$ 605,723	\$ 623,281
Contributions in relation to the contractually required contribution	<u>636,363</u>	<u>626,379</u>	<u>605,723</u>	<u>623,281</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,823,395	\$ 4,651,310	\$ 4,794,351	\$ 4,735,961
Contributions as a percentage of covered-employee payroll	13.19%	13.47%	12.63%	13.16%

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.

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

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.19078%	0.18924%	0.19561%	0.191%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 150,083,412	\$ 119,606,276	\$ 104,549,683	\$ 96,775,286
District's covered-employee payroll	\$ 19,966,123	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS**

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	I.D.E.A. PART B		NO CHILD LEFT BEHIND			CHILD NUTRITION EQUIPMENT
	BASIC REGULAR	BASIC PRESCHOOL	TITLE I	TITLE IIA	TITLE III	
Revenues:						
Federal Sources	\$ 741,897	\$ 32,246	\$ 400,989	\$ 75,315	\$ 1,895	\$ 7,435
Local Sources	-	-	-	-	-	-
Total Revenues	<u>\$ 741,897</u>	<u>\$ 32,246</u>	<u>\$ 400,989</u>	<u>\$ 75,315</u>	<u>\$ 1,895</u>	<u>\$ 7,435</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ 25,592	\$ 315,670	\$ 50,389	\$ -	\$ -
Tuition	741,897	-	-	-	-	-
General Supplies	-	-	6,465	1,500	1,895	-
Total Instruction	<u>741,897</u>	<u>25,592</u>	<u>322,135</u>	<u>51,889</u>	<u>1,895</u>	<u>-</u>
Support Services:						
Personal Services -						
Employee Benefits	-	6,654	77,654	13,101	-	-
Purchased Professional -						
Educational Services	-	-	1,200	10,325	-	-
Equipment	-	-	-	-	-	7,435
Supplies & Materials	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>6,654</u>	<u>78,854</u>	<u>23,426</u>	<u>-</u>	<u>7,435</u>
Total Expenditures	<u>\$ 741,897</u>	<u>\$ 32,246</u>	<u>\$ 400,989</u>	<u>\$ 75,315</u>	<u>\$ 1,895</u>	<u>\$ 7,435</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	MAKER SPACE GRANT	YOUNG PEOPLE IN RECOVERY	HORBELT MUSIC	WAWA GUIDANCE	OTHER LOCAL GRANTS	TOTAL
Revenues:						
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,259,777
Local Sources	777	435	111	438	991	2,752
Total Revenues	<u>\$ 777</u>	<u>\$ 435</u>	<u>\$ 111</u>	<u>\$ 438</u>	<u>\$ 991</u>	<u>\$ 1,262,529</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,651
Tuition	-	-	-	-	-	741,897
General Supplies	-	-	-	-	-	9,860
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,143,408</u>
Support Services:						
Personal Services -						
Employee Benefits	-	-	-	-	-	97,409
Purchased Professional -						
Educational Services	-	-	-	-	-	11,525
Equipment	-	-	-	-	-	7,435
Supplies & Materials	777	435	111	438	991	2,752
Total Support Services	<u>777</u>	<u>435</u>	<u>111</u>	<u>438</u>	<u>991</u>	<u>119,121</u>
Total Expenditures	<u>\$ 777</u>	<u>\$ 435</u>	<u>\$ 111</u>	<u>\$ 438</u>	<u>\$ 991</u>	<u>\$ 1,262,529</u>

F. Capital Projects Fund

N/A

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G. Proprietary Funds

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Enterprise Funds

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2017**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Current Assets:					
Cash	\$ 425,063	\$ 39,583	\$ 162,988	\$ 90,098	\$ 717,732
Accounts Receivable:					
State	544	-	-	-	544
Federal	29,571	-	-	-	29,571
Other	16,516	-	37,958	2,036	56,510
Inventories	12,674	-	-	-	12,674
Interfund Receivable	-	-	8,265	-	8,265
Total Current Assets	484,368	39,583	209,211	92,134	825,296
Noncurrent Assets:					
Equipment	877,407	-	-	-	877,407
Less: Accumulated Depreciation	(672,415)	-	-	-	(672,415)
Total Noncurrent Assets	204,992	-	-	-	204,992
Total Assets	689,360	39,583	209,211	92,134	1,030,288
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,676	-	-	-	2,676
Unearned Revenue	-	-	-	3,220	3,220
Interfund Payable	78,467	-	-	-	78,467
Total Current Liabilities	81,143	-	-	3,220	84,363
NET POSITION					
Net Investment in Capital Assets	204,992	-	-	-	204,992
Unrestricted	403,225	39,583	209,211	88,914	740,933
Total Net Position	\$ 608,217	\$ 39,583	\$ 209,211	\$ 88,914	\$ 945,925

BARNEGAT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 321,040	\$ -	\$ -	\$ -	\$ 321,040
Daily Sales Nonreimbursable Programs:					
School Lunch Program	181,782	-	-	-	181,782
Program Revenues	-	-	218,154	352,173	570,327
Miscellaneous Revenue	42,535	-	-	-	42,535
Total Operating Revenues	545,357	-	218,154	352,173	1,115,684
Operating Expenses:					
Cost of Sales-reimbursable programs	350,837	-	-	-	350,837
Cost of Sales-non-reimbursable programs	191,962	-	-	-	191,962
Salaries & Benefits	479,774	-	144,567	262,075	886,416
Management & Administrative Fees	75,060	-	-	-	75,060
Other Purchased Services	13,931	-	10,203	24,861	48,995
Cleaning, Repair & Maintenance Services	53,380	-	-	-	53,380
Depreciation	36,310	-	-	-	36,310
Total Operating Expenses	1,201,254	-	154,770	286,936	1,642,960
Operating Income/(Loss)	(655,897)	-	63,384	65,237	(527,276)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	11,128	-	-	-	11,128
Federal Sources:					
National School Lunch Program	429,459	-	-	-	429,459
National School Performance Based Program	13,777	-	-	-	13,777
National School Breakfast Program	127,356	-	-	-	127,356
National School After School Snack Program	3,100	-	-	-	3,100
Food Distribution Program	103,459	-	-	-	103,459
Interest & Investment Revenue	574	51	253	241	1,119
Transfer (Out)/In	-	(51)	(253)	(241)	(545)
Total Nonoperating Revenues/(Expenses)	688,853	-	-	-	688,853
Change in Net Position	32,956	-	63,384	65,237	161,577
Total Net Position - Beginning	575,261	39,583	145,827	23,677	784,348
Total Net Position - Ending	\$ 608,217	\$ 39,583	\$ 209,211	\$ 88,914	\$ 945,925

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	COMMUNITY EDUCATION	AFTER CARE	BENGAL CUBS EARLY LEARNING CENTER	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 545,357	\$ -	\$ 209,364	\$ 352,204	\$ 1,106,925
Payment to Employees, Payments for Employee Benefits and Payment to Suppliers	(991,901)	-	(154,770)	(286,936)	(1,433,607)
Net Cash Provided/(Used) by Operating Activities	(446,544)	-	54,594	65,268	(326,682)
Cash Flows From Capital and Related Financing Activities:					
Purchases of Capital Assets	(28,608)	-	-	-	(28,608)
Net Cash Provided/(Used) by Capital Financing Activities	(28,608)	-	-	-	(28,608)
Cash Flows From Noncapital Financing Activities:					
State Sources	11,440	-	-	-	11,440
Federal Sources	588,453	-	-	-	588,453
Net Cash Provided/(Used) by Noncapital Financing Activities	599,893	-	-	-	599,893
Cash Flows From Investing Activities:					
Interest & Dividends	574	51	253	241	1,119
Transfer (out)/in	-	(51)	(253)	(241)	(545)
Net Cash Provided/(Used) by Investing Activities	574	-	-	-	574
Net Increase/(Decrease) in Cash & Cash Equivalents	125,315	-	54,594	65,268	245,177
Balances - Beginning of Year	299,748	39,583	108,394	24,830	472,555
Balances - End of Year	\$ 425,063	\$ 39,583	\$ 162,988	\$ 90,098	\$ 717,732

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

Operating Income/(Loss)	\$ (655,897)	\$ -	\$ 63,384	\$ 65,237	\$ (527,276)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Food Distribution Program	103,459	-	-	-	103,459
Depreciation & Net Amortization	36,310	-	-	-	36,310
(Increase)/Decrease in Accounts Receivable - Other	(16,389)	-	(8,790)	(3,259)	(28,438)
(Increase)/Decrease in Inventories	4,830	-	-	-	4,830
(Increase)/Decrease in Interfunds	78,467	-	-	-	78,467
Increase/(Decrease) in Accounts Payable	2,676	-	-	3,290	5,966
Total Adjustments	209,353	-	(8,790)	31	200,594
Net Cash Provided/(Used) by Operating Activities	\$ (446,544)	\$ -	\$ 54,594	\$ 65,268	\$ (326,682)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	PAYROLL FUND	STUDENT ACTIVITY		
Cash & Cash Equivalents	\$ 695,129	\$ 1,192,380	\$ 134,664	\$ 2,022,173	
Total Assets	695,129	1,192,380	134,664	2,022,173	
LIABILITIES					
Payable to Student Groups	-	-	134,664	134,664	
Accrued Salaries & Wages	-	1,190,899	-	1,190,899	
Interfund Payable	-	1,481	-	1,481	
Total Liabilities	-	1,192,380	134,664	1,327,044	
NET POSITION					
Held in Reserve for Unemployment Claims	695,129	-	-	695,129	
Total Net Position	\$ 695,129	\$ -	\$ -	\$ 695,129	

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	TOTAL
Contributions:		
Plan Members	\$ 68,940	\$ 68,940
Interest Earned	851	851
	<hr/>	<hr/>
Total Additions	69,791	69,791
	<hr/>	<hr/>
DEDUCTIONS		
Unemployment Claims	-	-
	<hr/>	<hr/>
Total Deductions	-	-
	<hr/>	<hr/>
Change in Net Position	69,791	69,791
Net Position - Beginning of the Year	625,338	625,338
	<hr/>	<hr/>
Net Position - End of the Year	\$ 695,129	\$ 695,129
	<hr/> <hr/>	<hr/> <hr/>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Student Activities	\$ 13,962	\$ 34,026	\$ 27,071	\$ 20,917
High School Activities	31,434	213,766	218,168	27,032
High School Sports	97,338	127,901	138,524	86,715
Total Assets	\$ 142,734	\$ 375,693	\$ 383,763	\$ 134,664
LIABILITIES				
Payable to Student Groups	\$ 142,734	\$ 375,693	\$ 383,763	\$ 134,664
Total Liabilities	\$ 142,734	\$ 375,693	\$ 383,763	\$ 134,664

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$ 1,154,514	\$ 34,668,905	\$ 34,631,039	\$ 1,192,380
Total Assets	\$ 1,154,514	\$ 34,668,905	\$ 34,631,039	\$ 1,192,380
LIABILITIES				
Payroll Deductions & Withholdings	\$ -	\$ 33,478,006	\$ 33,478,006	\$ -
Accrued Salaries & Wages	1,151,698	1,190,899	1,151,698	1,190,899
Interfund Payable	2,816	-	1,335	1,481
Total Liabilities	\$ 1,154,514	\$ 34,668,905	\$ 34,631,039	\$ 1,192,380

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I. Long-Term Debt

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2016	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2017
			DATE	AMOUNT					
Renovations and Improvements	11/1/07	22,000,000				\$ 210,000	\$ -	\$ 210,000	\$ -
Refunding School Bonds - 2012	4/24/12	6,105,000	7/15/2017	540,000	3.000%	5,485,000	-	520,000	4,965,000
			7/15/2018	560,000	4.000%				
			7/15/2019	580,000	4.000%				
			7/15/2020	600,000	4.000%				
			7/15/2021	625,000	4.000%				
			7/15/2022	655,000	5.000%				
			7/15/2023	685,000	5.000%				
Refunding School Bonds - 2014	2/24/14	7,600,000	4/1/2018	690,000	2.000%	6,210,000	-	705,000	5,505,000
			4/1/2019	690,000	4.000%				
			4/1/2020	675,000	3.000%				
			4/1/2021	685,000	5.000%				
			4/1/2022	680,000	5.000%				
			4/1/2023	700,000	3.250%				
			4/1/2024	680,000	3.375%				
Refunding School Bonds - 2015	11/10/15	20,825,000	4/15/2018	300,000	1.200%	20,740,000	-	45,000	20,695,000
			4/15/2019	320,000	1.420%				
			4/15/2020	370,000	1.660%				
			4/15/2021	405,000	1.940%				
			4/15/2022	455,000	2.170%				
			4/15/2023	495,000	2.420%				
			4/15/2024	570,000	2.620%				
			4/15/2025	600,000	5.000%				
			4/15/2026	2,190,000	5.000%				
			4/15/2027	2,305,000	3.500%				
			4/15/2028	2,385,000	3.000%				
			4/15/2029	2,450,000	3.125%				
			4/15/2030	2,530,000	3.250%				
			4/15/2031	2,615,000	3.375%				
4/15/2032	2,705,000	3.500%							
Total						<u>\$ 32,645,000</u>	<u>\$ -</u>	<u>\$ 1,480,000</u>	<u>\$ 31,165,000</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2017**

PURPOSE	INTEREST RATE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2016	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2017
Energy Savings Improvement Plan	2.94%	4,135,000	\$ 3,560,000	\$ -	\$ 225,000	\$ 3,335,000
School Buses, Computer Equipment & Textbooks	1.41%	600,000	121,672	-	121,672	-
Total			<u>\$ 3,681,672</u>	<u>\$ -</u>	<u>\$ 346,672</u>	<u>\$ 3,335,000</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,114,549	\$ -	\$ 2,114,549	\$ 2,114,549	\$ -
State Sources:					
Debt Service Aid Type II	450,633	-	450,633	450,633	-
Total Revenues	2,565,182	-	2,565,182	2,565,182	-
Expenditures:					
Regular Debt Service:					
Interest	1,203,632	-	1,203,632	1,203,632	-
Redemption of Principal	1,480,000	-	1,480,000	1,480,000	-
Total Regular Debt Service	2,683,632	-	2,683,632	2,683,632	-
Total Expenditures	2,683,632	-	2,683,632	2,683,632	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(118,450)	-	(118,450)	(118,450)	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(118,450)	-	(118,450)	(118,450)	-
Fund Balance, July 1	198,351	-	198,351	198,351	-
Fund Balance, June 30	\$ 79,901	\$ -	\$ 79,901	\$ 79,901	\$ -

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STATISTICAL SECTION (Unaudited)

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BARNEGAT TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in										
Capital Assets,	\$ 83,380,138	\$ 86,983,014	\$ 89,636,561	\$ 93,001,950	\$ 93,930,312	\$ 96,705,379	\$ 95,731,157	\$ 96,355,634	\$ 95,321,191	\$ 51,451,552
Restricted	13,636,799	11,547,489	8,196,710	5,191,822	1,404,515	1,448,415	998,512	995,502	1,999,611	32,637,948
Unrestricted	(18,329,790)	(18,576,762)	(17,373,614)	(2,321,816)	2,118,891	2,275,895	1,319,040	(1,532,062)	(692,099)	(339,242)
Total Governmental Activities	\$ 78,687,147	\$ 79,953,741	\$ 80,459,657	\$ 95,871,956	\$ 97,453,718	\$ 100,429,689	\$ 98,048,709	\$ 95,819,074	\$ 96,628,703	\$ 83,750,258
Business-Type Activities:										
Net Investment in										
Capital Assets,	\$ 204,992	\$ 212,694	\$ 249,438	\$ 241,520	\$ 275,488	\$ 326,732	\$ 293,263	\$ 269,678	\$ 322,901	\$ 106,186
Unrestricted	740,933	571,654	264,999	135,332	80,450	112,339	137,444	173,686	132,686	28,533
Total Business-Type Activities	\$ 945,925	\$ 784,348	\$ 514,437	\$ 376,852	\$ 355,938	\$ 439,071	\$ 430,707	\$ 443,364	\$ 455,587	\$ 134,719
District-Wide:										
Net Investment in										
Capital Assets,	\$ 83,585,130	\$ 87,195,708	\$ 89,885,999	\$ 93,243,470	\$ 94,205,800	\$ 97,032,111	\$ 96,024,420	\$ 96,625,312	\$ 95,644,092	\$ 51,557,738
Restricted	13,636,799	11,547,489	8,196,710	5,191,822	1,404,515	1,448,415	998,512	995,502	1,999,611	32,637,948
Unrestricted	(17,588,857)	(18,005,108)	(17,108,615)	(2,186,484)	2,199,341	2,388,234	1,456,484	(1,358,376)	(559,413)	(310,709)
Total District Net Position	\$ 79,633,072	\$ 80,738,089	\$ 80,974,094	\$ 96,248,808	\$ 97,809,656	\$ 100,868,760	\$ 98,479,416	\$ 96,262,438	\$ 97,084,290	\$ 83,884,977

Source: District CAFR, Schedule A-1

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 14,618,584	\$ 14,701,980	\$ 14,953,495	\$ 14,517,601	\$ 15,212,116	\$ 14,914,501	\$ 14,095,891	\$ 15,469,793	\$ 15,535,294	\$ 15,598,078
Special Education	4,585,566	4,775,049	BG4DCX	4,211,048	4,158,217	4,074,599	3,877,190	3,859,197	3,617,328	3,270,502
Other Special Education	1,673,567	1,667,778	1,682,938	1,703,314	1,811,770	1,867,639	1,718,586	2,010,487	1,896,723	1,575,699
Support Services:										
Tuition	1,571,942	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
Student & Instruction Related Services	4,636,365	4,677,720	4,211,955	4,092,541	4,227,395	3,905,059	3,857,375	4,127,425	4,147,826	4,053,292
General Administrative Services	455,153	551,293	624,907	514,057	664,145	615,632	690,219	663,650	680,386	812,398
School Administrative Services	1,462,856	1,517,202	1,497,164	1,441,871	1,433,741	1,450,603	1,429,639	1,466,713	1,381,140	1,498,133
Central Services	458,986	460,130	455,434	437,673	460,563	426,851	403,167	486,267	452,732	1,920,947
Admin Information Technology	332,384	327,657	309,001	249,164	254,131	221,236	205,272	172,077	81,265	69,583
Plant Operations & Maintenance	3,728,393	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
Pupil Transportation	2,290,453	1,947,470	2,505,761	2,609,206	3,016,676	2,915,158	2,952,138	3,609,704	4,041,363	3,499,404
Unallocated Employee Benefits	17,494,197	21,387,804	18,377,141	13,192,300	13,063,771	11,767,033	11,234,022	11,578,013	10,682,741	10,225,147
Special Schools	-	-	-	-	-	-	-	-	-	360
Collection of Prior Year Receivables	-	-	-	-	-	-	-	90,078	-	-
Transfers to Charter Schools	-	20,108	-	9,630	-	-	-	-	-	-
Long-Term Debt and other charges	1,978,642	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
Unallocated Compensated Absence Expense	-	-	-	-	-	32,306	56,322	(41,782)	53,064	63,825
Unallocated Adjustment to Fixed Assets	2,400	188,363	954,107	-	4,130,896	(201,997)	599,538	905,688	-	-
Unallocated Depreciation	5,320,847	5,371,954	4,407,707	4,477,908	2,984,330	2,668,756	2,771,654	2,812,117	2,701,060	1,841,486
Total Governmental Activities Expenses	60,610,335	64,863,898	57,466,545	55,414,638	57,793,540	52,605,045	50,861,119	55,378,788	53,819,544	50,778,911
Business-Type Activities:										
Food Service	1,201,254	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
Community Education	-	-	-	-	389	-	372	45,074	-	-
Aftercare Program	154,770	133,906	100,340	101,224	-	-	-	-	-	-
Bengal Cubs Early Learning Center	286,936	204,669	115,681	-	-	-	-	-	-	-
Total Business-Type Activities Expense	1,642,960	1,441,769	1,441,769	1,299,357	1,232,305	1,193,016	1,214,875	1,225,435	1,230,428	1,224,118
Total District Expenses	\$ 62,253,295	\$ 66,305,667	\$ 58,908,314	\$ 56,713,995	\$ 59,025,845	\$ 53,798,061	\$ 52,075,994	\$ 56,604,223	\$ 55,049,972	\$ 52,003,029
Program Revenues:										
Governmental Activities:										
Grants & Contributions	\$ 7,221,840	\$ 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
Total Governmental Activities Program Revenues	7,221,840	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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FISCAL YEAR ENDING JUNE 30, 2017										
Business-Type Activities:										
Charges for Services:										
Food Service	545,357	556,968	491,442	527,936	548,824	668,041	710,408	737,538	760,077	802,326
Community Education	-	-	-	1,050	1,150	-	-	16,116	70,559	-
Aftercare Program	218,154	194,762	173,599	112,761	-	-	-	-	-	-
Bengal Cubs Early Learning Center	352,173	265,480	78,513	-	-	-	-	-	-	-
Operating Grants & Contributions	688,279	660,297	618,258	604,494	594,145	554,776	501,093	473,199	417,155	376,071
Total Business Type Activities	1,803,963	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
Program Revenues	\$ 9,025,803	\$ 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
Total District Program Revenues	\$ 9,025,803	\$ 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
Net (Expense)/Revenue:										
Governmental Activities	\$ (53,388,495)	\$ (52,323,739)	\$ (51,256,824)	\$ (49,807,739)	\$ (51,859,937)	\$ (50,766,000)	\$ (49,061,182)	\$ (52,602,655)	\$ (51,956,149)	\$ (48,556,762)
Business-Type Activities	161,003	235,738	62,455	13,936	(48,897)	7,942	(13,934)	(3,575)	23,673	(102,115)
Total District-Wide Net Expense	\$ (53,227,492)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for										
General Purposes, Net	\$ 28,778,745	\$ 28,542,745	\$ 27,609,823	\$ 26,418,198	\$ 25,696,073	\$ 26,379,687	\$ 26,379,687	\$ 24,229,720	\$ 24,129,720	\$ 23,859,822
Taxes Levied for Debt										
Service	2,114,549	2,351,074	2,241,723	2,326,455	2,542,367	2,321,440	2,319,468	2,162,004	2,209,674	2,475,572
Unrestricted Grants & Contributions	20,704,002	20,271,845	20,330,090	20,477,810	20,427,004	24,275,797	22,188,249	23,693,211	22,653,547	23,468,068
Tuition	156,135	124,890	185,995	125,976	68,598	42,199	-	-	-	-
Miscellaneous Income	121,894	165,797	150,047	150,165	149,924	127,857	403,413	205,521	1,832,594	183,845
Cancellation of Prior Year Receivables	-	-	-	(1,272,627)	-	-	-	-	-	-
Cancellation of Prior Year Payables	246,576	361,472.00	-	-	-	-	-	-	-	-
Total Governmental Activities	52,121,901	51,817,823	50,517,678	48,225,977	48,883,966	53,146,980	51,290,817	50,290,456	50,825,535	49,987,307
Business-Type Activities:										
Investment Earnings	1,119	837	328	100	39	-	1,277	2,014	1,425	438
Miscellaneous Income	-	33,787	26,580	7,984	15,921	422	-	-	-	-
Adjustment to Fixed Assets	-	-	48,219	-	(26,621)	-	-	-	-	-
Transfer Out	(545)	(451)	3	(1,106)	(23,575)	-	-	-	-	-
Contract Budget Guarantee	-	-	-	-	-	-	-	27,777	-	-
Total Business-Type Activities	574	34,173	75,130	6,978	(34,236)	422	1,277	29,791	1,425	438
Total District-Wide	\$ 52,122,475	\$ 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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30, 2017									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Change in Net Position:										
Governmental Activities	\$ (1,266,594)	\$ (505,916)	\$ (505,916)	\$ (739,146)	\$ (1,581,762)	\$ (2,975,971)	\$ 2,380,980	\$ 2,229,635	\$ (2,312,199)	\$ (1,130,614)
Business-Type Activities	161,577	269,911	269,911	137,585	20,914	(83,133)	8,364	(12,657)	26,216	25,098
Total District	\$ (1,105,017)	\$ (236,005)	\$ (236,005)	\$ (601,561)	\$ (1,560,848)	\$ (3,059,104)	\$ 2,389,344	\$ 2,216,978	\$ (2,285,983)	\$ (1,105,516)

Source: District CAFR, Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted	\$ 13,556,898	\$ 11,349,138	\$ 8,196,710	\$ 5,082,227	\$ 3,817,797	\$ 3,255,633	\$ 3,462,641	\$ 1,275,029	\$ 2,077,708	\$ 1,380,649
Committed	383,398	175,241	251,931	772,358	-	-	-	-	-	-
Assigned	-	-	-	-	355,429	-	-	-	-	-
Unassigned	(603,441)	(736,738)	(518,562)	(18,704)	-	1,173,151	(448,946)	(1,168,758)	(1,089,692)	(92,840)
Total General Fund	\$ 13,336,855	\$ 10,787,641	\$ 7,930,079	\$ 5,835,881	\$ 4,173,226	\$ 4,428,784	\$ 3,013,695	\$ 106,271	\$ 988,016	\$ 1,287,809
All Other Governmental Funds:										
Restricted										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ 109,595	\$ 1,404,515	\$ 1,448,415	\$ 1,460,914	\$ 1,479,761	\$ 2,233,071	\$ 32,976,470
Debt Service Fund	79,901	198,351	118,450	24,844	24,843	-	-	1	55,978	55,977
Committed:										
Capital Projects Fund	-	-	-	-	1,385	-	-	-	-	-
Unassigned:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	(22,278)
Total All Other Governmental Funds	\$ 79,901	\$ 198,351	\$ 118,450	\$ 134,439	\$ 1,430,743	\$ 1,448,415	\$ 1,460,914	\$ 1,479,762	\$ 2,289,049	\$ 33,010,169

Source: District CAFR, Schedule B-1

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

	FOR FISCAL YEAR ENDED									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Tax Levy	\$ 30,893,294	\$ 30,893,819	\$ 29,851,546	\$ 28,744,653	\$ 28,238,440	\$ 28,701,127	\$ 28,699,155	\$ 26,391,724	\$ 26,339,394	\$ 26,335,394
Miscellaneous	278,029	290,687	336,042	276,141	218,522	170,056	403,413	205,521	1,832,594	183,845
State Sources	26,500,387	25,595,557	24,924,282	24,741,894	25,018,642	24,124,164	22,688,337	21,180,352	23,330,592	24,577,140
Federal Sources	1,425,455	1,440,904	1,455,092	1,342,815	1,341,965	1,990,678	1,299,849	5,288,992	1,186,350	1,113,077
Total Revenue	59,097,165	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
Expenditures:										
Instruction:										
Regular Instruction	14,618,584	14,701,980	14,953,495	14,517,601	15,212,116	14,914,501	14,095,891	15,469,793	15,535,294	15,598,078
Special Education Instruction	4,585,566	4,775,049	4,442,230	4,211,048	4,158,217	4,074,599	3,877,190	3,859,197	3,617,328	3,270,502
Other Special Instruction	1,673,567	1,667,778	1,682,938	1,703,314	1,811,770	1,867,639	1,718,586	2,010,487	1,896,723	1,575,699
Support Services:										
Tuition	1,571,942	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
Student & Instruction Related Services	4,636,365	4,677,720	4,211,955	4,092,541	4,227,395	3,905,059	3,857,375	4,127,425	4,147,826	4,053,292
General Administrative Services	455,153	551,293	624,907	514,057	664,145	615,632	690,219	663,650	680,386	812,398
School Administrative Services	1,462,856	1,517,202	1,497,164	1,441,871	1,433,741	1,450,603	1,429,639	1,466,713	1,381,140	1,498,133
Central Services	791,370	787,787	764,435	686,837	714,694	648,087	608,439	658,344	533,997	1,990,530
Plant Operations & Maintenance	4,075,065	4,665,414	4,743,311	4,675,911	4,262,208	5,367,042	4,447,153	5,058,551	5,330,201	4,329,195
Pupil Transportation	2,290,453	1,947,470	2,505,761	2,609,206	3,016,676	2,915,158	2,952,138	3,609,704	4,041,363	3,499,404
Unallocated Benefits	16,496,210	15,098,670	13,709,553	13,149,410	13,191,824	11,746,033	11,234,022	11,578,013	10,682,741	10,225,148
Special School	-	-	-	-	-	-	-	-	-	360
Capital Outlay	768,178	1,623,211	1,684,212	1,618,049	5,915,541	2,785,987	1,123,451	3,161,913	21,436,777	23,657,467
Debt Service:										
Principal	1,480,000	1,485,000	1,340,000	1,285,000	1,320,000	1,161,000	1,110,000	1,055,000	1,000,000	1,839,160
Interest & Other Charges	2,007,668	1,421,614	1,424,759	1,649,713	1,519,993	1,698,990	1,756,269	1,813,234	1,865,502	1,396,973
Total Expenditures	56,912,977	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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,184,188	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)
Other Financing Sources/(Uses):										
Cancellation of Prior Year Receivables	-	-	-	(1,272,627)	-	-	-	-	-	-
Cancellation of Prior Year Payables	246,576	361,472	-	-	-	-	-	-	-	-
Capital Leases/Bond Proceeds	-	215,702	-	116,917	3,562,628	-	-	24,646	1,437,531	23,887,069
Transfer of Funds To Charter Schools	-	(20,108)	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	246,576	557,066	-	(1,155,710)	3,562,628	-	-	24,646	1,437,531	23,887,069
Net Change in Fund Balances	\$ 2,430,764	\$ 2,937,463	\$ 2,078,209	\$ 367,736	\$ (274,615)	\$ 414,781	\$ 2,888,576	\$ (3,386,499)	\$ (20,016,020)	\$ 475,323
Debt Service as a Percentage of Noncapital Expenditures	6.21%	5.36%	5.24%	5.65%	5.38%	5.52%	5.84%	5.38%	5.44%	6.23%

Source: District CAFR, Schedule B-2

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	RENTALS AND FACILITIES USE	TUITION	LEASE PURCHASE PROCEEDS	MISCELLANEOUS	TOTAL
2017	\$ 9,569	\$ -	\$ -	\$ -	\$ -	\$ 109,549	\$ 119,118
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	17,662	-	90,211	194,867
2010	14,088	-	24,020	22,026	-	94,596	154,730
2009	22,975	-	14,266	50,117	-	194,278	281,636
2008	104,774	-	-	-	-	79,071	183,845

Source: District records

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2017	\$ 81,715,900	\$ 2,045,389,600	\$ 4,671,200	\$ 331,400	\$ 136,182,000	\$ 3,189,400	\$ 32,459,100	\$ 2,303,938,600	\$ -	2,303,938,600	N/A
2016	86,667,800	2,013,691,900	4,671,200	316,700	136,330,400	3,189,400	32,459,100	2,277,326,500	-	2,277,326,500	2.629
2015	91,882,700	1,995,757,600	4,173,300	196,100	136,781,200	3,189,400	32,459,100	2,264,439,400	5,323,237	2,259,116,163	2.536
2014	97,899,600	1,975,973,100	3,363,000	109,500	133,948,600	3,189,400	32,459,100	2,246,942,300	4,422,968	2,242,519,332	2.471
2013	99,117,000	1,964,235,300	3,011,800	105,600	136,842,200	5,619,400	32,459,100	2,241,390,400	4,959,197	2,236,431,203	2.417
2012	106,648,000	1,954,463,500	2,220,700	85,800	138,673,800	5,619,400	32,459,100	2,240,170,300	5,808,224	2,234,362,076	2.374
2011	114,492,500	1,938,444,700	2,220,700	81,000	135,712,600	5,619,400	32,459,100	2,229,030,000	5,850,349	2,223,179,651	2.397
2010	139,796,300	2,383,866,100	2,799,500	105,900	148,040,800	13,236,700	38,013,300	2,725,858,600	6,515,499	2,719,343,101	1.895
2009	157,614,500	2,473,115,600	2,891,500	101,200	162,228,500	7,028,900	43,169,300	2,846,149,500	6,375,083	2,839,774,417	1.627
2008	199,511,100	2,415,733,945	2,385,300	78,500	168,459,700	7,122,700	43,169,300	2,836,460,545	6,232,113	2,842,692,658	1.631

Source: Abstract of Ratables "Assessed Value by Classification"

*Revaluation

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES							TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF BARNEGAT	OCEAN COUNTY	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE			
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	1.357	N/A	1.357	0.854	0.346	0.037	0.013	0.012	0.012	0.012	2.629
2015	1.345	N/A	1.345	0.783	0.346	0.037	0.013	0.012	0.012	0.012	2.536
2014	N/A	N/A	1.310	0.754	0.343	0.038	0.014	0.012	0.012	0.012	2.471
2013	1.156	0.101	1.257	0.738	0.345	0.040	0.015	0.022	0.022	0.022	2.417
2012	1.151	0.101	1.252	0.727	0.329	0.038	0.014	0.014	0.014	0.014	2.374
2011	1.180	0.104	1.284	0.732	0.317	0.037	0.014	0.013	0.013	0.013	2.397
2010	0.919	0.082	1.001	0.602	0.242	0.028	0.011	0.011	0.011	0.011	1.895
2009	0.919	N/A	0.919	0.419	0.239	0.028	0.011	0.011	0.011	0.011	1.627
2008	0.923	N/A	0.923	0.419	0.239	0.028	0.011	0.011	0.011	0.011	1.631

Source: Abstract of Ratables, Breakdown of General Tax Rate

*Revaluation

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2017		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Atlantic Heights LLC,	\$ 30,892,800	1	33.42%
Walters Development Co LLC	10,425,400	2	11.28%
Barnegat Village Square	8,745,300	3	9.46%
Hometown Brighton @ Barnegat	8,051,100	4	8.71%
Pinewood Estates Assoc LLC	6,348,000	5	6.87%
Paramount Homes at Wall LLC	6,231,000	6	6.74%
Barnegat Real Property LLC	6,214,000	7	6.72%
Bay Shore Plaza Shopping Center	5,500,000	8	5.95%
D&F Barnegat Development LLC	5,426,200	9	5.87%
Simply Storage Barnegat LLC	4,600,000	10	4.98%
Total	<u>\$ 92,433,800</u>		<u>100.00%</u>

TAXPAYER	2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Atlantic Heights LLC	\$ 41,656,000	1	N/A
Heritage Point LLC	\$ 19,251,900	2	N/A
Walters Development Co LLC	\$ 17,467,100	3	N/A
Barnegat Village Square	\$ 13,618,700	4	N/A
Effros Arthur EST	\$ 10,220,600	5	N/A
Barnegat Mini Storage	\$ 8,825,400	6	N/A
Hometown Brighton @ Barnegat LLC	\$ 8,631,300	7	N/A
Barnegat Manor Assoc LP	\$ 12,201,000	8	N/A
Pinewood Estates Assoc LLC	\$ 7,726,900	9	N/A
Gunning River Mall LLC	\$ 6,788,200	10	N/A
Total	<u>\$ 146,387,100</u>		<u></u>

Source: 2005Audit/CAFR

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 30,893,294	\$ 30,893,294	100.00%	-
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%	-

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	BOND/GRANT ANTICIPATION NOTES (BANS)			
2017	\$ 31,165,000	\$ 3,335,000	-	34,500,000	N/A	N/A
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	0.10%	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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2017	\$ 31,165,000	N/A	31,165,000	N/A	N/A
2016	32,645,000	N/A	32,645,000	2.629	N/A
2015	33,345,000	N/A	33,345,000	2.536	N/A
2014	34,685,000	N/A	34,685,000	2.471	44,381
2013	36,370,000	N/A	36,370,000	2.417	43,214
2012	37,690,000	N/A	37,690,000	2.374	43,200
2011	38,830,000	N/A	38,830,000	2.397	40,724
2010	39,940,000	N/A	39,940,000	1.895	40,291
2009	40,995,000	N/A	40,995,000	1.627	39,331
2008	41,995,000	N/A	41,995,000	1.631	40,975

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	
<u>Overlapping Debts:</u>			
Barnegat Township	\$ 13,276,354	59.60%	\$ 7,912,707
County of Ocean	457,267,841	48.70%	<u>222,689,439</u>
Subtotal, Overlapping Debt			230,602,146
Barnegat Township School District Direct Debt	31,165,000	100.00%	<u>31,165,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 261,767,146</u></u>

Sources: Township of Barnegat, Statement of Indebtedness as of December 31, 2016
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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 90,562,028	\$ 89,875,083	\$ 91,095,672	\$ 94,123,335	\$ 97,912,092	\$ 101,208,281	\$ 103,113,921	\$ 110,904,623	\$ 109,526,257	\$ 102,843,085
Total Net Debt Applicable to Limit	31,165,000	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
Legal Debt Margin	\$ 59,397,028	\$ 57,230,083	\$ 57,750,672	\$ 59,438,335	\$ 61,542,092	\$ 63,518,281	\$ 64,283,921	\$ 70,964,623	\$ 68,531,257	\$ 60,848,085
Total Net Debt Applicable to the Limit as a % of Debt Limit	34.41%	36.32%	36.60%	36.85%	37.15%	37.24%	37.66%	36.01%	37.43%	40.83%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2017	\$ 2,303,938,600
2016	\$ 2,277,326,500
2015	\$ 2,210,886,977
	<u>\$ 6,792,152,077</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,264,050,692</u>
Debt Limit (4 % of Average Equalized Valuation)	\$90,562,028
Net Bonded School Debt	<u>31,165,000</u>
Legal Debt Margin	<u>\$59,397,028</u>

Source: 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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA	
		PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2017	N/A	N/A	5.9%
2016	N/A	N/A	5.1%
2015	22,108	N/A	6.7%
2014	22,303	44,381	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	9.5%
2009		22,643	5.3%
2008		22,255	5.2%

*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	FISCAL YEAR ENDED 30,						
	2017	2016	2015	2014	2013	2012	2011
Instruction:							
Regular	241	242	241	243	175	197	201
Special Education	60	60	52	52	16	78	77
Other Special Education	23	22	21	21	53	20	20
Other Instruction	1	1	1	1	63	25	18
Adult Continuing Education Programs							2
Support Services:							
Student & Instruction Related Services	114	106	82	83	58	61	65
General Administration	3	3	3	3	3	3	3
School Administrative Services	18	18	18	18	24	24	25
Business Administrative Services	8	8	8	8	7	13	11
Plant Operations & Maintenance	48	47	49	49	58	63	61
Secretary	21	21	21	21			
Pupil Transportation	33	34	37	38	38	36	42
Total	570	562	533	537	495	519	523

Source: District Personnel Records

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE)(c)	AVERAGE DAILY ATTENDANCE (ADA)(c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL				
2017	3,132	53,461,167	17,069	5.49%	N/A	1:11.58	1:10.9	1:13	3,100	2,936	-0.99%	93.74%
2016	3,171	51,310,745	16,181	4.22%	N/A	1:15.10	1:12.77	1:18	3,131	2,980	-1.51%	93.98%
2015	3,223	50,039,782	15,526	2.12%	N/A	1:11.5	1:11.5	1:13	3,179	3,003	0.16%	93.17%
2014	3,225	49,029,295	15,203	-2.55%	N/A	1:11	1:11	1:15	3,174	3,001	-0.56%	93.05%
2013	3,240	50,546,982	15,601	5.26%	495	1:14	1:14	1:15	3,192	3,020	-0.25%	93.21%
2012	3,235	47,944,704	14,821	7.92%	519	1:17	1:15	1:16	3,200	2,987	-2.14%	92.33%
2011	3,294	45,235,378	13,733	-4.65%	455	1:18	1:16	1:15	3,270	3,028	1.30%	91.92%
2010	3,360	48,390,977	14,402	-0.13%	662	1:19	1:14	1:16	3,228	3,041	-1.97%	90.51%
2009	3,303	47,630,014	14,420	4.09%	505	1:17	1:11	1:15	3,293	3,066	0.27%	92.82%
2008	3,314	45,913,004	13,854	8.87%	487	1:16	1:13	1:10	3,284	3,094	-1.35%	94.20%

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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Elementary Schools:										
Cecil S. Collins(1980):										
Square Feet	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000
Capacity (Students)	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	680	680
Enrollment	426	419	419	388	388	341	416	416	691	658
Lillian M. Dunfee (1974):										
Square Feet	70,817	70,817	70,817	70,817	70,817	70,817	70,817	70,817	46,000	46,000
Capacity (Students)	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	391	391
Enrollment (a)	373	366	366	377	377	395	342	342	350	352
Robert L. Horbelt (2001):										
Square Feet	80,586	80,586	80,586	80,586	80,586	80,586	80,586	80,586	65,000	65,000
Capacity (Students)	554	554	554	554	554	554	554	554	277	277
Enrollment	417	444	444	440	440	424	402	402	424	423
Joseph T. Donahue (2008):										
Square Feet	72,300	72,300	72,300	72,300	72,300	72,300	72,300	72,300	72,300	72,300
Capacity (Students)	805	805	805	805	805	805	805	805	805	805
Enrollment	225	262	262	272	272	311	308	308	-	-
Elizabeth V. Edwards (1927):										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (Students)	126	126	126	126	126	126	126	126	126	126
Enrollment (a)	-	-	-	-	-	-	-	-	-	-
Middle School:										
Russell O. Brackman (1990):										
Square Feet	172,970	172,970	172,970	172,970	172,970	172,970	172,970	172,970	126,000	126,000
Capacity (Students)	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	825	825
Enrollment	752	746	746	750	750	786	766	766	794	800
High School:										
Barnesat High (2004):										
Square Feet	201,214	201,214	201,214	201,214	201,214	201,214	201,214	201,214	155,000	155,000
Capacity (Students)	2,282	2,282	2,282	2,282	2,282	2,282	2,282	2,282	1,141	1,141
Enrollment	939	986	986	988	988	1,025	1,047	1,047	1,037	1,087
Other Buildings:										
Transportation (2003):										
Square Feet	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356
Central Administration (2003):										
Square Feet	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Maintenance (2003):										
Square Feet	788	788	788	788	788	788	788	788	788	788

Number of Schools at June 30, 2017:

- Elementary = 5
- Middle School = 1
- Senior High School = 1
- Other = 3

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.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

PROJECT #S	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Cecil S. Collins Elementary	\$ 69,115	\$ 61,554	\$ 88,986	\$ 62,703	\$ 73,945	\$ 949,822	\$ 67,118	\$ 111,316	\$ 78,164	\$ 118,678
Joseph T. Donahue Elementary	51,492	44,949	82,388	64,257	44,762	63,712	56,426	65,734	67,850	-
Lillian M. Dunfee Elementary	74,439	64,518	79,500	73,676	41,157	62,405	55,268	76,945	91,619	130,337
Robert L. Horbelt Elementary	70,373	55,250	91,987	73,428	58,387	71,013	62,892	94,471	74,720	110,604
Russell O. Brackman Middle School	108,420	146,326	139,088	118,483	113,603	152,424	134,993	179,086	127,193	102,898
Barnegat High School	147,989	161,174	143,070	120,806	144,003	177,313	157,035	200,630	173,853	185,423
Elizabeth V. Edwards Elementary	17,726	18,153	16,891	1,743	2,845	31,724	28,096	23,252	20,905	40,695
Maintenance/Bus Depot	-	-	13,757	11,212	85,338	6,168	5,464	-	-	-
Board Office	-	-	3,876	4,293	9,480	2,644	2,341	-	-	-
Total School Facilities	\$ 539,554	\$ 551,924	\$ 659,543	\$ 530,601	\$ 573,520	\$ 1,517,225	\$ 569,633	\$ 751,434	\$ 634,304	\$ 688,635

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, 2017**

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

SAIF: School Alliance Insurance Fund
Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barnegat Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Barnegat Township School District's basic financial statements, and have issued our report thereon dated November 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
November 17, 2017

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the 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 School District's major federal and state programs for the fiscal year ended June 30, 2017. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

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

perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the 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, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
November 17, 2017

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**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	DEFERRED REVENUE AT JUNE 30, 2017	(ACCOUNTS RECEIVABLE) JUNE 30, 2017	DUE TO GRANTOR JUNE 30, 2017
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Enterprise Fund: Child Nutrition Cluster: National School Breakfast Program National School Breakfast Program Subtotal	10.553 10.553	1616NJ04N1099 171NJ04N1099	100-010-3350-028 100-010-3350-028	\$ 124,200 127,356	7/1/15-6/30/16 7/1/16-6/30/17	\$ (11,076) (11,076)	- -	\$ 11,076 119,500	\$ - (127,356)	- -	\$ - -	\$ - (7,856)	\$ - (7,856)	
National School Lunch Program National School Lunch Program Healthy Hunger-Free Kids Act Healthy Hunger-Free Kids Act Food Distribution Program (Noncash Assistance) Subtotal	10.555 10.555 10.555 10.555 10.555	1616NJ04N1099 171NJ04N1099 1616NJ04N1099 171NJ04N1099 171NJ04N1099	100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-026 Unavailable	417,633 452,559 13,878 13,777 103,459	7/1/15-6/30/16 7/1/16-6/30/17 7/1/15-6/30/16 7/1/16-6/30/17 7/1/16-6/30/17	(32,195) (411,519) (1,061) -	- -	32,195 411,519 1,061 13,102 103,459	(432,559) (13,777) (13,777) (103,459)	- -	- -	- (21,040) (675)	- (21,040) (675)	
Total Child Nutrition Cluster						(44,332)	-	691,912	(677,151)	-	-	-	(29,571)	
Special Revenue Fund: School Meals Equipment	10.579	1616NJ354N8103	100-010-3350-007	7,435	7/1/16-6/30/17	-	-	7,435	(7,435)	-	-	-	-	
Total U.S. Department of Agriculture						(44,332)	-	699,347	(684,586)	-	-	-	(29,571)	
U.S. Department of Human Services Passed Through New Jersey Department of Human Services: General Fund: Medical Assistance Program (SEM) Medical Assistance Program -ARRA Funds (SEMF) Total General Fund	93.778 93.778	1705NJ5MAP 1705NJ5MAP	100-054-7540-211 100-054-7540-211	145,961 3,174	7/1/16-6/30/17 7/1/16-6/30/17	- -	- -	145,961 3,174	(145,961) (3,174)	- -	- -	- -	- -	
Total U.S. Department of Human Services						-	-	149,135	(149,135)	-	-	-	-	
U.S. Department of Education Passed Through New Jersey Department of Education: Special Revenue Fund: No Child Left Behind (N.C.L.B.): Title I - Part A Subtotal	84.010 84.010	S010A150030 S010A160030	100-034-5064-194 100-034-5064-194	449,305 400,989	7/1/15-6/30/16 7/1/16-6/30/17	(83,746) (83,746)	- -	83,746 400,809	- (400,989)	- -	- -	- (180)	- (180)	
Title II - Part A: Supporting Effective Instruction Title II - Part A: Supporting Effective Instruction Subtotal	84.367 84.367	S367A160029 S367A150029	100-034-5063-290 100-034-5063-290	81,342 75,315	7/1/15-6/30/16 7/1/16-6/30/17	(17,722) (17,722)	- -	17,722 75,315	- (75,315)	- -	- -	- -	- -	
Title III, English Language Acquisition Subtotal	84.365	S365A160030	100-034-5064-187	1,895	7/1/16-6/30/17	-	-	1,895	(1,895)	-	-	-	-	
I.D.E.A. Part B (Special Education Cluster) Basic Basic Subtotal	84.027 84.027	H027A150100 H027A160100	100-034-5065-016 100-034-5065-016	777,718 741,897	7/1/15-6/30/16 7/1/16-6/30/17	(251,859) (251,859)	- -	251,859 741,897	- (741,897)	- -	- -	- -	- -	
Preschool Preschool Subtotal	84.173 84.173	H173A150114 H173A160114	100-034-5065-020 100-034-5065-020	32,008 32,246	7/1/15-6/30/16 7/1/16-6/30/17	(9,491) (9,491)	- -	9,491 32,246	- (32,246)	- -	- -	- -	- -	
Total Special Education Cluster						(261,350)	-	1,035,493	(774,143)	-	-	-	-	
Total Special Revenue Fund						(362,818)	-	1,614,980	(1,252,342)	-	-	-	(180)	
Total U.S. Department of Education						(362,818)	-	1,614,980	(1,252,342)	-	-	-	(180)	
U.S. Department of Law and Public Safety Passed Through New Jersey Department of Public Law and Safety: General Fund: Public Assistance Grants	97.036	Unavailable	100-066-1200-B80	16,543	7/1/16-6/30/17	-	-	16,543	(16,543)	-	-	-	-	
Total U.S. Department of Law and Public Safety						-	-	16,543	(16,543)	-	-	-	-	
Total Expenditures of Federal Awards						\$ (407,150)	\$ -	\$ 2,480,005	\$ (2,102,606)	\$ -	\$ -	\$ -	\$ (29,571)	\$ -

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

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	SUB RECIPIENT EXPENDITURES	BALANCE JUNE 30, 2017		MEMO ONLY	
										DEFERRED REVENUE	ACCOUNTS RECEIVABLE	GRANTOR	BUDGETARY RECEIVABLE
State Department of Education:													
General Fund:													
Special Education Aid	17-495-034-5120-089	\$ 1,873,243	7/1/16-6/30/17	\$ -	\$ -	\$ 1,873,243	\$ (1,873,243)	\$ -	\$ -	\$ -	\$ -	\$ 176,510	\$ 1,873,243
Equitization Aid	17-495-034-5120-078	17,844,465	7/1/16-6/30/17	-	-	17,844,465	(17,844,465)	-	-	-	-	1,681,425	17,844,465
Security Aid	17-495-034-5120-084	119,745	7/1/16-6/30/17	-	-	119,745	(119,745)	-	-	-	-	11,283	119,745
Adjustment Aid	17-495-034-5120-085	2,039	7/1/16-6/30/17	-	-	2,039	(2,039)	-	-	-	-	192	2,039
PARCC Readiness Aid	16-495-034-5120-098	31,640	7/1/15-6/30/16	(31,640)	-	31,640	-	-	-	-	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	31,640	7/1/15-6/30/16	(31,640)	-	31,640	-	-	-	-	-	-	-
PARCC Readiness Aid	17-495-034-5120-098	31,640	7/1/16-6/30/17	-	-	31,640	-	-	-	-	-	2,981	31,640
Per Pupil Growth Aid	17-495-034-5120-097	31,640	7/1/16-6/30/17	-	-	31,640	-	-	-	-	-	2,981	31,640
Professional Learning Community Aid	17-495-034-5120-101	31,160	7/1/16-6/30/17	-	-	31,160	-	-	-	-	-	2,956	31,160
Total State Aid Public				(63,280)	-	19,997,212	(19,933,932)	-	-	-	-	1,878,308	19,933,932
Transportation Aid	17-495-034-5120-014	218,613	7/1/16-6/30/17	-	-	218,613	-	-	-	-	-	20,599	218,613
Additional Transportation Aid	16-495-034-5120-016	9,987	7/1/15-6/30/16	(9,987)	-	9,987	-	-	-	-	-	-	-
Additional Transportation Aid	17-495-034-5120-014	6,321	7/1/16-6/30/17	-	-	-	(6,321)	-	-	(6,321)	-	-	6,321
Extraordinary Aid	17-495-034-5120-473	548,465	7/1/16-6/30/17	-	-	-	(548,465)	-	-	(548,465)	-	-	548,465
Extraordinary Aid	16-495-034-5120-473	334,050	7/1/15-6/30/16	(390,225)	-	390,225	-	-	-	-	-	-	-
Homeless Tuition Aid	17-495-034-5120-005	55,323	7/1/16-6/30/17	-	-	55,323	-	-	-	-	-	-	55,323
Reimbursed TPAF Social Security Contributions	16-100-010-3350-023	1,380,107	7/1/15-6/30/16	(71,061)	-	71,061	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	17-100-034-5094-003	1,445,069	7/1/16-6/30/17	-	-	1,373,900	(1,445,069)	-	-	(71,579)	-	-	1,445,069
On-Behalf TPAF Post-Retirement	17-100-034-5094-003	1,744,731	7/1/16-6/30/17	-	-	1,744,731	-	-	-	-	-	-	1,744,731
Medical Contributions (Noncash Assistance)	17-495-034-5094-001	2,093,944	7/1/16-6/30/17	-	-	2,093,944	-	-	-	-	-	-	2,093,944
Contributions (Noncash Assistance)	17-495-034-5094-002	4,138	7/1/16-6/30/17	-	-	4,138	-	-	-	-	-	-	4,138
On-Behalf TPAF Long-Term Disability	17-495-034-5094-004	25,958,724	7/1/16-6/30/17	(534,553)	-	25,958,724	(26,050,536)	-	-	(626,365)	-	1,898,907	26,050,536
Insurance Contributions (Noncash Assistance)													
Total General Fund													
Debt Service Fund:													
Debt Service Aid Type II	17-495-034-5120-075	450,633	7/1/16-6/30/17	-	-	450,633	(450,633)	-	-	-	-	-	450,633
Total Debt Service Fund													
New Jersey Department of Agriculture:													
Enterprise Fund:													
National School Lunch Program (State Share)	16-100-010-3350-023	11,177	7/1/15-6/30/16	(856)	-	856	-	-	-	-	-	-	-
National School Lunch Program (State Share)	17-100-010-3350-023	11,128	7/1/16-6/30/17	-	-	10,584	(11,128)	-	-	(544)	-	-	11,128
Total Enterprise Fund				(856)	-	11,440	(11,128)	-	-	(544)	-	-	11,128
Total State Financial Assistance				(535,409)	-	26,420,797	(26,512,297)	-	-	(626,909)	-	\$ 1,898,907	\$ 26,512,297

State Financial Assistance Programs not subject to Calculation for Major Program Determination:
 On-Behalf TPAF Post-Retirement 1,744,731
 Medical Contributions (Noncash Assistance) 2,093,944
 On-Behalf TPAF Pension 2,093,944
 Contributions (Noncash Assistance) 4,138
 On-Behalf TPAF Long-Term Disability 4,138
 Insurance Contributions (Noncash Assistance) 4,138
Total State Financial Assistance subject to Calculation for Major Program Determination
\$ 22,673,622

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

**THE BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

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

Note 3. Relationship to Basic Financial Statements

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

**THE BARNEGAT TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$782) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 165,678	\$ 26,049,754	\$ 26,215,432
Special Revenue Fund	1,259,777	-	1,259,777
Debt Service Fund	-	450,633	450,633
Food Service Fund	<u>677,151</u>	<u>11,128</u>	<u>688,279</u>
Total Awards & Financial Assistance	<u>\$ 2,102,606</u>	<u>\$ 26,511,515</u>	<u>\$ 28,614,121</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Barnegat Township School District had no loan balances outstanding at June 30, 2017.

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A160100	Special Education Cluster: I.D.E.A., Part B, Basic Regular
84.173	H173A160114	I.D.E.A., Preschool Program

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

**BARNEGAT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

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

None.

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**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, 2017**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.