Comprehensive Annual Financial Report

of the

Pine Hill Board of Education

Pine Hill, New Jersey

For the Year Ended June 30, 2011

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Introductory Section

PINE HILL BOARD OF EDUCATION

PINE HILL PUBLIC SCHOOLS

Central Administration

1003 Turnerville Road ▲ Pine Hill, New Jersey 08021 ▲ Fax: 856.783.2955

Kenneth P. Koczur, Ed.D. Superintendent of Schools
856.783.6900

Carol A. Mascioli, School Business Administrator
856.784.8887

October 21, 2011

Honorable President and
Members of the Board of Education
Pine Hill Board of Education
County of Camden, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Pine Hill School District for the fiscal year ending June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Pine Hill Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Pine Hill School District. All disclosures necessary to enable the reader to obtain an understanding of the Pine Hill School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Pine Hill School District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Pine Hill School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Nonprofit Organizations," and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES:

The Pine Hill School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the Pine Hill School District are included in this report. The Pine Hill School District is included in this report. The Pine Hill Board of Education and all its schools constitute the Pine Hill School District's reporting entity.

If special accommodations are needed, please call 784.8887 The Pine Hill Board of Education is an Equal Opportunity Employer

1.) REPORTING ENTITY AND ITS SERVICES (Continued)

The Pine Hill School District provides a full range of educational services appropriate to grade levels preschool through 12. We are in a send/receive relationship with Berlin Township and Clementon for their students in grades 9 to 12.

The classrooms are primarily self-contained, and the pupils are grouped heterogeneously. A portion of each day is spent in Basic Skills instruction in the areas of Reading, Math and Written Language. In addition, pupils are offered programs in Art, Music (Instrumental and Vocal), programs for Gifted and Talented pupils, Physical Education/Health, Reading (Language Arts), Science, Social Studies, World Language and Technology. Efforts are made by the district to identify and provide individual educational plans for pupils who are learning disabled, either in self-contained classrooms, resource centers, or in-class support.

In addition to the variety of instructional programs available to students in Pine Hill, other services are provided. All four schools enjoy the services of a full-time school nurse. All children receive annual medical examinations by the school physician. The nurses also conduct annual vision screening in grades two, six and ten. Seven full time, along with one part time, guidance counselors service the needs of children at each school; the counselors also serve as members of the districts' Child Study Teams. A Behavioral Specialist was added to assist the district in performing observations in-house, eliminating the need to send students out for evaluations.

The District's structure is as follows:

Elementary Schools	Pre-K through fifth grade
Middle School	Sixth grade through eighth grade
High School	Ninth grade through twelfth grade

The Pine Hill School District completed the 2010-2011 fiscal year with an in-district enrollment of 1,915 students. As of June 30, 2011, 69 special education students attended outside placements, and 18 students were out on homebound instruction. The following details the changes in the student enrollment of the Pine Hill School District over the last five years.

AVERAGE DAILY ENROLLMENT		
FISCAL YEAR	STUDENT ENROLLMENT	PERCENT CHANGE
2006-2007	2172	(.98%)
2007-2008	2149	(.98%)
2008-2009	2091	(2.8%)
2009-2010	2030	(2.91%)
2010-2011	2002	(1.38%)

1.) REPORTING ENTITY AND ITS SERVICES (Continued)

The Pine Hill Community Education Program makes the district facilities available to the community in a variety of ways, year-round. Community Education courses for adults (which include computer instruction for senior citizens) and children are offered to the community after regular school hours. Community organizations have the use of the buildings and grounds in the evenings for their meetings, practices, activities, etc.

During the summer months, these same courses are offered as well as an academic summer enrichment program. In addition, art and music are infused into the summer enrichment curriculum. Both art and music instructors coordinate lessons with the classroom teachers, coinciding with the themes of the program.

2.) ECONOMIC CONDITION AND OUTLOOK:

The Board of Education faced challenging decisions when developing the 2010-2011 budget. However, in view of the economic situation and the loss of $1.6 Million in State Aid, our district was forced to make adjustments in order to remain fiscally responsible, while at the same time, trying to minimize any impact on our students' education program.

3.) MAJOR INITIATIVES:

The budget for 2010-2011 was reduced by nearly 3%; therefore, we reexamined our expenditures to ensure that we were meeting the educational needs of our students in the most economically efficient manner. As a result, we cut back on our administrative and secretarial staff. Additionally, our Director of Special Services was shared with both Clementon and Berlin Township School Districts. This allowed us to continue to provide for all the programs necessary for a quality education, based on the New Jersey Core Content Standards.

4.) INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal and state financial assistance, the Pine Hill School District 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 evaluation by the Pine Hill School District management.

As part of the Pine Hill 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 Pine Hill School District has complied with applicable laws and regulations.

5.) BUDGETARY CONTROLS:

In addition to internal accounting controls, the Pine Hill 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

6.) ACCOUNTING SYSTEM AND REPORT:

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

7.) FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial section of this report, the Pine Hill School District continues to meet its responsibility for sound financial management.

8.) DEBT ADMINISTRATION:

As of June 30, 2011 the Pine Hill School District had an outstanding debt of $10,355,000.00.

9.) CASH MANAGEMENT:

The investment policy of the Pine Hill School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The Pine Hill School District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10.) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and student accident insurance

11.) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12.) ACKNOWLEDGMENTS:

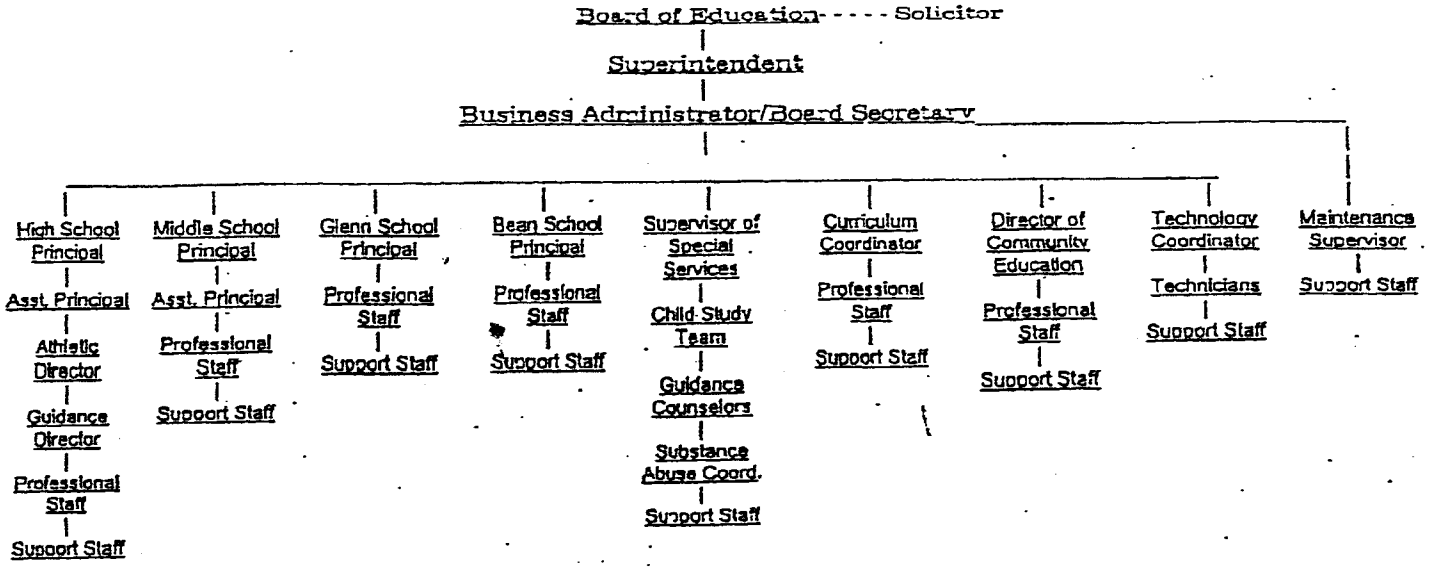
We would like to express our appreciation to the members of the Pine Hill School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The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

Respectfully submitted,

Kenneth P. Koczur
Dr. Kenneth P. Koczur
Superintendent of Schools

Carol A. Mascioli
Carol A. Mascioli
School Business Administrator

ORGANIZATIONAL CHART



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Revised:	09/10/86
Revised:	10/25/88
Revised:	10/24/89
Revised:	06/25/02

PINE HILL
BOARD OF EDUCATION

ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education		Term
Les Gallagher, Jr.	President	2013
John Kammler	Vice President	2012
Len Cavallaro	Member	2014
Angela Nolan-Cooper	Member	2014
Jocelyn Lewis	(Berlin)	2012
Natalie Maguire	Member	2012
Lois Parker	Member	2013
Roger Schwartz	Member	2014
William Stone	Member	2013
Joseph Keyek, Jr.	Member	2012
Irene Buchalter	(Clementon)	2012

SUPERINTENDENT

Kenneth P. Koczur

BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR

Carol A. Mascioli

TREASURER OF SCHOOL MONIES

Thomas Cardis

PINE HILL
BOARD OF EDUCATION

CONSULTANTS AND ADVISORS
JUNE 30, 2011

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08226

ATTORNEY

Ronald Sahli Esq.
1147 S. White Horse Pike
PO Box 601
Hammonton, NJ 08037

OFFICIAL DEPOSITORIES

New Jersey Cash Management Fund
Audubon Savings Bank

Financial Section

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Pine Hill Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund, of the Pine Hill Board of Education, in the County of Camden, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2011 on our consideration of the Pine Hill Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information, as listed in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Pine Hill Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*: and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 21, 2011

Required Supplementary Information – Part I

PINE HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

The discussion and analysis of The Pine Hill School District's financial performance provides an overall review of the School District's financial activities for the year ended June 30, 2011. 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 Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets increased $1,722,025.90 which represents a 121 percent increase from 2010.
- General revenues accounted for $33,956,713.56 in revenue or 89 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for $4,167,535.62 or 11 percent of total revenues of $38,124,249.18.
- Cash and cash equivalents decreased by $934.06, receivables and inventory increased by $366,022.43 and net capital assets increased by $196,552.23.
- The School District had $36,402,223.28 in expenses; only $4,167,535.62 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of $33,956,713.56 were adequate to provide for these programs.
- Among governmental funds, the General Fund had $33,188,268.71 in revenues, $32,856,879.35 in expenditures and transfers to other funds in the amount of $398,039.04. The General Fund's fund balance decreased $66,649.68 over 2010. This increase was anticipated by the Board of Education.

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 Pine Hill School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets 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 fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of The Pine Hill School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have 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 Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community Education enterprise funds are reported as a business activity.

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 transactions. 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. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

Table 1 - Net Assets

	2011	2010
Assets		
Current and Other Assets	$ 993,183.13	$ 628,094.76
Capital Assets	13,258,224.54	13,061,672.31
Total Assets	14,251,407.67	13,689,767.07
Liabilities		
Long-Term Liabilities	10,914,022.04	12,164,230.60
Other Liabilities	192,863.28	103,040.02
Total Liabilities	11,106,885.32	12,267,270.62
Net Assets		
Invested in Capital Assets, Net of Debt	3,561,837.60	2,316,521.16
Restricted	810,045.50	728,617.03
Unrestricted	(1,227,360.75)	(1,622,641.74)
Total Net Assets (Deficit)	$ 3,144,522.35	$ 1,422,496.45

The School District as a Whole (Continued)

Table 2 shows changes in net assets for 2011 and 2010.

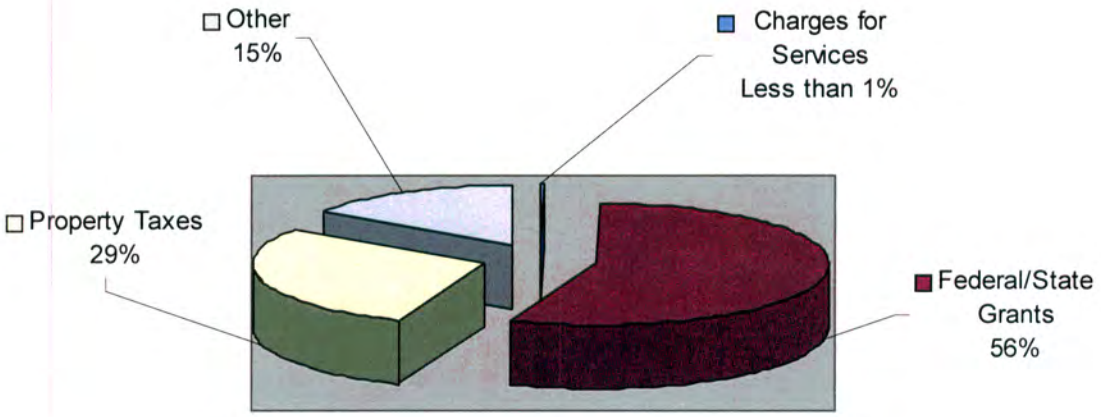
Table 2 - Changes in Net Assets

	2011	2010
Revenues		
Program Revenues:		
Charges for Services	$ 575,356.86	$ 624,037.56
Operating Grants and Contributions	2,935,928.80	3,178,375.29
Capital Grants and Contributions	656,249.96	51,264.31
General Revenues:		
Property Taxes	10,587,650.00	9,998,468.00
Grants and Entitlements	17,673,034.96	18,733,980.76
Other	5,696,028.60	5,646,550.28
Total Revenues	38,124,249.18	38,232,676.20
Program Expenses		
Instruction	21,112,030.56	21,305,285.65
Support Services:		
Tuition	1,811,127.30	1,947,641.01
Related Services - Pupils and Instructional Staff	3,930,677.06	4,109,385.63
General & School Administration & Central Services	3,046,549.43	3,091,217.90
Maintenance of Facilities	3,801,639.95	4,380,039.30
Pupil Transportation	1,202,158.76	1,261,465.16
Interest on Debt	511,917.05	499,880.55
Food Service	859,166.12	891,295.26
Parent Saver Program	120,764.13	89,923.58
Community Education Program	6,192.92	34,529.40
Total Expenses	36,402,223.28	37,610,663.44
Increase in Net Assets	$ 1,722,025.90	$ 622,012.76

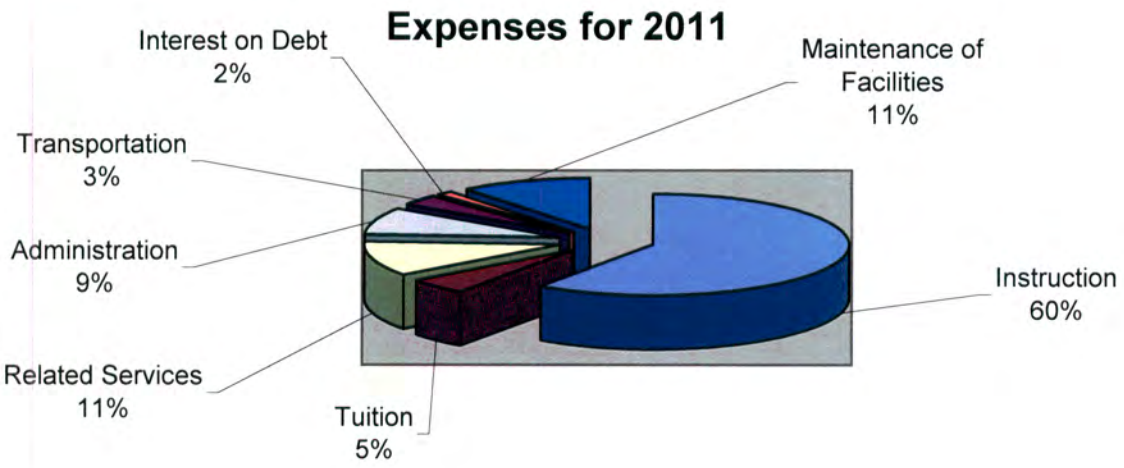
Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 28 percent of revenues for governmental activities for the Pine Hill School District for year 2011. The District's total revenues were $37,084,794.73 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 56 percent of revenue.

Sources of Revenue for 2011



The total cost of all program and services was $35,416,100.11. Instruction comprises 58 percent of District expenses.



Business-Type Activities

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

- Food service revenues exceeded expenses by $48,033.31, community education program expenses exceeded revenues by $344.34 and parent saver program revenues exceeded expenditures by 5,642.31.

- Charges for food services represent $346,887.56 of revenue. This represents amounts paid by patrons for daily food service. Charges for community education program represent $8,313.58 of revenue. This represents amounts paid by patrons for community education.

- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was $514,145.74.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 21,112,030.56	$ 19,697,893.50	$ 21,305,285.65	$ 19,754,528.97
Support Services:				
Tuition	1,811,127.30	1,811,127.30	1,947,641.01	1,947,641.01
Related Services Pupils and Instructional Staff	3,930,677.06	3,672,570.06	4,109,385.63	3,884,483.10
General & School Administration & Central Services	3,046,549.43	3,046,549.43	3,091,217.90	3,091,217.90
Maintenance of Facilities	3,801,639.95	3,145,389.99	4,380,039.30	4,328,774.99
Pupil Transportation	1,202,158.76	1,105,944.48	1,261,465.16	1,160,611.85
Interest and Finance Charges	511,917.05	(237,621.95)	499,880.55	(350,156.45)
Total Expenses	$ 35,416,100.11	$ 32,241,852.81	$ 36,594,915.20	$ 33,817,101.37

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

Tuition is predominately made up of charges for private schools for disabled students.

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

General administration, school administration, and Central Services include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

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. Total revenues amounted to $37,084,794.73, expenditures were $36,817,476.90 and net transfers out were $0.00. The net increase in fund balance for the year was $267,317.83.

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, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Sources	$ 16,336,989.75	44.05%	$ 591,485.95	3.76%
State Sources	19,203,048.69	51.78%	2,048,845.62	11.94%
Federal Sources	1,544,756.29	4.17%	(2,711,981.92)	-63.71%
Total	$ 37,084,794.73	100.00%	$ (71,650.35)	-0.19%

Local revenues increased by $591,485.95. The increase in local revenue was predominately due to the increase in local taxes levied for general and debts service fund budgets.

The increase of $2,048,845.62 in state sources can be attributed to the State partially restoring State Aid that was cut in the previous years budget.

The decrease of $2,711,981.92 in federal sources is attributed to the reduction of ARRA Funds available to the district in 2010/2011.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current expense:				
Instruction	$ 15,020,591.17	40.80%	$ (716,836.08)	-4.55%
Undistributed expenditures	19,498,459.24	52.96%	(59,021.30)	-0.30%
Capital Outlay	730,245.23	1.98%	479,612.77	191.36%
Debt Service	1,568,181.26	4.26%	97,338.87	6.62%
Total	$ 36,817,476.90	100.00%	$ (198,905.74)	-0.54%

Instructional Expenditures decreased predominately due to a reduction in teaching staff. The decrease in Undistributed expenditures was insignificant. Capital Outlay expenditures increase as a result of spending related to the roof, fire alarm and tennis court projects. The increase in Debt Service was expected and is related to a higher amount of bond principal being repaid this year as opposed to last.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for 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 operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Transfers were made to reflect the movement of teachers from one classification to another.
- Health Benefit costs increased at a rate higher than budgeted.

Capital Assets

At the end of the year 2011, the School District had $13,258,224.54 invested in land, building, furniture and equipment, and vehicles. Table 4 shows year 2011 balances compared to 2010.

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

	2011	2010
Land	$ 400,000.00	$ 400,000.00
Construction in Progress	771,436.54	51,264.31
Land Improvements	266,471.00	312,182.00
Building and Building Improvements	11,194,961.00	11,777,803.91
Machinery and Equipment	625,356.00	520,422.09
Total	$ 13,258,224.54	$ 13,061,672.31

Overall capital assets increased $196,552.27 from year 2010 to year 2011. The increase in capital assets is due to depreciation charges being less than new capital purchases. Please refer to Notes to the Financial Statements for more detailed information.

Debt Administration

At June 30, 2011, the School District had $10,914,022.04 of outstanding debt. Of this amount, $908,076.33 is for compensated absences; $10,355,000.00 of serial bonds for school construction; $309,558.77 for the unfunded early retirement liability; and deferred charges related to the 2005 refunding in the amount of $658,613.06.

Table 5
Bonded Outstanding Debt at June 30,

	2011	2010
2005 Refunding Issue	$ 10,355,000.00	$ 11,475,000.00
Unamortized Loss on 2005 Refunding	(658,613.06)	(729,848.85)
Total	$ 9,696,386.94	$ 10,745,151.15

At June 30, 2011, the School District was within its legal debt margin. Please refer to Notes to the Financial Statements for more detailed information.

For the Future

The Pine Hill School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued cost increases without corresponding increases in state aid, which increases reliance on local property taxes.

In conclusion, the Pine Hill School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal 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 Carol A. Mascioli Business Administrator/Board Secretary at the Pine Hill School District, 1003 Turnersville Road, Pine Hill, New Jersey 08021. Please visit our website at http://www.pinehill.k12.nj.us.

Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

PINE HILL SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 320.52	$ 101,842.78	$ 102,163.30
Receivables, Net	879,904.76	480.28	880,385.04
Inventory		10,634.79	10,634.79
Restricted Assets:			
Capital Assets, Net (Note #6)	13,047,646.54	210,578.00	13,258,224.54
Total Assets	13,927,871.82	323,535.85	14,251,407.67
LIABILITIES			
Accounts Payable	234.51	-	234.51
Accounts Payable - Cash Overdraft	123,187.44		123,187.44
Accrued Interest Payable	69,000.00		69,000.00
Deferred Revenue	441.33		441.33
Noncurrent Liabilities (Note #7)			
Due Within One Year	1,171,310.75		1,171,310.75
Due Beyond One Year	9,742,711.29		9,742,711.29
Total Liabilities	11,106,885.32	-	11,106,885.32
NET ASSETS			
Amount Invested in Capital Assets, Net of Related Debt	3,351,259.60	210,578.00	3,561,837.60
Restricted for:			
Debt Service (Deficit)	(68,679.48)		(68,679.48)
Capital Projects	899,224.98		899,224.98
Other Purposes (Deficit)	(20,500.00)		(20,500.00)
Unrestricted (Deficit)	(1,340,318.60)	112,957.85	(1,227,360.75)
Total Net Assets	$ 2,820,986.50	$ 323,535.85	$ 3,144,522.35

PINE HILL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2011

Function/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 13,188,486.01	$ -	$ -	$ -	$ (13,188,486.01)	$ -	$ (13,188,486.01)
Special Education	6,575,624.55		1,414,137.06		(5,161,487.49)		(5,161,487.49)
Other Special Instruction	1,347,920.00				(1,347,920.00)		(1,347,920.00)
Support Services:							
Tuition	1,811,127.30				(1,811,127.30)		(1,811,127.30)
Student & Instruction Related Services	3,930,677.06		258,107.00		(3,672,570.06)		(3,672,570.06)
School Administrative Services	1,844,184.66				(1,844,184.66)		(1,844,184.66)
General Administrative Services	480,300.91				(480,300.91)		(480,300.91)
Central Services	569,752.85				(569,752.85)		(569,752.85)
Information Technology	152,311.01				(152,311.01)		(152,311.01)
Plant Operation and Maintenance	3,801,639.95			656,249.96	(3,145,389.99)		(3,145,389.99)
Pupil Transportation	1,202,158.76	96,214.28			(1,105,944.48)		(1,105,944.48)
Interest on Long-Term Debt	511,917.05		749,539.00		237,621.95		237,621.95
Total Governmental Activities	35,416,100.11	96,214.28	2,421,783.06	656,249.96	(32,241,852.81)	-	(32,241,852.81)
Business-Type Activities:							
Food Service	859,166.12	346,887.56	514,145.74			1,867.18	1,867.18
Parent Saver Program	120,764.13	123,941.44				3,177.31	3,177.31
Community Education	6,192.92	8,313.58				2,120.66	2,120.66
Total Business-Type Activities	986,123.17	479,142.58	514,145.74	-	-	7,165.15	7,165.15
Total Primary Government	$ 36,402,223.28	$ 575,356.86	$ 2,935,928.80	$ 656,249.96	$ (32,241,852.81)	$ 7,165.15	$ (32,234,687.66)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					$ 9,769,157.00	$ -	$ 9,769,157.00
Taxes Levied for Debt Service					818,493.00		818,493.00
Federal and State Aid not Restricted					17,673,034.96		17,673,034.96
Tuition Received					5,458,407.00		5,458,407.00
Miscellaneous Income					191,455.47	254.41	191,709.88
Fixed Asset Adjustments					-	45,911.72	45,911.72
Total General Revenues, Special Items, Extraordinary Items and Transfers					33,910,547.43	46,166.13	33,956,713.56
Change in Net Assets					1,668,694.62	53,331.28	1,722,025.90
Net Assets (Deficit) - Beginning					1,152,291.88	270,204.57	1,422,496.45
Net Assets (Deficit) - Ending					$ 2,820,986.50	$ 323,535.85	$ 3,144,522.35

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

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

PINE HILL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ -	$ -	$ -	$ 320.52	$ 320.52
Due from Other Funds	36,136.00		150,276.16		186,412.16
Receivables from Other Governments	281,435.40	166,588.00	431,881.36		879,904.76
Total Assets	$ 317,571.40	$ 166,588.00	$ 582,157.52	$ 320.52	$ 1,066,637.44
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		$ 186,412.16	$ -	$ -	$ 186,412.16
Accounts Payable - Cash Overdraft	$ 123,187.44				123,187.44
Payable to Federal Government		234.51			234.51
Deferred Revenue		441.33			441.33
Total Liabilities	123,187.44	187,088.00	-	-	310,275.44
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve	317,067.46				317,067.46
Special Revenue (Deficit)		(20,500.00)			(20,500.00)
Capital Projects			295,198.02		295,198.02
Debt Service				0.52	0.52
Committed Fund Balance:					
Other Purposes			286,959.50		286,959.50
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	640,500.00			320.00	640,820.00
Unassigned Fund Balance (Deficit)	(763,183.50)				(763,183.50)
Total Fund Balances	194,383.96	(20,500.00)	582,157.52	320.52	756,362.00
Total Liabilities and Fund Balances	$ 317,571.40	$ 166,588.00	$ 582,157.52	$ 320.52	

Amounts reported for *governmental activities* in the statement of net assets (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 $29,849,469.54 and the accumulated depreciation is $16,801,823.00.	13,047,646.54
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,983,022.04)
Net assets (Deficit) of governmental activities	$ 2,820,986.50

PINE HILL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 9,769,157.00	$ -	$ -	$ 818,493.00	$ 10,587,650.00
Tuition Charges	5,458,407.00				5,458,407.00
Transportation Fees from other LEA's	96,214.28				96,214.28
Miscellaneous	191,455.47	3,263.00			194,718.47
Total Local Sources	15,515,233.75	3,263.00	-	818,493.00	16,336,989.75
State Sources	17,562,806.73	234,453.00	656,249.96	749,539.00	19,203,048.69
Federal Sources	110,228.23	1,434,528.06			1,544,756.29
Total Revenues	33,188,268.71	1,672,244.06	656,249.96	1,568,032.00	37,084,794.73
EXPENDITURES					
Current:					
Regular Instruction	9,288,776.12				9,288,776.12
Special Education Instruction	3,333,896.12	1,414,137.06			4,748,033.18
Other Special Instruction	983,781.87				983,781.87
Support Services:					
Tuition	1,775,817.30				1,775,817.30
Student & Instruction Related Serv.	2,714,949.27	117,183.00			2,832,132.27
School Administrative Services	1,289,405.33				1,289,405.33
General Administrative Services	406,242.15				406,242.15
Central Services	365,030.71				365,030.71
Information Technology	148,695.67				148,695.67
Plant Operation and Maintenance	3,065,383.81				3,065,383.81
Pupil Transportation	1,104,404.47				1,104,404.47
Employee Benefits	8,335,113.53	140,924.00			8,476,037.53
Charter School Transfer	35,310.00				35,310.00
Debt Service:					
Principal				1,120,000.00	1,120,000.00
Interest and Other Charges				448,181.26	448,181.26
Capital Outlay	10,073.00	-	720,172.23		730,245.23
Total Expenditures	32,856,879.35	1,672,244.06	720,172.23	1,568,181.26	36,817,476.90
Excess (Deficiency) of Revenues Over Expenditures	331,389.36	-	(63,922.27)	(149.26)	267,317.83
OTHER FINANCING SOURCES (USES)					
Transfer in			398,039.04		398,039.04
Transfer out	(398,039.04)				(398,039.04)
Total Other Financing Sources and Uses	(398,039.04)	-	398,039.04	-	-
Net Changes in Fund Balance	(66,649.68)	-	334,116.77	(149.26)	267,317.83
Fund Balance (Deficit) - July 1	261,033.64	(20,500.00)	248,040.75	469.78	489,044.17
Fund Balance (Deficit) - June 30	$ 194,383.96	$ (20,500.00)	$ 582,157.52	$ 320.52	$ 756,362.00

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

PINE HILL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ 267,317.83
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, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation Expense	$ (562,315.00)	
Capital Outlay	705,983.23	143,668.23
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.		
Bonds		1,120,000.00
Amortization of Deferred Loss on Refunding Bonds		(71,235.79)
Early Retirement Program		19,096.12
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		182,348.23
In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.		7,500.00
Change in Net Assets of Governmental Activities		$ 1,668,694.62

PINE HILL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Parent Saver Program	Community Education	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 44,774.78	$ 48,273.99	$ 8,794.01	$ 101,842.78
Accounts Receivable	480.28			480.28
Inventory	10,634.79			10,634.79
Total Current Assets	55,889.85	48,273.99	8,794.01	112,957.85
Noncurrent Assets:				
Furniture, Machinery & Equipment	775,970.00			775,970.00
Less: Accumulated Depreciation	(565,392.00)			(565,392.00)
Total Noncurrent Assets	210,578.00	-	-	210,578.00
Total Assets	$ 266,467.85	$ 48,273.99	$ 8,794.01	$ 323,535.85
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ -	$ -	$ -	$ -
Total Current Liabilities	-	-	-	-
Noncurrent Liabilities:				
None				-
Total Noncurrent Liabilities	-	-	-	-
NET ASSETS				
Invested in Capital Assets Net of Related Debt	210,578.00	-	-	210,578.00
Unrestricted	55,889.85	48,273.99	8,794.01	112,957.85
Total Net Assets	$ 266,467.85	$ 48,273.99	$ 8,794.01	$ 323,535.85

PINE HILL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Parent Saver Program	Community Education	Totals Enterprise
Operating Revenues:				
Charges for Services:				
Daily Sales	$ 346,887.56			$ 346,887.56
Program Fees		$ 126,406.44	$ 8,313.58	134,720.02
Total Operating Revenue	346,887.56	126,406.44	8,313.58	481,607.58
Operating Expenses:				
Cost of Sales	391,891.59		5,101.00	396,992.59
Program Costs		34,764.13	1,091.92	35,856.05
Salaries	281,547.53	86,000.00		367,547.53
Employee Benefits	69,234.91			69,234.91
Management Fee	35,844.90			35,844.90
Insurance	12,951.19			12,951.19
General Supplies	37,786.39			37,786.39
Miscellaneous	2,923.61			2,923.61
Depreciation	26,986.00			26,986.00
Total Operating Expenses	859,166.12	120,764.13	6,192.92	986,123.17
Operating Income (Loss)	(512,278.56)	5,642.31	2,120.66	(504,515.59)
No operating Revenues (Expenses):				
Local Sources:				
Mauriello Scholarship Proceeds			7,937.00	7,937.00
Mauriello Scholarship Awards			(9,817.00)	(9,817.00)
Education Foundation Donation			(585.00)	(585.00)
State Sources:				
State School Lunch Program	9,993.77			9,993.77
State Breakfast Program				-
Federal Sources:				
National School Lunch Program	341,579.70			341,579.70
Federal Breakfast Program	86,779.40			86,779.40
Food Distribution Program	59,120.86			59,120.86
Special Milk Program	1,119.01			1,119.01
Federal Equipment Grant	15,553.00			15,553.00
Interest	254.41			254.41
Total No operating Revenues (Expenses)	514,400.15	-	(2,465.00)	511,935.15
Income (Loss) before Contributions & Transfers	2,121.59	5,642.31	(344.34)	7,419.56
Fixed Asset Adjustments	45,911.72			45,911.72
Changes in Net Assets	48,033.31	5,642.31	(344.34)	53,331.28
Total Net Assets - Beginning	218,434.54	42,631.68	9,138.35	270,204.57
Total Net Assets - Ending	$ 266,467.85	$ 48,273.99	$ 8,794.01	$ 323,535.85

PINE HILL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Parent Saver Program	Community Education	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 346,887.56	$ 126,406.44	$ 8,313.58	$ 481,607.58
Payments for Personnel	(281,547.53)	(86,000.00)		(367,547.53)
Payments for Benefits	(69,234.91)			(69,234.91)
Payments for Cafeteria Operations	(426,422.57)			(426,422.57)
Payments for Program Costs		(34,764.13)	(6,192.92)	(40,957.05)
Net Cash Provided by (Used for) Operating Activities	(430,317.45)	5,642.31	2,120.66	(422,554.48)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Local Sources			(2,465.00)	(2,465.00)
State Sources	11,057.03			11,057.03
Federal Sources	476,855.58			476,855.58
Operating Subsidies and Transfers to Other Funds				-
Net Cash Provided by (Used for) Noncapital Financing Activities	487,912.61	-	(2,465.00)	485,447.61
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Fixed Assets	(33,958.28)			(33,958.28)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(33,958.28)	-	-	(33,958.28)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on Investments	254.41			254.41
Net Cash Provided by (Used for) Investing Activities	254.41	-	-	254.41
Net Increase (Decrease) in Cash and Cash Equivalents	23,891.29	5,642.31	(344.34)	29,189.26
Balance - Beginning of Year	20,883.49	42,631.68	9,138.35	72,653.52
Balance - End of Year	$ 44,774.78	$ 48,273.99	$ 8,794.01	$ 101,842.78
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (512,278.56)	$ 5,642.31	$ 2,120.66	$ (504,515.59)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Net Amortization	26,986.00			26,986.00
USDA Food Distribution Program	59,120.86			59,120.86
(Increase) Decrease in Inventories	10,936.76			10,936.76
Increase (Decrease) in Accounts Payable	(15,082.51)			(15,082.51)
Total Adjustments	81,961.11	-	-	81,961.11
Net Cash Provided by (Used for) Operating Activities	$ (430,317.45)	$ 5,642.31	$ 2,120.66	$ (422,554.48)

PINE HILL SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Assets
For the Year Ended June 30, 2011

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	$ 23,869.18	$ 193,912.87
Total Assets	$ 23,869.18	$ 193,912.87
LIABILITIES		
Accounts Payable	12,624.66	
Payable to Student Groups		193,912.87
Payroll Deductions and Withholdings		-
Total Liabilities	12,624.66	$ 193,912.87
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	$ 11,244.52	

PINE HILL SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	Unemployment Compensation
ADDITIONS	
Contributions	$ 128,987.51
Total Contributions	128,987.51
Investment Earnings:	
Interest	34.35
Less: Investment Expense	
Net Investment Earnings	34.35
Total Additions	129,021.86
DEDUCTIONS	
Unemployment Claims	121,807.93
Total Deductions	121,807.93
Changes in Net Assets	7,213.93
Net Assets - Beginning of the Year	4,030.59
Net Assets - End of the Year	$ 11,244.52

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments (Statement No, 34). The Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The School District has also implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No, 38, *Certain Financial Statement Note Disclosures*.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-12. The District operates two elementary schools, one intermediate school and one high school, located in Pine Hill, New Jersey.

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

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

Based on the aforementioned criteria, the District has no component units.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Governmental Funds

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations, the Community Education Fund, which accounts for all revenues and expenses pertaining to the District's community education program operations and the Parent Saver Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting - Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available is they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. 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 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 following table presents a reconciliation of the differences between the budgetary basis and GAAP basis in the general and special revenue funds at June 30, 2011 and 2010:

	2011		2010	
	General Fund	Special Revenue Fund	General Fund	Special Revenue Fund
Total Revenues (Budgetary Basis)	$ 33,034,799.71	$ 1,672,244.06	$ 33,935,712.06	$ 1,776,659.21
Adjustments:				
Net Deferral of Final State Aid Payment	153,469.00	-	(58,556.00)	(10,000.00)
Total Revenues (GAAP Basis)	$ 33,188,268.71	$ 1,672,244.06	$ 33,877,156.06	$ 1,766,659.21
Total Expenditures (Budgetary Basis)	$ 32,856,879.35	$ 1,672,244.06	$ 33,717,616.73	$ 1,776,659.21
Adjustments:				
Encumbrances at June 30, None				
Total Expenditures (GAAP Basis)	$ 32,856,879.35	$ 1,672,244.06	$ 33,717,616.73	$ 1,776,659.21

D. Encumbrance Accounting

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

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

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

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

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

Interfund Transactions

Transfers between governmental and business-type activities on the District-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 the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.

- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by Board of School Estimates, the Board of Education, Superintendent or Business Administrator.

- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

a. Deposits are uncollateralized.

b. Deposits are collateralized with securities held by the pledging financial institution.

c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2011, the carrying amount of the District's deposits (cash and cash equivalents) was $196,757.91 and the bank balance was $1,664,757.92.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2011, the District's bank balance was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
Insured	$ 500,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name	838,027.16
Uninsured	326,730.76
	$ 1,664,757.92

Bank balances of cash amounted to $1,664,757.92 as of June 30, 2011 of which $500,000.00 was FDIC insured. Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were $838,027.16 as of June 30, 2011, $326,730.76 was uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2011.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2011, consisted of accounts (tuition and transportation), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	$ 879,904.76	$ 880,385.04
Due from Other Funds	186,412.16	-
Tuition and Transportation and Miscellaneous	-	-
Gross Receivables	1,066,316.92	880,385.04
Less: Allowance for Uncollectibles		
Total Receivables, Net	$ 1,066,316.92	$ 880,385.04

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 36,136.00	$
Special Revenue Fund		186,412.16
Capital Projects Fund	150,276.16	
Total	$ 186,412.16	$ 186,412.16

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2011, consisted of the following:

Food	$ 8,972.56
Supplies	1,662.23
	$ 10,634.79

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 400,000.00	$	$	$ 400,000.00
Construction in Progress	51,264.31	720,172.23		771,436.54
Total capital assets not being depreciated	451,264.31	720,172.23	-	1,171,436.54
Capital assets being depreciated:				
Land Improvements	1,452,903.00			1,452,903.00
Buildings and building improvements	22,691,215.96		45,080.96	22,646,135.00
Equipment	4,947,007.30	34,535.00	402,547.30	4,578,995.00
Total capital assets being depreciated at historical cost	29,091,126.26	34,535.00	447,628.26	28,678,033.00
Less accumulated depreciation for:				
Land Improvements	(1,140,721.00)	(48,520.00)	(2,809.00)	(1,186,432.00)
Buildings and improvements	(10,913,412.05)	(438,389.00)	99,372.95	(11,451,174.00)
Equipment	(4,584,279.21)	(75,406.00)	(495,468.21)	(4,164,217.00)
Total capital assets being depreciated, net of accumulated depreciation	12,452,714.00	(527,780.00)	48,724.00	11,876,210.00
Governmental activity capital assets, net	$ 12,903,978.31	$ 192,392.23	$ 48,724.00	$ 13,047,646.54
Business-type activities:				
Capital assets being depreciated:				
Equipment	$ 686,890.00	$ 89,080.00	$	$ 775,970.00
Less accumulated depreciation	(529,196.00)	(26,986.00)	9,210.00	(565,392.00)
Enterprise Fund capital assets, net	$ 157,694.00	$ 62,094.00	$ 9,210.00	$ 210,578.00

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance June 30, 2010	Payments or Expenditures	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	$ 1,090,424.56	$ 182,348.23	$ 908,076.33	$ -
Unfunded Pension Liability	328,654.89	19,096.12	309,558.77	21,310.75
Bonds Payable	11,475,000.00	1,120,000.00	10,355,000.00	1,150,000.00
	12,894,079.45	1,321,444.35	11,572,635.10	1,171,310.75
Less Unamortized Loss on Refunding Bonds Issued	(729,848.85)	(71,235.79)	(658,613.06)	
	$ 12,164,230.60	$ 1,250,208.56	$ 10,914,022.04	$ 1,171,310.75

Compensated absences and the unfunded pension liability will be liquidated in the General Fund. Bonds will be liquidated in the Debt Service Fund.

Bonds Payable

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

Description of Bonds Payable

At June 30, 2011, bonds payable consisted of the following issues:

$12,595,000 Refunding Bonds dated February 24, 2005, due in annual installments through May 1, 2019, bearing various interest rates from 3.00% to 5.00%. The balance remaining as of June 30, 2011 is $10,355,000.00.

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	$ 1,150,000.00	$ 414,581.25	$ 1,564,581.25
2013	1,180,000.00	378,643.75	1,558,643.75
2014	1,220,000.00	331,443.75	1,551,443.75
2015	1,275,000.00	270,443.75	1,545,443.75
2016	1,315,000.00	219,443.75	1,534,443.75
2017-2019	4,215,000.00	337,287.50	4,552,287.50
	$ 10,355,000.00	$ 1,951,843.75	$ 12,306,843.75

NOTE 8 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

NOTE 8 – PENSION PLANS - Continued

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

NOTE 8 – PENSION PLANS - Continued

Three Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 363,548.00	100%	$ -
6/30/2010	304,078.67	100%	-
6/30/2009	236,122.00	100%	-

Three Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ -	100%	$ -
6/30/2010	-	100%	-
6/30/2009	-	100%	-

During the fiscal year ended June 30, 2011, the State of New Jersey contributed $0.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $1,141,770.33 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 9 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

NOTE 9 – POST-RETIREMENT BENEFITS - Continued

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. 2019, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. 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 premiums 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 free health benefits for members PERS and the Alternative Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 10 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 11 – DEFERRED COMPENSATION

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by outside entities permit 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:

Thomas Seely Agency, Inc.	Lincoln Investment Planning, Inc.
Retirement Annuity Consultants	Aetna Life and Annuity

NOTE 12 – CAPITAL RESERVE ACCOUNT

Pine Hill Board of Education established a capital reserve account by the inclusion of $1.00 in September 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. There is a total balance of $317,067.46 at June 30, 2011.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity in the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010		$ 577,106.50
Interest Earnings	$ 2,000.00	
Deposits		
June 21, 2011	136,000.00	
		138,000.00
Withdrawals		
Transfers to Capital Projects Fund	398,039.04	
Transfer to Debt Service Fund	-	
		398,039.04
Ending Balance, June 30, 2011		$ 317,067.46

NOTE 13 – RISK MANAGEMENT

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

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

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

Fiscal Year	Interest on Investments	Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 34.35	$ 128,987.51	$ (121,807.93)	$ 11,244.52
2009-2010	117.04	76,554.70	(83,189.89)	4,030.59
2008-2009	384.70	5,426.27	(20,316.85)	10,548.74

NOTE 14 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 15 – FUND BALANCE

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted an unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2011.

NOTE 15 – FUND BALANCE - Continued

Restricted Fund Balance

Reserve for Excess Surplus – There was no excess surplus at June 30, 2011.

Capital Reserve Account – Of the $317,067.46 balance in the capital reserve account at June 30, 2011, $148,396.00 has been designated for utilization in the 2011-12 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

Special Revenue Fund Deficit – The $20,500.00 Special Revenue Fund Deficit in Fund Balance represents the deferral, by the State of New Jersey, of the final two State Aid Payments for the 2010 / 2011 school year. This deficit we be reversed in the subsequent year.

Capital Projects - $295,198.02 is restricted for expenditures related to the authorized capital projects of the district.

Debt Service – Of the $320.52 balance in the debt service account at June 30, 2011, $320.00 has been designated for utilization in the 2011-12 budget.

Committed Fund Balance - The District's Committed Fund balance for other purposes of $286,959.50 consists of encumbrances in the Capital Project Fund.

Assigned Fund Balance – At June 30, 2011, the Board of School Estimates has assigned $640,500.00 of general fund balance to expenditures in the 2011-12 budget.

Unassigned Fund Balance Deficit – At June 30, 2011, the District has a deficit in the amount of $763,183.50 of unassigned fund balance in the general fund. This deficit is due to the deferral by the State of New Jersey of the final two state aid payments.

NOTE 16 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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 of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $0.00.

NOTE 17 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through October 21, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 9,769,157.00	$ -	$ 9,769,157.00	$ 9,769,157.00	$ -
Tuition	5,458,407.00		5,458,407.00	5,458,407.00	-
Transportation Fees from other LEA's	90,000.00		90,000.00	96,214.28	6,214.28
Interest Earned on Capital Reserve	2,000.00		2,000.00	2,000.00	-
Miscellaneous	99,534.00		99,534.00	189,455.47	89,921.47
Total Local Sources	15,419,098.00	-	15,419,098.00	15,515,233.75	96,135.75
State Sources:					
Equalization Aid	14,229,423.00	(110,208.00)	14,119,215.00	14,119,215.00	-
Categorical Special Education Aid	703,294.00	110,208.00	813,502.00	813,502.00	-
Additional Transportation Aid			-	10,830.40	10,830.40
Extraordinary Aid	200,000.00		200,000.00	270,605.00	70,605.00
TPAF Pension (On-Behalf - Non-Budgeted):					
Post Retirement Medical Contributions			-	1,053,415.00	1,053,415.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	1,141,770.33	1,141,770.33
Total State Sources	15,132,717.00	-	15,132,717.00	17,409,337.73	2,276,620.73
Federal Sources:					
ARRA - Education Jobs Fund		46,192.00	46,192.00	46,192.00	-
Medicaid Reimbursement	15,000.00		15,000.00	64,036.23	49,036.23
Total Federal Sources	15,000.00	46,192.00	61,192.00	110,228.23	49,036.23
Total Revenues	30,566,815.00	46,192.00	30,613,007.00	33,034,799.71	2,421,792.71
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool Salaries of Teachers	5,300.00	10,500.00	15,800.00	12,648.43	3,151.57
Kindergarten Salaries of Teachers	539,364.00	(48,500.00)	490,864.00	487,909.58	2,954.42
Grades 1 - 5 Salaries of Teachers	2,483,055.00	(9,353.75)	2,473,701.25	2,473,701.25	-
Grades 6 - 8 Salaries of Teachers	1,792,096.00	(48,816.80)	1,743,279.20	1,743,279.20	-
Grades 9 - 12 Salaries of Teachers	3,858,513.00	15,316.36	3,873,829.36	3,873,829.36	-
Regular Programs - Home Instruction					
Salaries of Teachers	100,000.00	(40,957.47)	59,042.53	59,042.53	-
Purchased Professional - Educational Services	20,000.00	19,435.87	39,435.87	39,435.87	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	108,674.00	43,600.00	152,274.00	151,801.25	472.75
Purchased Professional - Educational Services	6,150.00	2,340.75	8,490.75	8,457.25	33.50
Purchased Technical Services	28,600.00		28,600.00	23,300.00	5,300.00
Other Purchased Services (400-500 series)	140,400.00		140,400.00	113,181.67	27,218.33
General Supplies	306,320.00	(10,960.87)	295,359.13	266,804.23	28,554.90
Textbooks	25,000.00	6,475.00	31,475.00	30,571.50	903.50
Other Objects	7,500.00		7,500.00	4,814.00	2,686.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	9,420,972.00	(60,920.91)	9,360,051.09	9,288,776.12	71,274.97
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	1,264,686.00	29,666.00	1,294,352.00	1,293,199.65	1,152.35
Other Salaries for Instruction	295,544.00	(62,500.00)	233,044.00	231,410.03	1,633.97
General Supplies	7,565.00	(1,484.61)	6,080.39	5,981.04	99.35
Textbooks		900.00	900.00	816.55	83.45
Total Learning and/or Language Disabilities	1,567,795.00	(33,418.61)	1,534,376.39	1,531,407.27	2,969.12

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral Disabilities					
Salaries of Teachers	$ 133,701.00	$ 17,000.00	$ 150,701.00	$ 150,660.75	$ 40.25
Other Salaries for Instruction	63,334.00	(6,000.00)	57,334.00	57,249.12	84.88
Textbooks	1,955.00		1,955.00	1,425.45	529.55
General Supplies	1,700.00		1,700.00	1,675.10	24.90
Total Behavioral Disabilities	200,690.00	11,000.00	211,690.00	211,010.42	679.58
Multiple Disabilities					
Salaries of Teachers	272,385.00	4,100.00	276,485.00	273,809.26	2,675.74
Other Salaries for Instruction	124,068.00	83,900.00	207,968.00	207,944.31	23.69
General Supplies	6,630.00	(177.09)	6,452.91	6,280.76	172.15
Textbooks	765.00	177.09	942.09	942.09	-
Total Multiple Disabilities	403,848.00	88,000.00	491,848.00	488,976.42	2,871.58
Resource Room/Resource Center					
Salaries of Teachers	886,428.00	3,640.00	890,068.00	890,064.88	3.12
Other Salaries for Instruction	145,160.00	(40,000.00)	105,160.00	104,602.11	557.89
General Supplies	3,400.00	184.61	3,584.61	3,584.61	-
Total Resource Room/Resource Center	1,034,988.00	(36,175.39)	998,812.61	998,251.60	561.01
Preschool Disabilities - Full-Time					
Salaries of Teachers	110,949.00	(90,500.00)	20,449.00	20,402.30	46.70
Other Salaries for Instruction	108,544.00	(41,039.00)	67,505.00	67,504.64	0.36
General Supplies	2,000.00	400.00	2,400.00	2,085.47	314.53
Total Preschool Disabilities - Full-Time	221,493.00	(131,139.00)	90,354.00	89,992.41	361.59
Home Instruction					
Purchased Professional - Educational Services	10,000.00	5,000.00	15,000.00	14,258.00	742.00
Total Home Instruction	10,000.00	5,000.00	15,000.00	14,258.00	742.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,438,814.00	(96,733.00)	3,342,081.00	3,333,896.12	8,184.88
Basic Skills/Remedial - Instruction					
Salaries of Teachers	86,542.00	30,857.00	117,399.00	117,398.56	0.44
Other Salaries for Instruction	49,100.00	(10,000.00)	39,100.00	37,220.37	1,879.63
General Supplies	4,000.00		4,000.00	3,999.35	0.65
Total Basic Skills/Remedial - Instruction	139,642.00	20,857.00	160,499.00	158,618.28	1,880.72
Bilingual Education - Instruction					
Salaries of Teachers	49,197.00		49,197.00	44,220.77	4,976.23
General Supplies	400.00		400.00		400.00
Total Bilingual Education - Instruction	49,597.00	-	49,597.00	44,220.77	5,376.23
Vocational Programs - Instruction					
Salaries of Teachers	91,099.00	(22,000.00)	69,099.00	67,591.78	1,507.22
Total Vocational Programs - Instruction	91,099.00	(22,000.00)	69,099.00	67,591.78	1,507.22
School-Spon. Cocurricular Activities - Instruction					
Salaries	106,224.00	6,600.00	112,824.00	112,805.58	18.42
Purchased Services (300-500 series)	39,000.00	-	39,000.00	33,275.80	5,724.20
Supplies & Materials	13,000.00		13,000.00	11,908.40	1,091.60
Other Objects	11,250.00	6,400.00	17,650.00	14,713.50	2,936.50
Total School-Spon. Cocurricular Activities - Inst.	169,474.00	13,000.00	182,474.00	172,703.28	9,770.72
School-Spon. Cocurricular Athletics - Instruction					
Salaries	365,570.00	(21,059.41)	344,510.59	338,426.00	6,084.59
Purchased Services (300-500 series)	87,300.00	(10,289.00)	77,011.00	70,336.50	6,674.50
Supplies & Materials	26,500.00	2,622.00	29,122.00	28,644.57	477.43
Other Objects	15,600.00		15,600.00	9,538.88	6,061.12
Total School-Spon. Cocurricular Athletics - Inst.	494,970.00	(28,726.41)	466,243.59	446,945.95	19,297.64

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Community Service Programs - Instruction					
Salaries	$ 129,021.00	$ (35,766.00)	$ 93,255.00	$ 93,251.83	$ 3.17
Purchased Services (300-500 series)	200.00		200.00		200.00
Supplies & Materials	1,000.00		1,000.00	179.98	820.02
Other Objects	5,500.00	(2,000.00)	3,500.00	270.00	3,230.00
Total Community Service Programs - Instruction	135,721.00	(37,766.00)	97,955.00	93,701.81	4,253.19
TOTAL INSTRUCTION	13,940,289.00	(212,289.32)	13,727,999.68	13,606,454.11	121,545.57
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to other LEA's Within the State - Regular	52,000.00	26,000.00	78,000.00	61,459.11	16,540.89
Tuition to other LEA's Within the State - Special	30,000.00	9,000.00	39,000.00	37,063.44	1,936.56
Tuition to County Voc. School District - Regular	156,750.00		156,750.00	156,750.00	-
Tuition to CSSD & Regional Day Schools	476,000.00	(127,770.00)	348,230.00	342,028.47	6,201.53
Tuition to Private Schools for the Disabled - Within State	886,516.00	161,700.00	1,048,216.00	1,045,796.28	2,419.72
Tuition - State Facilities	132,720.00		132,720.00	132,720.00	-
Total Undistributed Expenditures - Instruction	1,733,986.00	68,930.00	1,802,916.00	1,775,817.30	27,098.70
Undistributed Expend. - Attend. & Social Worker					
Salaries	64,331.00	(10,000.00)	54,331.00	51,320.00	3,011.00
Total Undist. Expend. - Attend. & Social Worker	64,331.00	(10,000.00)	54,331.00	51,320.00	3,011.00
Undistributed Expend. - Health Services					
Salaries	268,656.00		268,656.00	265,498.79	3,157.21
Purchased Professional and Technical Services	30,100.00	2,500.00	32,600.00	28,524.00	4,076.00
Supplies & Materials	8,000.00		8,000.00	4,903.79	3,096.21
Other Objects	400.00		400.00	134.00	266.00
Total Undistributed Expend. - Health Services	307,156.00	2,500.00	309,656.00	299,060.58	10,595.42
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	315,534.00	39,692.00	355,226.00	355,174.07	51.93
Purchased Professional - Education Services	23,800.00	7,000.00	30,800.00	28,500.00	2,300.00
Supplies & Materials	3,000.00		3,000.00	1,938.58	1,061.42
Total Undist. Expend. - Other Support Services Student - Related Services	342,334.00	46,692.00	389,026.00	385,612.65	3,413.35
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Purchased Professional - Education Services	125,000.00	7,000.00	132,000.00	131,770.96	229.04
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	125,000.00	7,000.00	132,000.00	131,770.96	229.04
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	518,632.00	775.00	519,407.00	516,548.63	2,858.37
Salaries of Secretarial and Clerical Assistants	27,867.00	52,643.00	80,510.00	79,822.51	687.49
Other Purchased Professional and Technical Services	7,000.00		7,000.00	5,382.14	1,617.86
Other Purchased Services (400-500 Series)	2,500.00	(2,500.00)	-		-
Supplies & Materials	2,800.00		2,800.00	2,694.67	105.33
Total Undist. Expend. - Guidance	558,799.00	50,918.00	609,717.00	604,447.95	5,269.05
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	477,322.00	200.00	477,522.00	477,499.92	22.08
Salaries of Secretarial and Clerical Assistants	184,394.00		184,394.00	184,340.25	53.75
Purchased Professional - Education Services	22,000.00	(1,000.00)	21,000.00	13,162.00	7,838.00
Other Purchased Services (400-500 series)	10,940.00	(1,000.00)	9,940.00	5,510.04	4,429.96
Supplies & Materials	5,950.00	1,800.00	7,750.00	7,073.56	676.44
Other Objects	1,100.00		1,100.00	875.00	225.00
Total Undist. Expend. - Other Support Services Students - Special	701,706.00	-	701,706.00	688,460.77	13,245.23

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	$ 222,566.00	$ 1,800.00	$ 224,366.00	$ 223,729.89	$ 636.11
Salaries of Secretarial and Clerical Assistants	29,687.00	(14,877.00)	14,810.00	12,976.06	1,833.94
Other Salaries	126,936.00	(28,075.00)	98,861.00	45,814.00	53,047.00
Purchased Professional - Education Services	30,000.00	(25,500.00)	4,500.00	4,500.00	-
Other Purchased Services (400-500 series)	1,000.00		1,000.00	291.26	708.74
Supplies & Materials	20,000.00		20,000.00	14,767.62	5,232.38
Other Objects	6,250.00		6,250.00	2,624.38	3,625.62
Total Undist. Expend. - Improvement of Inst. Serv.	436,439.00	(66,652.00)	369,787.00	304,703.21	65,083.79
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	230,079.00	500.00	230,579.00	230,541.03	37.97
Other Purchased Services (400-500 series)	5,400.00		5,400.00	4,887.84	512.16
Supplies & Materials	15,000.00		15,000.00	13,302.08	1,697.92
Total Undist. Expend. - Edu. Media Serv./Sch. Library	250,479.00	500.00	250,979.00	248,730.95	2,248.05
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Education Services	2,500.00		2,500.00	842.20	1,657.80
Total Undistributed Expenditures - Instructional Staff Training Services	2,500.00	-	2,500.00	842.20	1,657.80
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	151,900.00	2,078.00	153,978.00	152,977.25	1,000.75
Legal Services	57,200.00	(5,200.00)	52,000.00	52,000.00	-
Audit Fee	28,000.00	100.00	28,100.00	28,100.00	-
Architectural / Engineering Services	25,000.00	15,126.36	40,126.36	40,126.36	-
Other Purchased Professional Services	7,000.00	(5,000.00)	2,000.00	1,780.00	220.00
Communications/Telephone	81,200.00	40.00	81,240.00	81,237.09	2.91
BOE Other Purchased Services	2,000.00	(1,595.00)	405.00		405.00
Other Purchased Services (400-500 series)	41,200.00	(6,929.36)	34,270.64	32,154.91	2,115.73
General Supplies	6,860.00	(4,000.00)	2,860.00	1,023.37	1,836.63
BOE In-House Training / Meeting Supplies	400.00	400.00	800.00	509.37	290.63
Miscellaneous Expenditures	4,000.00	1,120.00	5,120.00	5,120.00	-
BOE Membership Dues and Fees	12,400.00	(1,140.00)	11,260.00	11,213.80	46.20
Total Undistributed Expenditures - Support Services - General Administration	417,160.00	(5,000.00)	412,160.00	406,242.15	5,917.85
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	681,505.00	5,000.00	686,505.00	686,361.98	143.02
Salaries of Other Professional Staff	306,145.00	600.00	306,745.00	298,870.60	7,874.40
Salaries of Secretarial and Clerical Assistants	264,832.00		264,832.00	262,366.08	2,465.92
Other Purchased Services (400-500 series)	22,550.00	(600.00)	21,950.00	15,672.12	6,277.88
Supplies & Materials	14,200.00		14,200.00	12,728.49	1,471.51
Other Objects	17,300.00		17,300.00	13,406.06	3,893.94
Total Undistributed Expenditures - Support Services - School Administration	1,306,532.00	5,000.00	1,311,532.00	1,289,405.33	22,126.67
Undist. Expend. - Central Services					
Salaries	323,468.00	2,000.00	325,468.00	325,247.05	220.95
Purchased Technical Services	35,600.00		35,600.00	34,876.91	723.09
Other Purchased Services (400-500 series)	1,500.00		1,500.00	75.00	1,425.00
Supplies & Materials	6,900.00	(2,000.00)	4,900.00	3,741.75	1,158.25
Miscellaneous	1,150.00		1,150.00	1,090.00	60.00
Total Undistributed Expenditures - Central Services	368,618.00	-	368,618.00	365,030.71	3,587.29
Undist. Expend. - Admin. Info. Tech.					
Salaries	140,904.00	660.00	141,564.00	141,556.03	7.97
Purchased Technical Services	2,000.00		2,000.00	1,782.50	217.50
Other Purchased Services (400-500 series)	500.00		500.00	146.82	353.18
Supplies & Materials	6,000.00	(660.00)	5,340.00	5,206.32	133.68
Other Objects	1,000.00		1,000.00	4.00	996.00
Total Undistributed Expenditures - Admin. Info. Tech.	150,404.00	-	150,404.00	148,695.67	1,708.33

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Fac.					
Salaries	$ 407,150.00	$ (16,163.06)	$ 390,986.94	$ 387,927.11	$ 3,059.83
Cleaning, Repair and Maintenance Service	176,800.00	24,000.00	200,800.00	179,889.59	20,910.41
General Supplies	105,000.00	(2,000.00)	103,000.00	101,494.43	1,505.57
Total Undistributed Expenditures - Required Maintenance for School Facilities	688,950.00	5,836.94	694,786.94	669,311.13	25,475.81
Undist. Expend. - Custodial Services					
Salaries	857,422.00	54,533.30	911,955.30	908,714.42	3,240.88
Purchased Professional and Technical Services	48,000.00	(36,127.53)	11,872.47	10,427.13	1,445.34
Cleaning, Repair and Maintenance Service	106,900.00	(25,000.00)	81,900.00	62,378.14	19,521.86
Other Purchased Property Services	107,000.00	1,240.00	108,240.00	104,750.86	3,489.14
Insurance	100,000.00	(4,000.00)	96,000.00	88,396.00	7,604.00
Miscellaneous Purchased Services	2,250.00	1,000.00	3,250.00	2,971.00	279.00
General Supplies	125,000.00	28,887.53	153,887.53	151,707.49	2,180.04
Energy (Energy and Electricity)	580,000.00	(74,033.30)	505,966.70	505,966.70	-
Energy (Natural Gas)	320,000.00	19,000.00	339,000.00	338,002.18	997.82
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	2,246,572.00	(34,500.00)	2,212,072.00	2,173,313.92	38,758.08
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	163,790.00		163,790.00	160,744.86	3,045.14
Total Undist. Expend. - Care and Upkeep of Grounds	163,790.00	-	163,790.00	160,744.86	3,045.14
Undist. Expend. - Security					
Salaries	65,000.00		65,000.00	62,013.90	2,986.10
Total Undist. Expend. - Security	65,000.00	-	65,000.00	62,013.90	2,986.10
Total Undistributed Expenditures Operations and Maintenance of Plant	3,164,312.00	(28,663.06)	3,135,648.94	3,065,383.81	70,265.13
Undist. Expend. - Student Transportation Serv.					
Salaries - Non Industrial Aides	37,000.00		37,000.00	31,467.41	5,532.59
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	120,531.00	(20,000.00)	100,531.00	86,426.47	14,104.53
Sal.- Pup. Trans. (Bet. Home & School) - Spc.	72,691.00	42,500.00	115,191.00	115,104.47	86.53
Management Fees - ESC & CTSA Programs	22,000.00	(4,201.28)	17,798.72	11,994.31	5,804.41
Other Purchased Professional and Tech. Services	300.00		300.00	300.00	-
Cleaning, Repair and Maintenance Service	2,000.00		2,000.00	370.77	1,629.23
Lease Purchase Payments - School Buses	41,575.00		41,575.00	41,563.02	11.98
Contracted Services - (Bet. Home & School)	407,900.00	(41,648.00)	366,252.00	358,763.23	7,488.77
Contracted Services - (Other than Home & Sch)	130,130.00	(25,000.00)	105,130.00	68,987.76	36,142.24
Contr. Serv. - (Special Ed. Students) - Vendors	15,000.00		15,000.00	3,861.75	11,138.25
Contr. Serv. - (Special Ed. Students) - Jointures		6,648.00	6,648.00	4,719.60	1,928.40
Contr. Serv. - (Spc Ed Students) - ESCs & CTSA	435,000.00	(94,594.00)	340,406.00	308,028.88	32,377.12
Contr. Serv. - Aid in Lieu Payments	48,104.00	1,701.28	49,805.28	49,805.28	-
Misc. Purchased Service - Transportation	4,150.00		4,150.00	4,000.00	150.00
Supplies & Materials	1,350.00		1,350.00	1,128.49	221.51
Transportation Supplies	18,500.00		18,500.00	17,508.03	991.97
Other Objects	565.00		565.00	375.00	190.00
Total Undistributed Expenditures - Student Transportation Services	1,356,796.00	(134,594.00)	1,222,202.00	1,104,404.47	117,797.53
Unallocated Benefits					
Social Security Contribution	300,000.00	69,463.85	369,463.85	369,463.85	-
T.P.A.F. Contribution - ERIP	57,211.00		57,211.00	57,211.00	-
Other Retirement Contributions - PERS	301,200.00	62,426.00	363,626.00	363,548.00	78.00
Other Retirement Contributions - ERIP	1,800.00		1,800.00	1,800.00	-
Unemployment Compensation	100,000.00	(25,000.00)	75,000.00	75,000.00	-
Workmen's Compensation	225,000.00	(12,832.00)	212,168.00	212,168.00	-
Health Benefits	4,600,000.00	243,666.02	4,843,666.02	4,843,665.16	0.86
Tuition Reimbursement	50,000.00	(8,461.49)	41,538.51	40,985.36	553.15
Other Employee Benefits	208,805.00	(31,692.00)	177,113.00	176,086.83	1,026.17
Total Unallocated Benefits	5,844,016.00	297,570.38	6,141,586.38	6,139,928.20	1,658.18

PINE HILL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Pension Contributions (non-bud):					
Post Retirement Medical Contributions	$ -	$ -	$ -	$ 1,053,415.00	$ (1,053,415.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	1,141,770.33	(1,141,770.33)
Total On-Behalf Contributions	-	-	-	2,195,185.33	(2,195,185.33)
Total Personal Services - Employee Benefits	5,844,016.00	297,570.38	6,141,586.38	8,335,113.53	(2,193,527.15)
TOTAL UNDISTRIBUTED EXPENDITURES	17,130,568.00	234,201.32	17,364,769.32	19,205,042.24	(1,840,272.92)
TOTAL GENERAL CURRENT EXPENSE	31,070,857.00	21,912.00	31,092,769.00	32,811,496.35	(1,718,727.35)
CAPITAL OUTLAY					
Equipment					
Instruction - Special Education Programs					
Multiple Disabilities	5,000.00		5,000.00	2,363.00	2,637.00
Athletics		7,710.00	7,710.00	7,710.00	-
Total Equipment	5,000.00	7,710.00	12,710.00	10,073.00	2,637.00
Interest Deposit to Capital Reserve	2,000.00		2,000.00		2,000.00
TOTAL CAPITAL OUTLAY	7,000.00	7,710.00	14,710.00	10,073.00	4,637.00
Transfer of Funds to Charter Schools	18,958.00	16,570.00	35,528.00	35,310.00	218.00
TOTAL EXPENDITURES	31,096,815.00	46,192.00	31,143,007.00	32,856,879.35	(1,713,872.35)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(530,000.00)	-	(530,000.00)	177,920.36	707,920.36
Other Financing Sources:					
Operating Transfers In:					
None					-
Operating Transfers Out:					
Capital Reserve Transfer to Capital Projects Fund	(200,000.00)		(200,000.00)	(398,039.04)	(198,039.04)
Total Other Financing Sources:	(200,000.00)	-	(200,000.00)	(398,039.04)	(198,039.04)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(730,000.00)	-	(730,000.00)	(220,118.68)	509,881.32
Fund Balance July 1	1,869,264.64	-	1,869,264.64	1,869,264.64	-
Fund Balance June 30	$ 1,139,264.64	$ -	$ 1,139,264.64	$ 1,649,145.96	$ 509,881.32
Recapitulation:					
Budgeted Fund Balance	$ (530,000.00)	$ -	$ (530,000.00)	$ (20,118.68)	$ 509,881.32
Budgeted Withdrawal from Capital Reserve	(200,000.00)		(200,000.00)	(200,000.00)	-
	$ (730,000.00)	$ -	$ (730,000.00)	$ (220,118.68)	$ 509,881.32
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				317,067.46	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				640,500.00	
Unassigned Fund Balance				691,578.50	
				1,649,145.96	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				1,454,762.00	
Fund Balance per Governmental Funds (GAAP)				$ 194,383.96	

PINE HILL SCHOOL DISTRICT
General Fund - American Recovery and Reinvestment Act - Education Jobs Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	$ -	$ 46,192.00	$ 46,192.00	$ 46,192.00	$ -
Total Revenues	-	46,192.00	46,192.00	46,192.00	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers		46,192.00	46,192.00	46,192.00	-
Total Instruction	-	46,192.00	46,192.00	46,192.00	-
Total Outflows	-	46,192.00	46,192.00	46,192.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 234,453.00	$ -	$ 234,453.00	$ 234,453.00	$ -
Federal Sources	965,654.00		965,654.00	1,434,528.06	468,874.06
Local Sources			-	3,263.00	3,263.00
Total Revenues	1,200,107.00	-	1,200,107.00	1,672,244.06	472,137.06
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,136,256.00		1,136,256.00	617,790.75	518,465.25
Other Salaries	39,851.00		39,851.00	166,287.13	(126,436.13)
Other Purchased Services			-	107,079.92	(107,079.92)
Tuition			-	401,032.00	(401,032.00)
Purchased Professional - Technical Services			-	71,470.00	(71,470.00)
General Supplies			-	50,477.26	(50,477.26)
Total Instruction	1,176,107.00	-	1,176,107.00	1,414,137.06	(238,030.06)
Support Services:					
Salaries of Other Professional Staff			-	11,000.00	(11,000.00)
Personal Services - Employee Benefits	24,000.00		24,000.00	140,924.00	(116,924.00)
Purchased Professional - Educational Services			-	74,877.00	(74,877.00)
Other Purchased Services (400-500 series)			-	14,908.00	(14,908.00)
Supplies & Materials			-	16,198.00	(16,198.00)
Other Objects			-	200.00	(200.00)
Total Support Services	24,000.00	-	24,000.00	258,107.00	(234,107.00)

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd):					
Facilities Acquisitions and Construction Services:					
Buildings	$ -		$ -	$ -	$ -
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-
Total Outflows	1,200,107.00	-	1,200,107.00	1,672,244.06	(472,137.06)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

Notes to the Required Supplementary Information

PINE HILL SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation
For the Year Ended June 30, 2011

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	$ 33,034,799.71	[C-2]	$ 1,672,244.06
Difference - budget to GAAP:				
The Final Two State Aid payments for the Year Ended June 30, 2011 that were delayed until July 2011 were recorded as budgetary revenue for the Year Ended June 30, 2011 but is not recognized under GAAP until the Year Ended June 30, 2012.		(1,454,762.00)		(20,500.00)
The Final State Aid payment for the Year Ended June 30, 2010 that was delayed until July 2010 was recorded as budgetary revenue for the Year Ended June 30, 2010 but is not recognized under GAAP until the Year Ended June 30, 2011.		1,608,231.00		20,500.00
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 33,188,268.71	[B-2]	$ 1,672,244.06
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 32,856,879.35	[C-2]	$ 1,672,244.06
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 32,856,879.35	[B-2]	$ 1,672,244.06

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Title I Part A	IDEA	IDEA Preschool	Title IIA	Title IID
REVENUES:					
State Sources					
Federal Sources	$ 644,759.00	$ 386,621.00	$ 14,411.00	$ 68,844.00	$ 1,377.00
Local Sources					
Total Revenues	644,759.00	386,621.00	14,411.00	68,844.00	1,377.00
EXPENDITURES:					
Instruction:					
Salaries of Teachers	417,360.00				
Other Salaries				57,370.00	
Other Purchased Services					
Tuition		386,621.00	14,411.00		
Purchased Professional - Technical Services	55,827.00				
General Supplies	15,761.00				1,032.00
Total Instruction	488,948.00	386,621.00	14,411.00	57,370.00	1,032.00
Support Services:					
Salaries of Other Professional Staff	11,000.00				
Personal Services - Employee Benefits	96,885.00			11,474.00	
Purchased Professional - Educational Services	35,853.00				
Other Purchased Services (400-500 series)	11,864.00				345.00
Other Objects	200.00				
Supplies & Materials	9.00				
Total Support Services	155,811.00	-	-	11,474.00	345.00
Facilities Acquisitions and Construction Services:					
Buildings					
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-
Total Outflows	644,759.00	386,621.00	14,411.00	68,844.00	1,377.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	ARRA Title I	ARRA IDEA	ARRA IDEA Preschool	Lafontaine Memorial	Short Memorial
REVENUES:					
State Sources					
Federal Sources	$ 182,518.41	$ 133,623.92	$ 2,373.73	$ -	$ -
Local Sources				2,730.00	533.00
Total Revenues	182,518.41	133,623.92	2,373.73	2,730.00	533.00
EXPENDITURES:					
Instruction:					
Salaries of Teachers	29,828.75				
Other Salaries	69,066.13				
Other Purchased Services		107,079.92			
Tuition					
Purchased Professional - Technical Services		15,643.00			
General Supplies	25,711.53	2,336.00	2,373.73	2,730.00	533.00
Total Instruction	124,606.41	125,058.92	2,373.73	2,730.00	533.00
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits		8,565.00			
Purchased Professional - Educational Services	39,024.00				
Other Purchased Services (400-500 series)	2,699.00				
Other Objects					
Supplies & Materials	16,189.00				
Total Support Services	57,912.00	8,565.00	-	-	-
Facilities Acquisitions and Construction Services:					
Buildings					
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-
Total Outflows	182,518.41	133,623.92	2,373.73	2,730.00	533.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Preschool Education Aid	Totals 2011
REVENUES:		
State Sources	$ 234,453.00	$ 234,453.00
Federal Sources		1,434,528.06
Local Sources		3,263.00
Total Revenues	234,453.00	1,672,244.06
EXPENDITURES:		
Instruction:		
Salaries of Teachers	170,602.00	617,790.75
Other Salaries	39,851.00	166,287.13
Other Purchased Services		107,079.92
Tuition		401,032.00
Purchased Professional - Technical Services		71,470.00
General Supplies		50,477.26
Total Instruction	210,453.00	1,414,137.06
Support Services:		
Salaries of Other Professional Staff		11,000.00
Personal Services - Employee Benefits	24,000.00	140,924.00
Purchased Professional - Educational Services		74,877.00
Other Purchased Services (400-500 series)		14,908.00
Other Objects		200.00
Supplies & Materials		16,198.00
Total Support Services	24,000.00	258,107.00
Facilities Acquisitions and Construction Services:		
Buildings		-
Total Facilities Acquisitions and Const. Services:	-	-
Total Outflows	234,453.00	1,672,244.06
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -

PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2011

District-Wide Total

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 170,602.00	$ 170,602.00	$ -
Other Salaries for Instruction	39,851.00	39,851.00	-
Total Instruction	210,453.00	210,453.00	-
Support Services:			
Personal Services - Employee Benefits	24,000.00	24,000.00	-
Total Support Services	24,000.00	24,000.00	-
Facilities Acquisition and Construction Services			
None			-
Total Facilities Acquisition and Construction Ser.	-	-	-
Contribution to Charter Schools			
None			-
Total Expenditures	$ 234,453.00	$ 234,453.00	$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2010-11 Preschool Education Aid Allocation	$ 234,453.00
Add: Actual Carryover June 30, 2010	-
	234,453.00
Add: Budgeted Transfer from the General Fund	-
Total Preschool Education Aid Funds Available for 2010/2011 Budget	234,453.00
Less: 2010/2011 Budgeted Preschool Education Aid - Prior Year Budget Carryover	
Available & Unbudgeted Preschool Education Aid Funds, June 30, 2011	234,453.00
Add: June 30, 2011 Unexpended Preschool Education Aid	-
2010-2011 Carryover - Preschool Education Aid	$ 234,453.00
2010- 11 Preschool Education Carryover Budgeted for Preschool Programs 2011-2012	$ -

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$ 405,393.00	$ 302,121.27	$ 707,514.27	$ 707,514.27
Transfer from Capital Reserve	347,097.00	398,039.04	745,136.04	745,136.04
Total Revenues	752,490.00	700,160.31	1,452,650.31	1,452,650.31
Expenditures and Other Financing Uses				
Project Expenditures	150,320.56	1,007,131.73	1,157,452.29	1,452,650.31
Total Expenditures	150,320.56	1,007,131.73	1,157,452.29	1,452,650.31
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 602,169.44	$ (306,971.42)	$ 295,198.02	$ -

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roofing Project
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$	$	$	$
Transfer from Capital Reserve	150,000.00		150,000.00	150,000.00
Total Revenues	150,000.00	-	150,000.00	150,000.00
Expenditures and Other Financing Uses				
Project Expenditures	99,056.25		99,056.25	150,000.00
Total Expenditures	99,056.25	-	99,056.25	150,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 50,943.75	$ -	$ 50,943.75	$ -

Additional Project Information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 150,000.00
Additional Authorized Cost	-
Revised Authorized Cost	150,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2006
Revised Target Completion Date	2010

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
John Glenn Elementary School Roof Replacement & Related Work
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$ 240,371.00	$	$ 240,371.00	$ 240,371.00
Transfer from Capital Reserve	121,729.00	43,043.04	164,772.04	164,772.04
Total Revenues	362,100.00	43,043.04	405,143.04	405,143.04
Expenditures and Other Financing Uses				
Project Expenditures	30,143.04	375,000.00	405,143.04	405,143.04
Total Expenditures	30,143.04	375,000.00	405,143.04	405,143.04
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 331,956.96	$ (331,956.96)	$ -	$ -

Additional Project Information:	
Project Number	4110-070-09-1002
Grant Date	12/29/2009
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 350,152.00
Additional Authorized Cost	54,991.04
Revised Authorized Cost	405,143.04
Percentage Increase over Original Authorized Cost	15.70%
Percentage Completion	0.00%
Original Target Completion Date	2010
Revised Target Completion Date	2011

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Albert M. Bean Elementary Roof Replacement & Related Work
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$ 165,022.00	$ (4,268.73)	$ 160,753.27	$ 160,753.27
Transfer from Capital Reserve	75,368.00		75,368.00	75,368.00
Total Revenues	240,390.00	(4,268.73)	236,121.27	236,121.27
Expenditures and Other Financing Uses				
Project Expenditures	21,121.27	214,057.17	235,178.44	236,121.27
Total Expenditures	21,121.27	214,057.17	235,178.44	236,121.27
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 219,268.73	$ (218,325.90)	$ 942.83	$ -

Additional Project Information:	
Project Number	4110-060-09-1001
Grant Date	12/29/2009
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 240,390.00
Additional Authorized Cost	(4,268.73)
Revised Authorized Cost	236,121.27
Percentage Increase over Original Authorized Cost	-1.78%
Percentage Completion	0.00%
Original Target Completion Date	2010
Revised Target Completion Date	2011

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
John Glenn Elementary School Replace Fire Alarm System
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$	$ 114,632.00	$ 114,632.00	$ 114,632.00
Transfer from Capital Reserve		55,521.00	55,521.00	55,521.00
Total Revenues	-	170,153.00	170,153.00	170,153.00
Expenditures and Other Financing Uses				
Project Expenditures		100,555.24	100,555.24	170,153.00
Total Expenditures	-	100,555.24	100,555.24	170,153.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 69,597.76	$ 69,597.76	$ -

Additional Project Information:	
Project Number	4110-070-10-1004
Grant Date	8/30/2010
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 170,153.00
Additional Authorized Cost	
Revised Authorized Cost	170,153.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	2011
Revised Target Completion Date	2011

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
John Glenn Elementary School Provide Emergency Backup Generator
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$	$ 102,028.00	$ 102,028.00	$ 102,028.00
Transfer from Capital Reserve		49,416.00	49,416.00	49,416.00
Total Revenues	-	151,444.00	151,444.00	151,444.00
Expenditures and Other Financing Uses				
Project Expenditures			-	151,444.00
Total Expenditures	-	-	-	151,444.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 151,444.00	$ 151,444.00	$ -

Additional Project Information:	
Project Number	4110-070-10-1003
Grant Date	8/30/2010
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 151,444.00
Additional Authorized Cost	
Revised Authorized Cost	151,444.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	2011
Revised Target Completion Date	2011

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Albert M. Bean Elementary Install Fire Alarm System
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$	$ 89,730.00	$ 89,730.00	$ 89,730.00
Transfer from Capital Reserve		43,459.00	43,459.00	43,459.00
Total Revenues	-	133,189.00	133,189.00	133,189.00
Expenditures and Other Financing Uses				
Project Expenditures		110,919.32	110,919.32	133,189.00
Total Expenditures	-	110,919.32	110,919.32	133,189.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 22,269.68	$ 22,269.68	$ -

Additional Project Information:	
Project Number	4110-060-10-1001
Grant Date	8/30/2010
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 133,189.00
Additional Authorized Cost	-
Revised Authorized Cost	133,189.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	2011
Revised Target Completion Date	2011

PINE HILL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
High School Tennis Courts
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$ -	$ -	$ -	$ -
Transfer from Capital Reserve	-	206,600.00	206,600.00	206,600.00
Total Revenues	-	206,600.00	206,600.00	206,600.00
Expenditures and Other Financing Uses				
Project Expenditures	-	206,600.00	206,600.00	206,600.00
Total Expenditures	-	206,600.00	206,600.00	206,600.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -

Additional Project Information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	NONE
Bonds Issued	NONE
Original Authorized Cost	$ 206,600.00
Additional Authorized Cost	-
Revised Authorized Cost	206,600.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	2011
Revised Target Completion Date	2011

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Community Education Program - This fund provides for the operation of community education in the district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

PINE HILL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
For the Year Ended June 30, 2011

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	$ 23,869.18	$ 193,912.87	$ 217,782.05
Other Receivables			-
Total Assets	23,869.18	193,912.87	217,782.05
LIABILITIES			
Payable to Student Groups		193,912.87	193,912.87
Accounts Payable	12,624.66		12,624.66
Payroll Deductions & Withholdings		-	-
Total Liabilities	12,624.66	193,912.87	206,537.53
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 11,244.52		11,244.52
Total Net Assets			11,244.52
Total Liabilities and Net Assets			$ 217,782.05

PINE HILL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

		Unemployment Compensation Trust
ADDITIONS		
Employee Contributions	$	53,987.51
Employer Contributions		75,000.00
Total Contributions		128,987.51
Investments Earnings:		
Interest		34.35
Net Investment Earnings		34.35
Total Additions		129,021.86
Deductions		
Unemployment Claims		121,807.93
Total Deductions		121,807.93
Change in Net Assets		7,213.93
Net Assets - Beginning of the Year		4,030.59
Net Assets - End of the Year	$	11,244.52

PINE HILL SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Bean School	$ 13,457.00	$ 10,715.75	$ 8,837.55	$ 15,335.20
Glenn School	1,840.45	5,663.91	4,498.63	3,005.73
Middle School	15,602.19	14,994.57	18,257.51	12,339.25
High School	166,344.42	194,909.44	213,383.70	147,870.16
Athletic	9,875.54	40,536.11	35,049.12	15,362.53
Total Assets	$ 207,119.60	$ 266,819.78	$ 280,026.51	$ 193,912.87

PINE HILL SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	$ -	$ 34,579,735.15	$ 34,579,735.15	$ -
Total Assets	$ -	$ 34,579,735.15	$ 34,579,735.15	$ -
LIABILITIES:				
Payroll Deductions & Withholding	$ -	$ 21,725,977.37	$ 21,725,977.37	$ -
Net Pay		12,853,757.78	12,853,757.78	-
Total Liabilities	$ -	$ 34,579,735.15	$ 34,579,735.15	$ -

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

PINE HILL SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2011

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2011 Date	Amount	Interest Rate	Balance June 30, 2010	Decreased	Balance June 30, 2011
Refunding Bonds 2005	2/24/2005	$ 12,595,000	5/1/2012	$ 1,150,000	3.125%	$ 11,475,000.00	$ 1,120,000.00	$ 10,355,000.00
			5/1/2013	1,180,000	4.000%			
			5/1/2014	1,220,000	5.000%			
			5/1/2015	1,275,000	4.000%			
			5/1/2016	1,315,000	4.000%			
			5/1/2017	1,360,000	4.000%			
			5/1/2018	1,405,000	3.875%			
			5/1/2019	1,450,000	4.000%			
						$ 11,475,000.00	$ 1,120,000.00	$ 10,355,000.00

PINE HILL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 818,493.00	$	$ 818,493.00	$ 818,493.00	$ -
State Sources:					
Debt Service Aid Type II	749,539.00		749,539.00	749,539.00	-
Total - State Sources	749,539.00	-	749,539.00	749,539.00	-
Total Revenues	1,568,032.00	-	1,568,032.00	1,568,032.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	448,182.00		448,182.00	448,181.26	0.74
Redemption of Principal	1,120,000.00		1,120,000.00	1,120,000.00	-
Total Regular Debt Service	1,568,182.00	-	1,568,182.00	1,568,181.26	0.74
Total Expenditures	1,568,182.00	-	1,568,182.00	1,568,181.26	0.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150.00)	-	(150.00)	(149.26)	0.74
Other Financing Sources (Uses):					
Operating Transfers In:					
Capital Projects			-		-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(150.00)	-	(150.00)	(149.26)	0.74
Fund Balance, July 1	469.78		469.78	469.78	-
Fund Balance, June 30	$ 319.78	$ -	$ 319.78	$ 320.52	$ 0.74
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	$ (150.00)	$	$ (150.00)	$ (149.26)	$ 0.74

Statistical Section

PINE HILL SCHOOL DISTRICT
Net Assets by Component,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ (619,992.40)	$ (722,177.30)	$ (348,763.14)	$ (527,859.10)	$ 134,619.88	$ 812,108.99	$ 1,466,403.06	$ 2,158,827.16	$ 3,351,259.60
Restricted	(120,222.62)	(1,419.10)	45,109.74	(12,998.38)	(15,101.86)	111,647.26	486,743.92	728,617.03	810,045.50
Unrestricted	1,124,145.14	191,093.69	(2,204,373.85)	(1,651,198.21)	(1,470,268.66)	(1,285,812.43)	(1,359,000.52)	(1,735,152.31)	(1,340,318.60)
Total governmental activities net assets	$ 383,930.12	$ (532,502.71)	$ (2,508,027.25)	$ (2,192,055.69)	$ (1,350,750.64)	$ (362,056.18)	$ 594,146.46	$ 1,152,291.88	$ 2,820,986.50
Business-type activities									
Invested in capital assets, net of related debt	$ 363,422.00	$ 331,846.00	$ 292,046.00	$ 252,246.00	$ 225,509.00	$ 202,975.00	$ 179,888.00	$ 157,694.00	$ 210,578.00
Restricted									
Unrestricted	46,243.08	52,449.44	29,034.94	29,784.08	40,640.08	18,821.77	26,449.23	112,510.57	112,957.85
Total business-type activities net assets	$ 409,665.08	$ 384,295.44	$ 321,080.94	$ 282,030.08	$ 266,149.08	$ 221,796.77	$ 206,337.23	$ 270,204.57	$ 323,535.85
District-wide									
Invested in capital assets, net of related debt	$ (256,570.40)	$ (390,331.30)	$ (56,717.14)	$ (275,613.10)	$ 360,128.88	$ 1,015,083.99	$ 1,646,291.06	$ 2,316,521.16	$ 3,561,837.60
Restricted	(120,222.62)	(1,419.10)	45,109.74	(12,998.38)	(15,101.86)	111,647.26	486,743.92	728,617.03	810,045.50
Unrestricted	1,170,388.22	243,543.13	(2,175,338.91)	(1,621,414.13)	(1,429,628.58)	(1,266,990.66)	(1,332,551.29)	(1,622,641.74)	(1,227,360.75)
Total district net assets	$ 793,595.20	$ (148,207.27)	$ (2,186,946.31)	$ (1,910,025.61)	$ (1,084,601.56)	$ (140,259.41)	$ 800,483.69	$ 1,422,496.45	$ 3,144,522.35

Source: CAFR Schedule A-1

PINE HILL SCHOOL DISTRICT
Changes in Net Assets,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
Instruction:									
Regular	$ 9,989,768.22	$ 10,756,401.12	$ 11,430,304.21	$ 11,504,440.32	$ 11,847,433.87	$ 11,620,618.15	$ 13,038,951.08	$ 13,313,159.35	$ 13,188,486.01
Special education	5,123,704.45	5,812,387.24	6,222,694.05	6,147,150.05	6,432,465.23	6,884,336.40	5,625,824.82	6,576,860.84	6,575,624.55
Other special education	731,082.72	1,147,237.29	1,234,622.71	1,249,489.45	1,261,161.28	1,269,482.09	1,391,551.04	1,415,265.46	1,347,920.00
Support Services:									
Tuition	1,014,883.02	1,397,054.83	1,403,916.04	1,286,941.30	1,422,871.60	1,631,444.31	2,067,034.84	1,947,641.01	1,811,127.30
Student & instruction related services	3,338,796.86	3,358,627.98	3,697,117.32	3,388,602.55	3,373,639.43	3,746,438.18	3,685,810.17	4,109,385.63	3,930,677.06
General administrative services	492,993.18	1,015,081.24	514,975.08	1,511,954.57	583,493.97	536,018.21	538,516.39	672,987.16	480,300.91
School administrative services	1,510,729.26	1,676,045.25	1,751,077.27	1,425,665.20	1,925,617.03	1,913,896.31	1,749,777.97	1,727,471.44	1,844,184.66
Central services	433,548.42	446,075.52	438,131.50	475,693.78	475,046.97	474,970.94	501,760.83	547,372.42	569,752.85
Information technology			20,634.38	21,602.19	54,248.26	20,201.18	151,543.89	143,386.88	152,311.01
Plant operations and maintenance	2,715,235.52	2,807,360.26	2,998,976.76	3,297,876.92	3,479,817.79	3,533,629.88	3,760,126.92	4,380,039.30	3,801,639.95
Pupil transportation	841,310.78	1,053,021.99	1,105,043.93	1,148,632.95	1,173,750.71	1,298,581.10	1,413,057.75	1,261,465.16	1,202,158.76
Charter Schools	10,501.00	15,931.00	23,223.18	11,940.00	-	-	-	-	-
Interest on long-term debt	980,498.86	784,902.24	526,641.16	644,084.63	592,414.08	555,887.31	508,750.76	499,880.55	511,917.05
Total governmental activities expenses	27,183,052.29	30,270,125.96	31,367,357.59	32,114,073.91	32,621,960.22	33,485,504.06	34,432,706.46	36,594,915.20	35,416,100.11
Business-type activities:									
Food service	759,787.93	807,872.98	829,477.41	845,280.44	831,003.63	882,586.08	842,718.63	891,295.26	859,166.12
Other	34,261.39	34,616.91	35,335.41	19,521.72	25,853.26	31,064.75	23,716.85	124,452.98	126,957.05
Total business-type activities expenses	794,049.32	842,489.89	864,812.82	864,802.16	856,856.89	913,650.83	866,435.48	1,015,748.24	986,123.17
Total district expenses	$ 27,977,101.61	$ 31,112,615.85	$ 32,232,170.41	$ 32,978,876.07	$ 33,478,817.11	$ 34,399,154.89	$ 35,299,141.94	$ 37,610,663.44	$ 36,402,223.28
Program Revenues									
Governmental activities:									
Charges for services:									
Pupil transportation	$ -	$ 94,686.15	$ 93,416.46	$ 97,949.99	$ 90,078.35	$ 93,338.28	$ 99,520.43	$ 100,853.31	$ 96,214.28
Operating grants and contributions	3,532,731.98	3,394,989.19	3,490,335.20	3,537,480.95	3,285,408.72	3,382,111.65	2,244,548.90	2,625,696.21	2,421,783.06
Capital grants and contributions								51,264.31	656,249.96
Total governmental activities program revenues	3,532,731.98	3,489,675.34	3,583,751.66	3,635,430.94	3,375,487.07	3,475,449.93	2,344,069.33	2,777,813.83	3,174,247.30
Business-type activities:									
Charges for services:									
Food service	388,231.35	405,720.96	409,566.49	421,928.53	407,648.76	383,182.80	336,809.27	355,792.27	346,887.56
Other	42,619.12	36,506.08	32,116.25	20,236.33	27,519.04	30,455.34	21,616.16	167,391.98	132,255.02
Operating grants and contributions	325,144.86	358,199.07	355,345.08	378,446.38	400,949.09	454,309.38	484,389.28	552,679.08	514,145.74
Total business-type activities program revenue	755,995.33	800,426.11	797,027.82	820,611.24	836,116.89	867,947.52	842,814.71	1,075,863.33	993,288.32
Total district program revenue	$ 4,288,727.31	$ 4,290,101.45	$ 4,380,779.48	$ 4,456,042.18	$ 4,211,603.96	$ 4,343,397.45	$ 3,186,884.04	$ 3,853,677.16	$ 4,167,535.62
Net (Expense)/Revenue									
Governmental activities	$ (23,650,320.31)	$ (26,780,450.62)	$ (27,783,605.93)	$ (28,478,642.97)	$ (29,246,473.15)	$ (30,010,054.13)	$ (32,088,637.13)	$ (33,817,101.37)	$ (32,241,852.81)
Business-type activities	(38,053.99)	(42,063.78)	(67,785.00)	(44,190.92)	(20,740.00)	(45,703.31)	(23,620.77)	60,115.09	7,165.15
Total district-wide net expense	$ (23,688,374.30)	$ (26,822,514.40)	$ (27,851,390.93)	$ (28,522,833.89)	$ (29,267,213.15)	$ (30,055,757.44)	$ (32,112,257.90)	$ (33,756,986.28)	$ (32,234,687.66)

PINE HILL SCHOOL DISTRICT
Changes in Net Assets,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,								
General Revenues and Other Changes in Net Assets	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Property taxes levied for general purposes, net	$ 6,039,586.00	$ 7,065,429.00	$ 6,509,579.00	$ 8,315,108.00	$ 9,066,552.00	$ 9,184,495.00	$ 9,082,061.00	$ 9,445,343.00	$ 9,769,157.00
Taxes levied for debt service	578,846.00	550,115.00	589,941.00	607,525.00	627,268.00	515,798.00	612,983.00	553,125.00	818,493.00
Unrestricted grants and contributions	12,440,899.85	13,060,829.91	13,698,058.90	14,070,433.97	15,078,937.20	16,051,305.52	17,807,424.13	18,733,980.76	17,673,034.96
Tuition revenue	3,980,164.82	4,988,673.00	4,899,754.21	5,670,000.00	5,183,600.00	5,075,548.00	5,358,537.83	5,354,610.00	5,458,407.00
Miscellaneous income	79,480.77	258,942.38	115,318.78	136,687.62	139,421.00	192,356.84	204,552.04	291,940.28	191,455.47
Capital Project Fund Cancellations		(43,277.36)							
Loss on Disposition of Fixed Assets						(19,403.77)	(12,557.00)		
Transfers	(13,198.00)	(16,694.14)	(4,570.50)	(5,140.06)	(8,000.00)	(1,351.00)	(8,161.23)	(3,752.25)	
Total governmental activities	23,105,779.44	25,864,017.79	25,808,081.39	28,794,614.53	30,087,778.20	30,998,748.59	33,044,839.77	34,375,246.79	33,910,547.43
Business-type activities:									
Adjustment to Fixed Assets	152,827.07	-	-	-	(3,141.00)				45,911.72
Transfers & Interest	13,198.00	16,694.14	4,570.50	5,140.06	8,000.00	1,351.00	8,161.23	3,752.25	254.41
Total business-type activities	166,025.07	16,694.14	4,570.50	5,140.06	4,859.00	1,351.00	8,161.23	3,752.25	46,166.13
Total district-wide	$ 23,271,804.51	$ 25,880,711.93	$ 25,812,651.89	$ 28,799,754.59	$ 30,092,637.20	$ 31,000,099.59	$ 33,053,001.00	$ 34,378,999.04	$ 33,956,713.56
Changes in Net Assets									
Governmental activities	$ (544,540.87)	$ (916,432.83)	$ (1,975,524.54)	$ 315,971.56	$ 841,305.05	$ 988,694.46	$ 956,202.64	$ 558,145.42	$ 1,668,694.62
Business-type activities	127,971.08	(25,369.64)	(63,214.50)	(39,050.86)	(15,881.00)	(44,352.31)	(15,459.54)	63,867.34	53,331.28
Total district	$ (416,569.79)	$ (941,802.47)	$ (2,038,739.04)	$ 276,920.70	$ 825,424.05	$ 944,342.15	$ 940,743.10	$ 622,012.76	$ 1,722,025.90

Source: CAFR Schedule A-2

PINE HILL SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Restricted									$ 317,067.46
Committed									-
Assigned									640,500.00
Unassigned									(763,183.50)
Reserved	$ 1,886,535.00	$ 1,729,505.00	$ 604,000.00	$ 596,819.00	$ 634,349.00	$ 839,293.02	$ 1,203,126.76	$ 1,107,106.50	
Unreserved	766,243.48	(50,947.77)	(142,414.37)	26,855.40	19,803.62	(15,959.33)	(882,354.49)	(846,072.86)	
Total general fund	$ 2,652,778.48	$ 1,678,557.23	$ 461,585.63	$ 623,674.40	$ 654,152.62	$ 823,333.69	$ 320,772.27	$ 261,033.64	$ 194,383.96
All Other Governmental Funds									
Restricted									$ 274,698.54
Committed									286,959.50
Assigned									320.00
Unassigned									-
Reserved	$ 32,241.00	$ 6,749.00	$ 427.00	$ 9,874.00	$ 31,766.34	$ -	$ -	$ 150.00	
Unreserved, reported in:									
Special revenue fund	(62,997.00)	(58,245.00)	(58,831.00)	(58,831.00)	(61,585.00)	(69,200.00)	(19,500.00)	(20,500.00)	
Capital projects fund	68,684.24	-	-	45,186.80	45,186.80	40,197.26	51,093.92	248,040.75	
Debt service fund	6,749.14	426.90	9,873.74	31,821.82	-	-	-	319.78	
Total all other governmental funds	$ 44,677.38	$ (51,069.10)	$ (48,530.26)	$ 28,051.62	$ 15,368.14	$ (29,002.74)	$ 31,593.92	$ 228,010.53	$ 561,978.04

Source: CAFR Schedule B-1

PINE HILL SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax Levy	$ 7,534,547.00	$ 6,618,432.00	$ 7,615,544.00	$ 7,099,520.00	$ 8,922,633.00	$ 9,693,820.00	$ 9,700,293.00	$ 9,695,044.00	$ 9,998,468.00	$ 10,587,650.00
Tuition charges	3,999,197.00	3,980,164.82	4,988,673.00	4,899,754.21	5,670,000.00	5,183,600.00	5,075,548.00	5,358,537.83	5,354,610.00	5,458,407.00
Miscellaneous	212,115.00	168,900.41	353,628.53	208,735.24	234,637.61	229,499.35	286,697.12	304,072.47	392,425.80	290,932.75
State sources	14,592,987.00	14,474,373.85	15,110,009.40	15,768,385.12	16,156,879.93	17,122,282.62	18,327,689.81	18,921,122.86	17,154,203.07	19,203,048.69
Federal sources	827,613.00	1,409,838.34	1,354,033.70	1,420,008.98	1,451,034.99	1,242,063.30	1,104,725.36	1,130,850.17	4,256,738.21	1,544,756.29
Total revenue	27,166,459.00	26,651,709.42	29,421,888.63	29,396,403.55	32,435,185.53	33,471,265.27	34,494,953.29	35,409,627.33	37,156,445.08	37,084,794.73
Expenditures										
Instruction:										
Regular instruction	10,234,964.00	7,893,948.52	8,178,409.43	8,266,359.01	8,335,042.16	8,346,035.88	8,561,331.24	9,890,451.87	9,838,676.54	9,288,776.12
Special education instruction	1,842,391.00	4,080,807.32	4,437,392.44	4,511,458.55	4,513,082.09	4,567,256.05	4,885,001.79	4,315,280.78	4,854,185.37	4,748,033.18
Other special education instruction	800,321.00	596,883.32	895,089.22	913,192.84	937,801.09	915,646.69	923,629.41	1,096,875.51	1,044,565.34	983,781.87
Support Services:										
Tuition	1,002,327.00	1,014,883.02	1,397,054.83	1,403,916.04	1,286,941.30	1,422,871.60	1,631,444.31	2,067,034.84	1,932,082.01	1,775,817.30
Student & instruction related services	2,277,531.00	2,716,603.46	2,636,819.78	2,740,389.37	2,493,304.63	2,410,268.72	2,696,078.15	2,900,382.49	3,033,015.30	2,832,132.27
General administrative services	453,918.00	658,807.43	1,184,398.97	983,309.53	1,039,089.79	1,046,249.68	825,114.82	598,240.61	496,711.80	406,242.15
School administrative services	1,198,059.00	1,212,749.59	1,295,318.42	1,272,312.79	1,303,081.67	1,346,538.33	1,340,507.47	1,314,847.45	1,274,995.29	1,289,405.33
Business / Central services	341,710.00	371,550.94	389,941.84	316,717.49	346,018.12	322,368.04	339,230.04	350,859.40	369,688.48	365,030.71
Information Technology				19,612.22	20,554.91	52,282.06	19,617.77	147,821.99	140,140.42	148,695.67
Plant operations and maintenance	1,999,944.00	2,330,735.19	2,463,709.14	2,432,267.60	2,710,179.28	2,830,016.92	2,892,432.36	3,200,558.23	3,266,383.87	3,065,383.81
Pupil transportation	834,658.00	809,311.32	952,175.61	1,041,262.13	1,086,781.44	1,100,679.91	1,220,109.70	1,344,672.41	1,190,592.79	1,104,404.47
Unallocated employee benefits	3,774,686.00	4,128,226.58	5,074,753.83	5,210,454.75	6,547,132.64	7,589,053.60	7,504,456.26	6,967,388.00	7,838,311.58	8,476,037.53
Charter Schools	6,942.00	10,501.00	15,931.00	23,223.18	11,940.00	-	-	-	15,559.00	35,310.00
Capital outlay	201,292.00	121,697.01	109,263.11	47,434.15	129,169.78	34,477.57	48,769.22	141,184.45	250,632.46	730,245.23
Debt service:										
Principal	475,402.00	566,850.00	604,175.00	855,725.00	798,313.53	865,501.65	922,832.50	990,163.35	1,000,000.00	1,120,000.00
Interest and other charges	846,517.00	815,598.86	797,452.24	568,631.16	632,942.39	596,223.83	558,237.06	517,669.48	470,842.39	448,181.26
Total Expenditures	26,290,662.00	27,329,153.56	30,431,884.86	30,606,265.81	32,191,374.82	33,445,470.53	34,368,792.10	35,843,430.86	37,016,382.64	36,817,476.90
Excess (Deficiency) of revenues over (under) expenditures	875,797.00	(677,444.14)	(1,009,996.23)	(1,209,862.26)	243,810.71	25,794.74	126,161.19	(433,803.53)	140,062.44	267,317.83
Other Financing Sources (Uses)										
Transfers Out		(19,272.52)	(42,851.84)	(4,570.50)	(135,140.06)	(8,000.00)	(77,135.22)	(50,419.23)	(268,481.46)	(398,039.04)
Transfers In		6,074.52	26,157.70		130,000.00		75,784.22	42,258.00	265,097.00	398,039.04
Capital Project Fund Cancellations			(43,277.36)							
Total other financing sources (uses)	-	(13,198.00)	(59,971.50)	(4,570.50)	(5,140.06)	(8,000.00)	(1,351.00)	(8,161.23)	(3,384.46)	-
Net change in fund balances	$ 875,797.00	$ (690,642.14)	$ (1,069,967.73)	$ (1,214,432.76)	$ 238,670.65	$ 17,794.74	$ 124,810.19	$ (441,964.76)	$ 136,677.98	$ 267,317.83
Debt service as a percentage of noncapital expenditures	5.07%	5.08%	4.62%	4.66%	4.46%	4.37%	4.32%	4.22%	4.00%	4.35%

Effective July 1, 2001 the District converted from a K-6 district to a K-12 district.

Source: CAFR Schedule B-2

PINE HILL SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation	Rebates and Refunds	Miscellaneous	Totals
2002	$ 68,426.00	$ 3,999,197.00	$ 73,954.00	$ 29,059.00	$ 40,676.00	$ 4,211,312.00
2003	26,152.99	3,980,164.82	89,419.64	32,326.57	14,926.69	4,142,990.71
2004	23,509.70	4,988,673.00	94,686.15	121,929.43	112,752.43	5,341,550.71
2005	27,279.04	4,900,333.82	93,416.46	8,466.38	78,993.75	5,108,489.45
2006	37,573.86	5,670,000.00	97,949.99	4,109.97	95,003.79	5,904,637.61
2007	68,517.90	5,183,600.00	90,078.35	7,231.24	63,671.86	5,413,099.35
2008	41,078.05	5,075,548.00	93,338.28	350.22	75,144.35	5,285,458.90
2009	3,430.77	5,358,537.83	99,520.43	50,941.72	127,921.55	5,640,352.30
2010	2,000.00	5,354,610.00	100,853.31	-	240,368.99	5,697,832.30
2011	2,000.00	5,458,407.00	96,214.28	-	189455.47	5,746,076.75

Effective July 1, 2001 the District converted from a K-6 district to a K-12 district.

Source: District Records

PINE HILL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2002	$ 8,736,400	$ 226,548,500	$ 362,500	$ 21,100	$ 7,712,900	$ 925,800	$ 13,788,900	$ 258,096,100	$ 72,272,080	$ 881,657	$ 258,977,757	$ 2.732	$ 273,554,256
2003	7,882,100	231,185,000	362,500	21,100	7,640,300	925,800	13,788,900	261,805,700	72,460,880	860,304	262,666,004	2.710	296,170,223
2004	7,198,800	237,759,700	362,500	23,400	7,445,300	925,800	13,788,900	267,504,400	72,342,780	766,598	268,270,998	2.742	323,913,628
2005	7,076,920	242,489,300	244,800	16,700	7,546,300	772,800	13,788,900	271,935,720	72,432,380	638,460	272,574,180	2.939	369,013,167
2006	7,076,920	244,717,390	244,800	16,700	7,546,300	772,800	13,788,900	274,163,810	72,432,380	613,460	274,777,270	3.388	427,219,658
2007	7,996,500	244,952,000	975,100	33,300	7,613,400	772,800	13,288,900	275,632,000	74,035,580	448,556	276,080,556	3.512	501,297,567
2008	8,189,500	244,839,400	922,700	37,800	7,667,600	694,700	13,288,900	275,640,600	74,393,980	434,843	276,075,443	3.513	547,019,513
2009	8,097,400	245,331,300	922,700	37,800	7,829,200	694,700	13,288,900	276,202,000	74,815,580	463,560	276,665,560	3.559	558,284,964
2010	17,711,100	468,088,900	1,698,100	36,400	14,803,800	1,137,000	35,071,200	538,546,500	118,595,780	943,064	539,489,564	1.908	556,481,248
2011				Detail Not Available				532,784,000	N/A	774,765	533,558,765	1.992	536,128,463

Effective July 1, 2001 the District converted from a K-6 district to a K-12 district.

Source: County Abstract of Ratables & Municipal Tax Assessor

PINE HILL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	PINE HILL SCHOOL DISTRICT			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Library	Fire District	Municipal Local Purpose	
2002	$ 2.543	$ 0.189	$ 2.732	$ 0.941	$ 0.010	$ 0.065	$ 0.168	$ 0.977	$ 4.893
2003	2.510	0.200	2.710	1.009	0.011	0.071	0.169	0.979	4.949
2004	2.533	0.209	2.742	0.976	0.010	0.070	0.169	0.965	4.932
2005	2.725	0.214	2.939	1.036	0.013	0.074	0.170	1.048	5.280
2006	3.169	0.219	3.388	1.144	0.032	0.084	0.188	1.115	5.951
2007	3.286	0.226	3.512	1.159	0.037	0.081	0.238	1.116	6.143
2008	3.291	0.222	3.513	1.139	0.040	0.082	0.250	1.306	6.330
2009	3.348	0.211	3.559	1.129	0.040	0.082	0.259	1.376	6.445
2010	1.781	0.127	1.908	0.631	-	0.042	0.138	0.783	3.502
2011	1.839	0.153	1.992			Detail Not Available			3.533

Source: District Records and Municipal Tax Collector

PINE HILL SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chalet Gardens Apartments	$ 20,959,700	1	3.93%	$ 9,000,000	1	3.48%
Chateau Ridge	13,500,000	2	2.53%	4,500,000	2	1.74%
Messer Holdings LLC	1,622,300	3	0.30%	524,000	6	0.20%
Foxmoor at Woodcrest	1,530,000	4	0.29%			
Tang Soo Karate Academy	979,600	5	0.18%			
Verizon - NJ	943,064	6	0.18%	881,657	3	0.34%
Pine Hill Market	911,600	7	0.17%			
Che Group LLC	882,400	8	0.17%			
Individual Taxpayer	860,600	9	0.16%	715,400	4	0.28%
International Seal & Packing Company	750,400	10	0.14%	426,500	7	0.16%
Individual Taxpayer				417,800	8	0.16%
Hertzcliff Associates				536,300	5	0.21%
Wawa Inc.				397,600	9	0.15%
Individual Taxpayer				382,400	10	0.15%
Totals	$ 42,939,664		8.05%	$ 17,781,657		6.87%
	District Assessed Value		$ 533,558,765			$ 258,977,757

Source: District CAFR & Municipal Tax Assessor

PINE HILL SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

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	
2002	$ 7,534,547.00	$ 7,534,547.00	100%	-
2003	6,618,432.00	6,618,432.00	100%	-
2004	7,615,544.00	7,615,544.00	100%	-
2005	7,099,520.00	7,099,520.00	100%	-
2006	8,922,633.00	8,922,633.00	100%	-
2007	9,693,820.00	9,693,820.00	100%	-
2008	9,700,293.00	9,700,293.00	100%	-
2009	9,695,044.00	9,695,044.00	100%	-
2010	9,998,468.00	9,998,468.00	100%	-
2011	10,587,650.00	10,587,650.00	100%	-

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

PINE HILL SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	* Per Capita Personal Income	
2002	$ 16,951,000		$ 368,037			$ 17,319,037	0.11%	$	18,613
2003	16,426,000		296,900			16,722,900	0.11%		18,613
2004	15,866,000		252,725			16,118,725	0.12%		18,613
2005	15,845,000		207,000			16,052,000	0.12%		18,613
2006	15,095,000		158,686			15,253,686	0.12%		18,613
2007	14,280,000		108,184			14,388,184	0.13%		18,613
2008	13,410,000		55,352			13,465,352	0.14%		18,613
2009	12,475,000		-			12,475,000	0.15%		18,613
2010	11,475,000		-			11,475,000	0.16%		18,613
2011	10,355,000		-			10,355,000	0.18%		18,613

* = This data is only available for the year 1999.

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

PINE HILL SCHOOL DISTRICT **Exhibit J-11**

Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	$ 16,426,000		$ 16,426,000	6.34%	$ 18,613
2003	15,866,000		15,866,000	6.04%	18,613
2004	15,845,000		15,845,000	5.91%	18,613
2005	15,095,000		15,095,000	5.54%	18,613
2006	14,280,000		14,280,000	5.20%	18,613
2007	13,410,000		13,410,000	4.86%	18,613
2008	12,540,000		12,540,000	4.54%	18,613
2009	12,475,000		12,475,000	4.51%	18,613
2010	11,475,000		11,475,000	2.13%	18,613
2011	10,355,000		10,355,000	1.94%	18,613

PINE HILL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2010

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Local Municipality	$ 4,058,457.00	100.00%	$ 4,058,457.00
Other Debt			
County of Camden	178,855,468.00	1.33%	2,369,877.25
Subtotal, Overlapping Debt			6,428,334.25
Pine Hill School District Direct Debt			11,475,000.00
Total Direct and Overlapping Debt			$ 17,903,334.25

Sources: Annual Debt Statement

PINE HILL SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2010	$ 541,143,991
2009	555,727,016
2008	554,733,882
	$ 1,651,604,889
Average equalized valuation of taxable property	$ 550,534,963
Debt limit (4% of average)	22,021,399
Net bonded school debt	10,355,000
Legal debt margin	$ 11,666,399

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 10,402,932	$ 10,917,381	$ 11,697,806	$ 12,921,030	$ 14,676,732	$ 17,102,370	$ 19,555,727	$ 22,116,217	22,116,217	22,021,399
Total net debt applicable to limit	16,426,000	15,866,000	15,845,000	16,289,000	14,280,000	13,410,000	12,540,000	12,475,000	11,475,000	10,355,000
Legal debt margin	$ (6,023,068)	$ (4,948,619)	$ (4,147,194)	$ (3,367,970)	$ 396,732	$ 3,692,370	$ 7,015,727	$ 9,641,217	$ 10,641,217	$ 11,666,399
Total net debt applicable to the limit as a percentage of debt limit	157.90%	145.33%	135.45%	126.07%	97.30%	78.41%	64.12%	56.41%	51.89%	47.02%

Effective July 1, 2001 the District converted from a K-6 district to a K-12 district which increased the allowable debt margin from 2 1/2% to 4%.

Source: Abstract of Ratables and District Records CAFR Schedule J-7

PINE HILL SCHOOL DISTRICT **Exhibit J-14**
Demographic and Economic Statistics,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	* Per Capita Personal Income	Unemployment Rate
2002	10,840	201,765	18,613	7.0%
2003	10,925	203,347	18,613	7.0%
2004	11,046	205,599	18,613	7.3%
2005	11,163	207,777	18,613	6.5%
2006	11,252	209,433	18,613	5.9%
2007	11,262	209,620	18,613	6.4%
2008	11,302	210,364	18,613	5.9%
2009	11,312	210,550	18,613	7.7%
2010	11,330	210,885	18,613	12.0%
2011	10,233	190,467	18,613	12.6%

* = This data is only available for the year 1999.

PINE HILL SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

	2011			2002		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pine Hill Board of Education	339		N/A	129	1	N/A
Pine Hill Golf Course	100		N/A			N/A
Pine Hill Municipality	45		N/A	45	2	N/A
Pine Hill Market	30		N/A	30	3	N/A
Kentucky Fried Chicken	29		N/A	29	4	N/A
Wawa	20		N/A	20	5	N/A
DeSorte Assoc. - Asphalt & Paving	20		N/A	20	6	N/A
Glenn Habina	14		N/A	14	7	N/A
Wawa	13		N/A	13	8	N/A
International Seal	11		N/A	11	9	N/A
Pine Hill Printing			N/A	10	10	N/A
Heritage Dairy Store			N/A	10	11	N/A
Michael Heim, Inc.			N/A	10	12	N/A
Totals	621		N/A	341		N/A

PINE HILL SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular instruction	170.0	165.0	159.0	158.0	152.0	150.0	153.0	156.0	152.0	152.0
Special education instruction	50.0	53.0	55.0	59.5	59.0	60.5	64.0	68.5	72.5	75.0
Other special education instruction	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
Vocational education	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Other instruction / Nurse / Athletic Trainer	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Support Services:										
Student & instruction related services	20.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
General administrative services	6.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School administrative services	21.0	20.0	20.0	20.0	20.0	20.0	20.0	22.0	22.0	22.0
Business administrative services	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0
Plant operations and maintenance / Security	31.0	34.0	35.0	35.0	35.0	34.0	34.0	34.0	34.0	34.0
Pupil transportation	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.0	6.0	6.0
Total	324.5	326.5	323.5	327.0	321.5	319.0	325.5	335.5	337.5	339.0

Effective July 1, 2001 the District converted from a K-6 district to a K-12 district.

Source: District Personnel Records

PINE HILL SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2002	2,354	$ 24,767,451	$ 10,521	6.53%	228	1:22	1:26	1:22	2,397	2,239	119.91%	93.41%
2003	2,216	25,825,008	11,654	10.76%	224	1:22	1:26	1:20	2,216	2,061	-7.55%	93.01%
2004	2,250	28,920,995	12,854	10.30%	228	1:20	1:26	1:20	2,250	2,093	1.53%	93.02%
2005	2,236	29,134,476	13,030	1.37%	222	1:20	1:26	1:20	2,251	2,096	0.04%	93.11%
2006	2,194	30,630,949	13,961	7.15%	221	1:20	1:26	1:20	2,194	2,040	-2.53%	92.98%
2007	2,173	31,949,267	14,703	5.31%	232	1:20	1:26	1:20	2,173	2,025	-0.96%	93.19%
2008	2,144	32,838,953	15,317	4.17%	230	1:20	1:26	1:20	2,149	2,017	-1.10%	93.86%
2009	2,055	34,194,414	16,640	8.64%	235	1:20	1:26	1:20	2,019	1,887	-6.05%	93.46%
2010	2,030	35,294,908	17,387	4.49%	235	1:20	1:26	1:20	2,011	1,973	-0.40%	98.11%
2011	1,933	34,519,050	17,858	2.71%	233	1:20	1:25	1:20	1,948	1,817	-3.13%	93.28%

Source: District records

PINE HILL SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Elementary										
Albert Bean (1952)										
Square Feet	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	340	306	284	279	362	359	388	384	363	368
John Glenn (1964)										
Square Feet	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	417	421	440	444	485	472	452	441	418	424
Middle School										
Pine Hill Middle School (2002)										
Square Feet	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	639	620	592	574	406	396	385	364	364	365
High School										
Oakbrook High School (2002)										
Square Feet	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Capacity (students)	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Enrollment	1,034	1,022	955	985	949	988	919	866	817	776
Other										
Garage/Storage (2002)										
Square Feet	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624
Technology (2002)										
Square Feet	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Garage/Ticket Booth (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Garage/Field Bathrooms (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Number of Schools at June 30, 2011										
Elementary - 2										
Middle - 1										
High - 1										
Other - 4										

Source: District Records, ASSA

PINE HILL SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
John H. Glenn School	N/A	$ 77,500	$ 98,130	$ 51,013	$ 135,380	$ 117,770	$ 117,664	$ 130,080	$ 208,302	$ 138,491	$ 166,915
Albert Bean School	N/A	67,000	87,416	47,007	100,502	126,972	116,056	135,656	178,949	136,996	105,403
Middle School	N/A	25,000	61,749	27,809	93,483	108,582	108,362	120,241	165,302	159,601	192,597
High School	N/A	239,165	197,948	82,273	219,117	197,697	240,458	239,623	264,598	214,008	204,397
Total School Facilities		408,665	445,243	208,102	548,482	551,021	582,540	625,600	817,151	649,096	669,311
Other Facilities		5,250	54,787	384,632	-	-	-	-	-	-	
Grand Total		$ 413,915	$ 500,030	$ 592,734	$ 548,482	$ 551,021	$ 582,540	$ 625,600	$ 817,151	$ 649,096	$ 669,311

Source: District Records

PINE HILL SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School Package Policy - School Alliance Insurance Fund (SAIF)			
	Property	$ 2,500,000,000	$ 1,000.00
	General and Automotive Liability	5,000,000	1,000.00
	Excess Liability	5,000,000	
	Blanket Dishonesty Bond	50,000	1,000.00
	Workers Compensation	Statutory	
	Errors and Omissions	1,000,000	5,000.00
	School Board Legal Liability	5,000,000	2,500.00

Single Audit Section

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the basic financial statements of the Board of Education of the Pine Hill School District, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 21, 2011. 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 *Government Auditing Standards,* issued by the Comptroller General of the United States; and audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pine Hill School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pine Hill School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pine Hill School District Board of Education's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pine Hill School District Board of Education's basic financial statements are free of 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 basic 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 prescribed by the Division of Finance, Department of Education, and State of New Jersey.

This report is intended for the information of the management of the Pine Hill School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 21, 2011

FORD-SCOTT
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of the School District
Pine Hill School District
County of Camden, New Jersey

Compliance

We have audited the of the Pine Hill School District Board of Education, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The Board of Education'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 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 Board of Education'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. Our audit does not provide a legal determination on the Board of Education's compliance with those requirements.

In our opinion, the Pine Hill School District, in the county of Camden, State of New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Pine Hill School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Pine Hill School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Pine Hill School District Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* 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 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the Pine Hill School District Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 21, 2011

PINE HILL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue	Due to Grantor at June 30, 2011
U.S. Department of Education														
General Fund:														
Medical Assistance Program (SEMI)	93.778	N/A	$ 64,036	9/1/2010	8/31/2011	$	$	$ 64,036.23	$ (64,036.23)	$	$	$ -	$ -	$ -
ARRA - Education Jobs Fund	84.410	N/A	46,192	9/1/2010	8/31/2011			46,192.00	(46,192.00)			-	-	-
								110,228.23	(110,228.23)			-	-	-
U.S. Department of Education Passed-Through State Department Education:														
Special Revenue Fund:														
Title I	84.010	NCLB 09	632,012	9/1/2008	8/31/2009	(4,132.60)						(4,132.60)	-	-
Title I	84.010	NCLB 10	655,919	9/1/2009	8/31/2010	(86,611.40)	(50,470.00)	117,397.00				(19,684.40)	-	-
Title I	84.010	NCLB 11	644,759	9/1/2010	8/31/2011		50,470.00	492,267.00	(644,759.00)			(102,022.00)	-	-
Title I, ARRA	84.389	NCLB 10	269,926	7/1/2009	8/31/2010	(10,726.59)	(176,518.41)	187,245.00				-	-	-
Title I, ARRA	84.389	NCLB 11	182,860	7/1/2010	8/31/2011		176,518.41		(182,518.41)			(6,342.00)	342.00	-
Title I , SIA	84.377	NCLB 10	14,593	9/1/2009	8/31/2010	(14,593.00)	7,960.00	6,633.00				-	-	-
Title I, SIA	84.377	NCLB 09	21,159	9/1/2008	8/31/2009	7,960.00	(7,960.00)					-	-	-
I.D.E.A. Part B, Basic Regular	84.027	FT 05	461,527	9/1/2004	8/31/2005	184.51						-	-	184.51
I.D.E.A. Part B, Basic Regular	84.027	FT 11	386,621	9/1/2010	8/31/2011			386,621.00	(386,621.00)			-	-	-
I.D.E.A. Part B, Basic, ARRA	84.391	FT 10	442,904	9/1/2009	8/31/2010	(2,017.35)	2,017.35					-	-	-
I.D.E.A. Part B, Basic, ARRA	84.391	FT 11	135,641	9/1/2010	8/31/2011		(2,017.35)	135,641.00	(133,623.92)			(99.00)	98.73	-
I.D.E.A. Part B, Preschool	84.173	FT 06	19,697	9/1/2005	8/31/2006	50.00						-	-	50.00
I.D.E.A. Part B, Preschool	84.173	FT 11	14,411	9/1/2010	8/31/2011			14,411.00	(14,411.00)			-	-	-
I.D.E.A. Part B, Preschool, ARRA	84.392	FT 10	15,926	9/1/2009	8/31/2010	(0.27)	0.27					-	-	-
I.D.E.A. Part B, Preschool, ARRA	84.392	FT 11	2,374	9/1/2010	8/31/2011		(0.27)	2,374.00	(2,373.73)			-	-	-
Title IIA	84.367A	FT 11	68,844	9/1/2010	8/31/2011			34,536.00	(68,844.00)			(34,308.00)	-	-
Title IID	84.318	FT 11	1,377	9/1/2010	8/31/2011			1,377.00	(1,377.00)			-	-	-
Total Special Revenue Fund						(109,886.70)	-	1,378,502.00	(1,434,528.06)	-	-	(166,588.00)	440.73	234.51
U.S. Department of Education Passed-through State Department of Education:														
Enterprise Fund:														
National School Lunch Program	10.555	N/A	337,042	7/1/2009	6/30/2010	(22,071.98)		22,071.98				-	-	-
National School Lunch Program	10.555	N/A	341,580	7/1/2010	6/30/2011			341,579.70	(341,579.70)			-	-	-
National School Breakfast Program	10.553	N/A	83,189	7/1/2009	6/30/2010	(7,550.34)		7,550.34				-	-	-
National School Breakfast Program	10.553	N/A	86,779	7/1/2010	6/30/2011			86,779.40	(86,779.40)			-	-	-
Special Milk Program	10.556	N/A	1,119	7/1/2010	6/30/2011			1,119.01	(1,119.01)			-	-	-
Fruit & Vegetable Grant	10.582	N/A	25,260	7/1/2009	6/30/2010	(2,202.15)		2,202.15				-	-	-
Equipment Grant	10.579	N/A	15,553	7/1/2010	6/30/2011			15,553.00	(15,553.00)			-	-	-
Food Distribution Program	10.550	N/A	59,121	7/1/2010	6/30/2011			59,120.86	(59,120.86)			-	-	-
Total Enterprise Fund						(31,824.47)	-	535,976.44	(504,151.97)	-	-	-	-	-
Total Federal Financial Awards						$ (141,711.17)	$ -	$ 2,024,706.67	$ (2,048,908.26)	$ -	$ -	$ (166,588.00)	$ 440.73	$ 234.51

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

Schedule B

PINE HILL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2010 Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/	Balance at June 30, 2011 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	11-495-034-4120-078	$ 14,119,215.00	7/1/2010	6/30/2011	$	$	$	$ 12,745,803.20	$ (14,119,215.00)	$	$ -	$ -	$ -	$ (1,373,411.80)	$ (14,119,215.00)
Special Education Aid	11-495-034-5120-089	813,502.00	7/1/2010	6/30/2011				732,151.80	(813,502.00)		-	-	-	(81,350.20)	(813,502.00)
Additional Transportation Aid	10-495-034-5120-014	7,632.00	7/1/2009	6/30/2010	(7,632.00)			7,632.00			-	-	-	-	(7,632.00)
Additional Transportation Aid	11-495-034-5120-014	10,830.40	7/1/2010	6/30/2011					(10,830.40)		(10,830.40)	-	-	(10,830.40)	(10,830.40)
Extraordinary Aid	10-495-034-5120-044	216,253.00	7/1/2009	6/30/2010	(216,253.00)			216,253.00			-	-	-	-	(216,253.00)
Extraordinary Aid	11-495-034-5120-044	270,605.00	7/1/2010	6/30/2011					(270,605.00)		(270,605.00)	-	-	(270,605.00)	(270,605.00)
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,141,770.33	7/1/2010	6/30/2011				1,141,770.33	(1,141,770.33)		-	-	-	-	(1,141,770.33)
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	1,183,798.76	7/1/2009	6/30/2010	(58,348.96)			58,348.96			-	-	-	-	(1,183,798.76)
Total General Fund					(282,233.96)	-	-	14,901,959.29	(16,355,922.73)	-	(281,435.40)	-	-	(1,736,197.40)	(17,763,606.49)
Special Revenue Fund:															
Preschool Education Aid	11-495-034-5120-086	234,453.00	7/1/2010	6/30/2011				213,953.00	(234,453.00)		-	-	-	(20,500.00)	(234,453.00)
Total Special Revenue Fund					-	-	-	213,953.00	(234,453.00)	-	-	-	-	(20,500.00)	(234,453.00)
Capital Project Fund:															
SDA - John Glenn Roof	4110-070-09-1002	240,371.00	12/29/09	6/30/2011	(240,371.00)			192,296.80			(48,074.20)	-	-	(48,074.20)	(240,371.00)
SDA - Albert Bean Roof	4110-060-09-1001	160,753.27	12/29/09	6/30/2011	(165,022.00)			83,336.11	4,268.73		(77,417.16)	-	-	(77,417.16)	(160,753.27)
SDA - John Glenn Fire Alarm System	4110-070-10-1004	114,632.00	8/30/2010	6/30/2012					(114,632.00)		(114,632.00)	-	-	(114,632.00)	(114,632.00)
SDA - John Glenn Emergency Generator	4110-070-10-1003	102,028.00	8/30/2010	6/30/2012					(102,028.00)		(102,028.00)	-	-	(102,028.00)	(102,028.00)
SDA - Albert Bean Fire Alarm System	4110-060-10-1001	89,730.00	8/30/2010	6/30/2012					(89,730.00)		(89,730.00)	-	-	(89,730.00)	(89,730.00)
Total Capital Project Fund					(405,393.00)	-	-	275,632.91	(302,121.27)	-	(431,881.36)	-	-	(431,881.36)	(707,514.27)
Debt Service Fund:															
Debt Service Aid	11-495-034-5120-017	749,539.00	7/1/2010	6/30/2011				749,539.00	(749,539.00)		-	-	-	-	(749,539.00)
Total Debt Service Fund					-	-	-	749,539.00	(749,539.00)	-	-	-	-	-	(749,539.00)
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	10-100-010-3360-067	15,782.86	7/1/2009	6/30/2010	(1,027.24)			1,027.24			-	-	-	-	(15,782.86)
National School Lunch Program (State Share)	11-100-010-3350-023	9,993.77	7/1/2010	6/30/2011				9,513.49	(9,993.77)		(480.28)	-	-	(480.28)	(9,993.77)
Breakfast Program (State Share)	10-100-010-3360-067	5,801.20	7/1/2009	6/30/2010	(516.30)			516.30			-	-	-	-	(5,801.20)
Total Enterprise Fund					(1,543.54)	-	-	11,057.03	(9,993.77)	-	(480.28)	-	-	(480.28)	(31,577.83)
Total State Financial Assistance					$ (689,170.50)	$ -	$ -	$ 16,152,141.23	$ (17,652,029.77)	$ -	$ (713,797.04)	$ -	$ -	$ (2,189,059.04)	$ (19,486,690.59)

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

PINE HILL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Pine Hill School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state assistance received directly from federal and state agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003,c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is $153,469.000 for the general fund, $0.00 for the special revenue fund and $354,128.69 for the capital projects fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF Pension	Total
General Fund	$ 110,228.23	$ 17,562,806.73	$ (1,053,415.00)	$ 16,619,619.96
Special Revenue Fund	1,434,528.06	234,453.00		1,668,981.06
Capital Projects Fund	-	656,249.96		656,249.96
Debt Service Fund	-	749,539.00		749,539.00
Food Service Fund	504,151.97	9,993.77		514,145.74
	$ 2,048,908.26	$ 19,213,042.46	$ (1,053,415.00)	$ 20,208,535.72

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. 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, 2011.

PINE HILL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2011

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant Deficiencies identified?	None Reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant Deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Any audit findings disclosed that are required to be reported In accordance with section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
Title I Part A Cluster	
84.010	Title I
84.389	Title I ARRA
Special Education Cluster	
84.027	IDEA Regular
84.391	IDEA Regular - ARRA
84.173	IDEA Preschool
84.392	IDEA Preschool - ARRA

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? Yes

PINE HILL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2011
(CONTINUED)

I. SUMMARY OF AUDITORS RESULTS (CONTINUED)

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	$529,561
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant Deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Any audit findings disclosed that are required to be reported In accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

GMIS Numbers	Name of State Program
State Aid Public Cluster	
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Aid

PINE HILL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2011
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

None

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

PINE HILL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2011

STATUS OF PRIOR YEAR FINDINGS

No Prior Year Findings.