

**PENNSVILLE TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Pennsville Township Board of Education
Pennsville, New Jersey**

For the Fiscal Year Ended June 30, 2015

Prepared by
Pennsville Township Board of Education
Finance Department

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INTRODUCTORY SECTION



PENNSVILLE PUBLIC SCHOOL DISTRICT
Business Administration Building
30 Church Street
Pennsville, NJ 08070-2199

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Richard Davidson, Board Secretary/
Business Administrator
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November 24, 2015

Honorable President and Members
of the Board of Education
Pennsville Township School District
30 Church Street
Pennsville, N.J. 08070-2199

Dear Board Members:

The comprehensive annual financial report of the Pennsville Township School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, 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:

Pennsville Township School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Pennsville Township Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 1,790 students, which is a decrease from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	1,790	(3.56%)
2013-14	1,856	(2.92%)
2012-13	1,912	(2.09%)
2011-12	1,953	4.83%
2010-11	1,863	0.03%

2. MAJOR INITIATIVES:

The results of the Scholastic Aptitude Test for the Pennsville Memorial High School senior class of 2014-2015 were:

Critical Reading - 474 Writing - 457 Math - 496.

On the state mandated PARCC for eleventh grade, administered during the 2014-2015 school year- PARCC:

English-26% approaching expectations
44% meeting expectations
11% exceeding expectations

End of Course Math Geometry
20% approaching expectations
7% meeting expectations
0% exceeding expectations

End of Course Math Algebra II
28% approaching expectations
3% meeting expectations
0% exceeding expectations

3. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process 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 awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. MANAGEMENT'S DISCUSSION AND ANALYSIS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

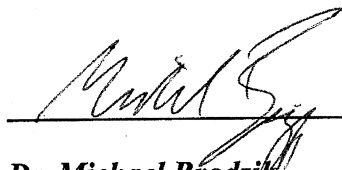
10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Pennsville Township 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,



Dr. Michael Brodzik
Superintendent of Schools

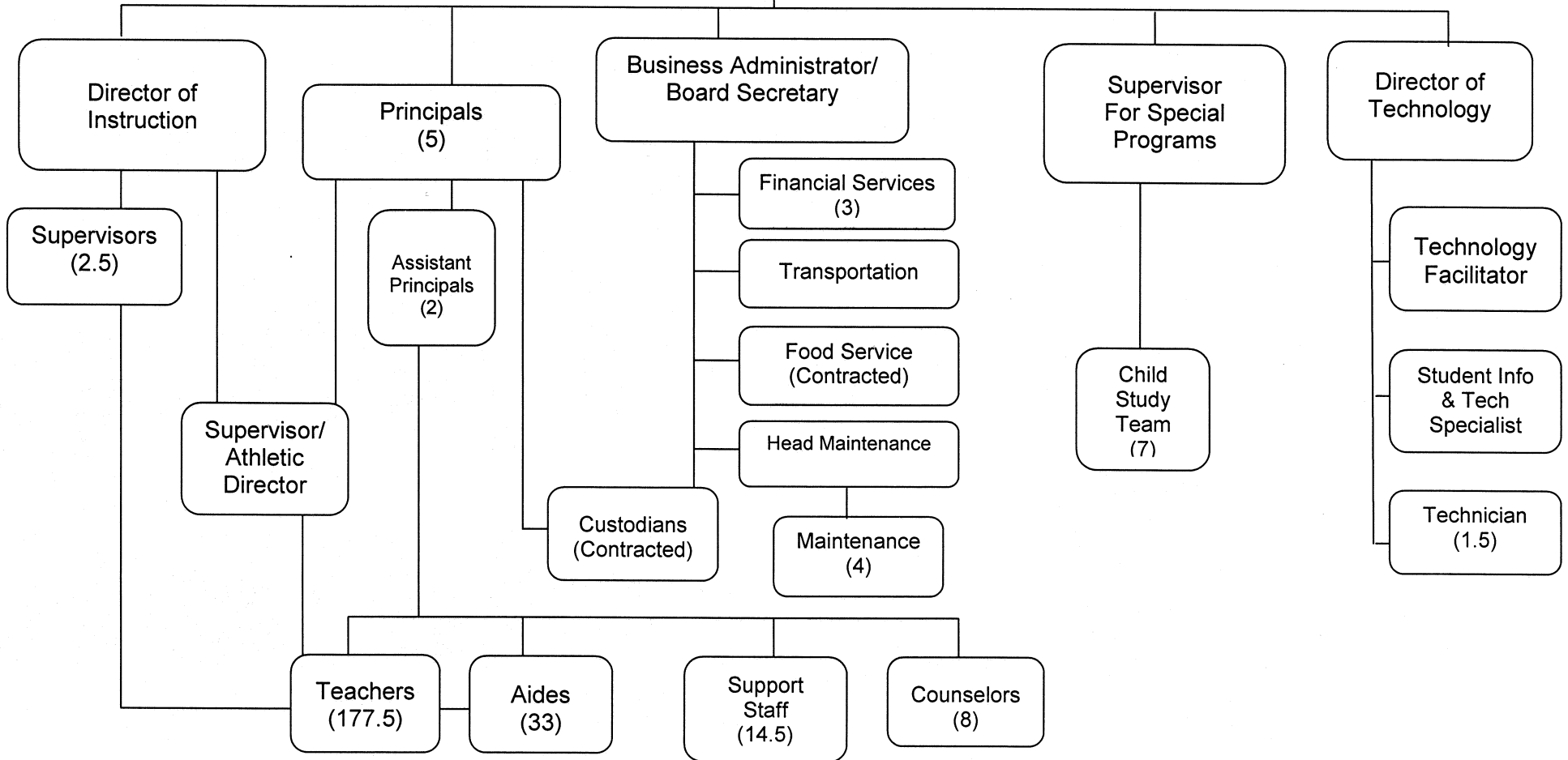


Richard Davidson
Board Secretary/
Business Administrator

**Pennsville Township Board of Education
Pennsville, New Jersey**

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



PENNSVILLE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Katherine Bodine	President	2016
Jack Nugent	Vice President	2015
Greg Action		2017
Keith Chambers		2017
Jeffery Thomas		2015
John Lang		2017
Nancy Phillips		2015
Thomas Hassler		2016
Diane Stafferi-Morris		2016

Other Officials

Michael Brodzik, Ed. D., Superintendent of Schools

Richard Davidson, Business Administrator/Board Secretary

John Willadsen, Treasurer of School Moneys

Mark Toscano, Solicitor

PENNSVILLE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ENGINEER

Remington & Vernick
232 Kings Highway
Haddonfield, New Jersey 08033

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
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Williamstown, NJ 08094

ATTORNEY

Mark G. Toscano, Esq.
Comegno Law Group, P.C.
521 Pleasant Valley Ave
Morrestown, NJ 08057

OFFICIAL DEPOSITORIES

Pennsville National Bank
170 South Broadway
PO Box 345
Pennsville, NJ 08070

INSURANCE AGENT

Arthur J. Gallagher
Risk Management Services, Inc.
525 Lincoln Drive West
Five Greentree Centre
4th Floor, Suite 410
Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 24, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pennsville Township School District
County of Salem
Pennsville, NJ 08070

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Pennsville Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Pennsville Township School District Board of Education in the County of Salem, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information 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. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pennsville Township School District Board of Education's, basic financial statements as a whole. The introductory section, combining fund and individual non-major fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

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

In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 24, 2015 on our consideration of the Pennsville Township School District Board of Education's internal control over financial reporting and 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 an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2015**

(UNAUDITED)

This section of the Pennsville Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-15) and the prior year (2013-14) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2014-15 fiscal year include the following:

- Net position for governmental and business-type activities were (\$1,285,248) and \$39,310, respectively.
- Net position for governmental activities decreased by \$1,568,952 and net position for business-type activities decreased by (\$11,789) from July 1, 2014 to June 30, 2015.
- The general fund, fund balance as of June 30, 2015 was \$1,015,901, a increase of \$713,009 when compared with the beginning balance as of July 1, 2014 of \$302,892.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**Table 1
Major Features of the District-Wide and Fund Financial Statements**

	<u>District-Wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position	Statement of changes in fiduciary net position
			Statement of cash flows	
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's net position for the fiscal years ended June 30, 2014 and 2015 is reflected in Table 2.

Table 2
Net Position

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and Other Assets	\$ 1,479,304	\$ 13,187	\$ 1,492,491	\$ 2,924,501	\$ 49,776	\$ 2,974,277
Capital Assets, net	5,497,731	39,310	5,537,041	4,191,024	38,498	4,229,522
Total Assets	6,977,035	52,497	7,029,532	7,115,525	88,274	7,203,799
Deferred Outflows of Resources	433,318			227,832		
Liabilities:						
Current and Other Liabilities	5,836,288	13,187	5,849,475	1,279,623	37,175	1,316,798
Long Term Liabilities:						
Due Within One Year	569,314		569,314	500,540		500,540
Due in more than One Year	1,952,236		1,952,236	2,638,442		2,638,442
Total Liabilities	8,357,838	13,187	8,371,025	4,418,605	37,175	4,455,780
Deferred Inflows of Resources	337,763					
Net Position						
Net Investment in Capital Assets	4,202,433	39,310	4,241,743	2,394,049	38,498	2,432,547
Restricted for:						
Capital Projects				1,094,702		1,094,702
Permanent Endowment:						
Nonexpendable	88,706		88,706	88,718		88,718
Other Purposes	753,997		753,997	903,672		903,672
Unrestricted (Deficit)	(6,330,384)		(6,330,384)	(7,335,341)	12,601	(7,322,740)
Total Net Position (Deficit)	\$ (1,285,248)	\$ 39,310	\$ (1,245,938)	\$ (2,854,200)	\$ 51,099	\$ (2,803,101)

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$4,130,623 (operating grants and contributions - \$3,170,510 and charges for services \$960,113).
- General revenues, special items, extraordinary items, and transfers amounted to \$28,235,033.
- Net expenditures were \$26,694,879.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of (\$1,245,938) as of June 30, 2015.
- Total revenues of \$28,252,042 plus beginning net position of (\$2,803,101) less net expenditures \$26,694,879 equals net position of (\$1,245,938).

Change in Net Position

Net position for governmental type activities increased and business-type activities increased from June 30, 2014 to June 30, 2015 as reflected in Table 3.

Table 3
Changes in Net Position
2015

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Charges for Services	\$ 614,946	\$ 345,167	\$ 960,113	\$ 592,269	\$ 355,732	\$ 948,001
Operating Grants and Contrib	2,879,793	290,717	3,170,510	3,408,167	268,477	3,676,644
General Revenues:						
Property Taxes	18,968,608		18,968,608	18,596,675		18,596,675
Grants and Entitlements	8,917,099		8,917,099	8,708,559		8,708,559
Debt Service				206,967		206,967
Other	349,326	17,009	366,335	(118,247)		(118,247)
Total Revenues	\$ 31,729,772	\$ 652,893	\$ 32,382,665	\$ 31,394,390	\$ 624,209	\$ 32,018,599
Program Expenses						
Instruction	\$ 12,728,384	\$ -	\$ 12,728,384	\$ 12,190,005	\$ -	\$ 12,190,005
Tuition	930,820		930,820	1,608,457		1,608,457
Student and Instruction						
Related Serv	3,024,580		3,024,580	3,183,312		3,183,312
General Administration	649,670		649,670	627,813		627,813
School Administrative Serv	1,403,824		1,403,824	1,361,901		1,361,901
Central Services	389,746		389,746	374,769		374,769
Admin Information Tech	218,615		218,615	249,148		249,148
Plant Operations and Maint	2,277,076		2,277,076	3,112,268		3,112,268
Pupil Transportation	1,420,078		1,420,078	1,411,096		1,411,096
Unallocated Benefits	6,753,509		6,753,509	7,292,506		7,292,506
Debt Service	10,307		10,307	513		513
Unallocated Benefits	354,211		354,211	308,453		308,453
Enterprise Operation		664,682	664,682		637,617	637,617
Total Expenses	30,160,820	664,682	30,825,502	31,720,241	637,617	32,357,858
Increase/(Decrease) in Net Position	\$ 1,568,952	\$ (11,789)	\$ 1,557,163	\$ (325,851)	\$ (13,408)	\$ (339,259)

Total revenues for the District were \$32,382,665. Government funding was the source of 37.32% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$18,968,608 provided 58.57% of revenues.

Other miscellaneous revenues of \$366,335 represent 1.13% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, and transportation fees.

The District's expenses for governmental activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$13,659,204 (44.31%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$4,444,658 (14.41%) of total expenditures. Total revenues exceeded expenditures for governmental activities, increasing net position by \$1,568,952 from the beginning balance at July 1, 2014.

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School administrative and general and business administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$1,104,620, as compared to \$1,485,185 at June 30, 2014.

All governmental funds had total revenues of \$31,797,568 and total expenditures of \$32,169,662.

GENERAL FUND BUDGETING HIGHLIGHTS

The 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.

The General Fund includes the primary operations of the District in providing educational services to students from K through grade 12 including pupil transportation activities and capital outlay projects.

Table 4 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table 4
Comparison of Revenues

	2015	2014	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local Sources				
Local Tax Levy	\$ 18,968,608	\$ 18,803,642	\$ 164,966	0.88%
Tuition	127,810	87,733	40,077	45.68%
Transportation	58,571	55,705	2,866	5.14%
Interest Earned	3,679		3,679	100.00%
Miscellaneous	176,275	31,320	144,955	462.82%
Government Sources:				
State Sources	11,555,209	11,167,791	387,418	3.47%
Federal Sources	907,416	948,935	(41,519)	-4.38%
Total	\$ 31,797,568	\$ 31,095,126	\$ 702,442	2.26%

One of the primary sources of funding for the District is received from local property taxes and accounted for 59.65% of total revenues. State aid accounted for 36.33% of total revenues.

Total governmental fund revenues increased by \$702,442, or 2.26% from the previous year. The major components of this increase was the increase in state aid, miscellaneous revenues, and tuition. Property taxes also increased by \$164,966 over the prior fiscal year.

Table 5 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table 5
Comparison of Expenditures

	2015	2014	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction				
Regular	\$ 8,786,497	\$ 8,250,988	\$ 535,509	6.49%
Special Education	2,601,154	2,666,345	(65,191)	-2.44%
Other Special Instruction	306,440	222,500	83,940	37.73%
Other Instruction	481,560	467,418	14,142	3.03%
Support Services:				
Tuition	930,820	1,608,457	(677,637)	-42.13%
Student and Instruction Rel Serv	3,024,580	3,183,312	(158,732)	-4.99%
General Administration	649,670	627,813	21,857	3.48%
School Administration	1,403,824	1,361,901	41,923	3.08%
Central Services	389,746	374,769	14,977	4.00%
Administrative Information Tech	218,614	249,148	(30,534)	-12.26%
Plant Operations and Maint	2,576,717	3,112,268	(535,551)	-17.21%
Pupil Transportation	1,420,078	1,411,096	8,982	0.64%
Employee Benefits	4,879,421	4,902,683	(23,262)	-0.47%
TPAF and FICA Reimb	2,635,710	2,389,823	245,887	10.29%
Capital Outlay	1,864,831	2,706,628	(841,797)	-31.10%
Debt Service		277,151	(277,151)	-100.00%
Total	\$ 32,169,662	\$ 33,812,300	\$ (1,642,638)	-4.86%

Total governmental fund expenditures decreased \$1,642,638 or 4.86% from the previous year. This decrease was primarily due to the decrease of capital outlay expenditures in the current year.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2015, the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund had net position of \$39,310 as of June 30, 2015. This reflects a decrease of \$11,789 from June 30, 2014. This decrease is largely due to a decrease in revenue from the sale of lunches.

INTERNAL SERVICE FUNDS

The Internal Services Fund had net position of \$258,225 as of June 30, 2015. This reflects an increase of \$39,673 from June 30, 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2015, the District had capital assets allocated to governmental activities with a book value of \$5,497,731. This consists of a broad range of capital assets, including land, site and site improvements, and machinery and equipment. Total depreciation expense for the year was \$354,211.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
As of June 30, 2015 and 2014

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, Site and Site Improve	\$ 1,294,620	\$	\$ 1,294,620	\$ 1,387,682	\$	\$ 1,387,682
Building and Improvements	2,423,536		2,423,536	2,262,524		2,262,524
Machinery and Equipment	700,641	39,310	739,951	513,022	38,498	551,520
Construction in Progress	1,078,934		1,078,934	27,796		27,796
Total	\$ 5,497,731	\$ 39,310	\$ 5,537,041	\$ 4,191,024	\$ 38,498	\$ 4,229,522

Long-Term Obligations

At June 30, 2015, the District's outstanding debt was \$2,521,550 and included \$1,225,115 in compensated absences and \$1,296,435 in capital leases.

This liability for compensated absences represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes long-term obligations.

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Obligations Under Capital Lease	\$1,296,435		\$ 1,296,435	\$ 1,796,975		\$ 1,796,975
Compensated Absences	1,225,115		1,225,115	1,342,007		1,342,007
Total	\$2,521,550		\$ 2,521,550	\$ 3,138,982		\$ 3,138,982

For The Future

A major initiative for the Pennsville Township School District is the passing of a bond referendum, which will allow the district to make much needed renovations to its aging facilities. The District has not had a successful bond referendum in over 20 years and its facilities are overdue for improvements.

The Pennsville Township School District is also focusing on continuing our shared services efforts with the Salem Community College, Quinton School District, and Pennsville Township. The District hopes to continually increase its revenue through these efforts, to have the ability to maintain our current academic programs during this tough economic period.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard Davidson, School Business Administrator at Pennsville Township School District, 30 Church Street, Pennsville, NJ 08070.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 796,582	\$ (30,072)	\$ 766,510
Receivables, Net	681,585	17,922	699,507
Inventory		25,337	25,337
Restricted Assets:			
Capital Reserve Account- Cash	1,137		1,137
Depreciable Capital Assets, Net	5,497,731	39,310	5,537,041
Total Assets	6,977,035	52,497	7,029,532
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	433,318		433,318
	433,318		433,318
LIABILITIES:			
Accounts Payable	78,334		78,334
Accrued Interest Payable	7,293		7,293
Payable to State Government	54,673		54,673
Net Pension Liability	5,667,678		5,667,678
Unearned Revenue	28,310	13,187	41,497
Noncurrent Liabilities (Note 7):			
Due Within One Year	569,314		569,314
Due Beyond One Year	1,952,236		1,952,236
Total Liabilities	8,357,838	13,187	8,371,025
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	337,763		337,763
	337,763		337,763
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	4,202,433	39,310	4,241,743
Restricted for:			
Permanent Endowment- Nonexpendable	88,706		88,706
Other Purposes	753,997		753,997
Unrestricted (Deficit)	(6,330,384)		(6,330,384)
Total Net Position (Deficit)	\$ (1,285,248)	\$ 39,310	\$ (1,245,938)

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,786,497	\$	\$ 800,008	\$ (7,986,489)		\$ (7,986,489)
Special Education	2,601,154			(2,601,154)		(2,601,154)
Other Special Instruction	306,440	614,946		308,506		308,506
Other Instruction	1,034,293			(1,034,293)		(1,034,293)
Support Services:						
Tuition	930,820			(930,820)		(930,820)
Student & Instruction Related Services	3,024,580		63,803	(2,960,777)		(2,960,777)
General Administrative Services	649,670			(649,670)		(649,670)
School Administrative Services	1,403,824			(1,403,824)		(1,403,824)
Central Services	389,746			(389,746)		(389,746)
Administrative Information Technology	218,615			(218,615)		(218,615)
Plant Operations and Maintenance	2,277,076			(2,277,076)		(2,277,076)
Pupil Transportation	1,420,078			(1,420,078)		(1,420,078)
Employee Benefits	6,753,509		2,015,982	(4,737,527)		(4,737,527)
Interest on Long-Term Debt	10,307			(10,307)		(10,307)
Unallocated Depreciation	354,211			(354,211)		(354,211)
Total Governmental Activities	30,160,820	614,946	2,879,793	(26,666,081)		(26,666,081)
Business-Type Activities:						
Food Service	664,682	345,167	290,717		(28,798)	(28,798)
Total Business-Type Activities	664,682	345,167	290,717		(28,798)	(28,798)
Total Primary Government	\$ 30,825,502	\$ 960,113	\$ 3,170,510	(26,666,081)	(28,798)	(26,694,879)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				18,968,608		18,968,608
Federal and State Aid				8,917,099		8,917,099
Tuition				127,810		127,810
Transportation fees from Individuals				58,571		58,571
Investment Earnings				3,679		3,679
Miscellaneous Income				176,275		176,275
Transfer				(17,009)	17,009	
				28,235,033	17,009	28,252,042
Change in Net Position				1,568,952	(11,789)	1,557,163
Net Position — Beginning of Year (Restated)				(2,854,200)	51,099	(2,803,101)
Net Position — End of Year (Deficit)				\$ (1,285,248)	\$ 39,310	\$ (1,245,938)

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.

GOVERNMENTAL FUNDS

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 428,674	\$ 165,641	\$ 61,487	\$ 88,719	\$ 744,521
Interfund Accounts Receivable	552,985				552,985
State Aid Receivable	75,931	20,000			95,931
Other	37,888				37,888
Federal Receivable		394,647			394,647
Capital Reserve Cash	1,137				1,137
Total Assets	\$ 1,096,615	\$ 580,288	\$ 61,487	\$ 88,719	\$ 1,827,109
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 38,505	\$ 39,829			\$ 78,334
Due to Other Funds	17,009	482,676	61,487		561,172
Payable to State Government		54,673			54,673
Unearned Revenue	25,200	3,110			28,310
Total Liabilities	80,714	580,288	61,487		722,489
Fund Balances:					
Non-expendable:					
Permanent Fund Principal				88,706	88,706
Restricted:					
Capital Reserve	1,137				1,137
Assigned:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures	753,984				753,984
Designated for Subsequent Year's Expenditures	650,000				650,000
Other Purposes				13	13
Unassigned (Deficit) - General Fund	(389,220)				(389,220)
Total Fund Balances	1,015,901			88,719	1,104,620
Total Liabilities and Fund Balances	\$ 1,096,615	\$ 580,288	\$ 61,487	\$ 88,719	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$13,893,634 and the accumulated depreciation is \$8,395,903 (See Note 5).	5,497,731
Deferred Outflow of Resources - Deferred Pension Contribution.	433,318
Deferred Inflows of Resources - Pension Actuarial Gains.	(337,763)
Long Term Net Pension Liability	(5,667,678)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(7,293)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 6).	(2,521,550)
Internal Service fund added in since the academic activities with other LEAs are governmental in nature	213,367
Net Position of governmental activities (Deficit)	\$ (1,285,248)

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,968,608	\$	\$	\$	\$ 18,968,608
Tuition Charges	127,810				127,810
Transportation Charges	58,571				58,571
Interest Earned	3,679				3,679
Miscellaneous	176,274			1	176,275
Total Local Sources	19,334,942			1	19,334,943
State Sources	11,487,409	67,800			11,555,209
Federal Sources	65,400	842,016			907,416
Total Revenues	30,887,751	909,816		1	31,797,568
EXPENDITURES:					
Instruction					
Regular Instruction	7,986,489	800,008			8,786,497
Special Education Instruction	2,601,154				2,601,154
Other Special Instruction	306,440				306,440
Other Instruction	481,560				481,560
Support Services and Undistributed Costs:					
Tuition	930,820				930,820
Student and Instruction Related Services	2,960,777	63,803			3,024,580
General Administrative Services	649,670				649,670
School Administrative Services	1,403,824				1,403,824
Central Services	389,746				389,746
Administrative Information Technology	218,614				218,614
Plant Operations and Maintenance	2,576,717				2,576,717
Pupil Transportation	1,420,078				1,420,078
Employee Benefits	7,469,126	46,005			7,515,131
Capital Outlay	813,693		1,051,138		1,864,831
Total Expenditures	30,208,708	909,816	1,051,138		32,169,662
Excess (Deficiency) of Revenues over Expenditures	679,043		(1,051,138)	1	(372,094)
OTHER FINANCING SOURCES (USES):					
Transfers to Food Service Fund	(17,009)				(17,009)
Transfers from Internal Service Fund	8,538				8,538
Transfers from Capital Projects Fund	42,437		(42,437)		
Total Other Financing Sources and Uses	33,966		(42,437)		(8,471)
Net Changes in Fund Balances	713,009		(1,093,575)	1	(380,565)
Fund Balance — Beginning of Year	302,892		1,093,575	88,718	1,485,185
Fund Balance — End of Year	\$ 1,015,901	\$	\$	\$ 88,719	\$ 1,104,620

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

PENNSVILLE TOWNSHIP 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, 2015

Total Net Change in Fund Balances - Governmental Funds \$ (380,565)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital Outlays are reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as Depreciation Expense. This is the amount by which Capital Outlays exceeded depreciation in the period.

Depreciation Expense	\$	(340,209)	
Capital Outlays		1,660,918	
			1,320,709

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. (21,003)

Repayment of Bond Principal or Capital Lease Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.

Capital Lease Principal 500,540

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (7,293)

Expenditures, net of charges, for services in the Statement of Activities that represent Internal Service Fund activity are not reported as expenditures in the Governmental Funds 39,673

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. 116,891

Change in Net Position of Governmental Activities **\$ 1,568,952**

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>Business- Type Activities</u>	<u>Governmental Activities</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ (47,081)	\$ 69,070	\$ 21,989
Accounts Receivable	17,922	152,835	170,757
Due from General Fund	17,009		17,009
Inventories	25,337		25,337
Total Current Assets	<u>13,187</u>	<u>221,905</u>	<u>235,092</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	414,879	193,479	608,358
Less: Accumulated Depreciation	(375,569)	(148,621)	(524,190)
Total Noncurrent Assets	<u>39,310</u>	<u>44,858</u>	<u>84,168</u>
Total Assets	<u>52,497</u>	<u>266,763</u>	<u>319,260</u>
LIABILITIES :			
Current Liabilities:			
Interfund Payable		8,538	8,538
Unearned Revenue	13,187		13,187
Total Current Liabilities	<u>13,187</u>	<u>8,538</u>	<u>21,725</u>
NET POSITION:			
Net Investment in Capital Assets	39,310	44,858	84,168
Unrestricted		213,367	213,367
Total Net Position	<u>\$ 39,310</u>	<u>\$ 258,225</u>	<u>\$ 297,535</u>

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

PROPRIETARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities-</u> <u>Food Service</u>	<u>Governmental Activities</u> <u>Internal Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 174,263	\$	\$ 174,263
Daily Sales - Non-Reimbursable Programs	12,149		12,149
Special Functions	149,072		149,072
Program Fees	9,683	614,946	624,629
Total Operating Revenues	<u>345,167</u>	<u>614,946</u>	<u>960,113</u>
OPERATING EXPENSES:			
Salaries and Benefits	323,201	498,175	821,376
Supplies and Materials	23,128	23,966	47,094
Cost of Sales	265,778		265,778
Other Purchased Services		30,592	30,592
Depreciation	6,910	14,002	20,912
Miscellaneous	45,665		45,665
Total Operating Expenses	<u>664,682</u>	<u>566,735</u>	<u>1,231,417</u>
Operating Income (Loss)	<u>(319,515)</u>	<u>48,211</u>	<u>(271,304)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	6,308		6,308
Federal Sources:			
National School Breakfast Program	29,367		29,367
National School Lunch Program	218,217		218,217
Food Distribution Program	36,825		36,825
Transfer to General Fund	17,009	(8,538)	8,471
Total Non-Operating Revenues (Expenses)	<u>307,726</u>	<u>(8,538)</u>	<u>299,188</u>
Net Change in Position	(11,789)	39,673	27,884
Net Position — Beginning of Year	51,099	218,552	269,651
Net Position — Ending of Year	<u>\$ 39,310</u>	<u>\$ 258,225</u>	<u>\$ 297,535</u>

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities-	Governmental Activities	
	Food Service	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 345,167	\$ 614,946	\$ 960,113
Payments to Employees and Employee Benefits	(323,201)	(498,175)	(821,376)
Payments to Suppliers	(333,648)	(199,582)	(533,230)
Net Cash Provided by (used for) Operating Activities	(311,682)	(82,811)	(394,493)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	6,308		6,308
Federal Sources	247,584		247,584
Transfer to General Fund		(8,538)	(8,538)
Net Cash Provided by (used for) Non-Capital Financing Activities	253,892	(8,538)	253,892
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	(7,722)		(7,722)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(7,722)		(7,722)
Net Increase (Decrease) in Cash and Cash Equivalents Balances — Beginning of Year	(65,512) 18,431	(91,349) 160,419	(156,861) 178,850
Balances — End of Year	\$ (47,081)	\$ 69,070	\$ 21,989
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (319,515)	\$ 48,211	\$ (271,304)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Depreciation and Net Amortization	6,910	14,002	20,912
Food Distribution Program	36,825		36,825
(Increase) Decrease in Accounts Receivable	(254)	(149,976)	(150,230)
(Increase) Decrease in Inventories	(11,660)		(11,660)
Increase (Decrease) in Accounts Payable	(37,175)		(37,175)
Increase (Decrease) in Due to General		4,952	4,952
Increase (Decrease) in Unearned Revenue	13,187		13,187
Total Adjustments	7,833	(131,022)	(123,189)
Net Cash Provided by (used for) Operating Activities	\$ (311,682)	\$ (82,811)	\$ (394,493)

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

FIDUCIARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 22,066	\$ 175,742	\$ 201,738
Total Assets	<u>\$ 22,066</u>	<u>\$ 175,742</u>	<u>\$ 201,738</u>
LIABILITIES:			
Payroll Deductions and Withholdings			6,129
Due to General Fund			284
Payable to Student Groups		175,742	
Flexible Spending Reserve			17,022
Summer Payment Salaries and Wages			178,303
Total Liabilities		<u>\$ 175,742</u>	<u>\$ 201,738</u>
NET POSITION:			
Held in Trust for:			
Unemployment Claims and Other Purposes	<u>\$ 22,066</u>		

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Total
	<u>Trust</u>	<u>Total</u>
OPERATING REVENUES:		
Deduction from employees salaries	\$ 38,225	\$ 38,225
Interest earned	23	23
Total Operating revenues	<u>38,248</u>	<u>38,248</u>
OPERATING EXPENSES:		
Quarterly contributions reports	34,364	34,364
Unemployment claims		
Total operating expenses	<u>34,364</u>	<u>34,364</u>
Operating income (loss)	<u>3,884</u>	<u>3,884</u>
Net Position — Beginning of Year	<u>18,182</u>	<u>18,182</u>
Net Position — End of Year	<u>\$ 22,066</u>	<u>\$ 22,066</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Pennsville Township School District (District) have been prepared in conformity with generally accepted accounting principles (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.

A. Reporting Entity/Component Units:

The Pennsville Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2015 of 1,856 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

GASB Statement No. 14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. The District has determined that there are no component units.

B. Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

Governmental Funds

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

As required by the New Jersey 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 the 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 from state and federal government (other than major capital projects, debt service, or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

Permanent Fund - The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

Proprietary Funds

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Enterprise Funds - The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District's enterprise funds are comprised of the food service fund.

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

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

Food service fund:
Machinery and equipment - 15 years

Internal Service Fund - The Internal Service Fund has been established to account for the county wide programs administrator fees for the school to careers and school to work programs that are funded by every high school district that participates in the county.

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 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.

D. Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Continued)

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position; the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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 expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available.

The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Continued)

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. 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 the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m) 1. Transfers of appropriations may be made by school board resolution at anytime during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 two June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets/Budgetary Control (Continued)

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

H. Cash, Cash Equivalents, and Investments

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

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash, Cash Equivalents, and Investments (Continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the 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.

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Receivable

Tuition charges for the fiscal years 2014-15 and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Inventory consists of donated food, purchased food and supplies. As of June 30, 2015, Inventory in the Food Service Enterprise Fund consisted of the following:

Purchased Food	\$	8,439
Commodity Food		13,187
Supplies		<u>3,711</u>
Total	\$	<u>25,337</u>

The value of federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and is included as a non-operating and Unearned Revenue in the financial statements.

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Prepaid Expense

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

N. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

- Land and improvements - 10-20 years (governmental activities)
- Buildings and improvements - 20-50 years (governmental activities)
- Machinery and equipment - 5-15 years (governmental and business-type activities)

O. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was \$178,303.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Q. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

R. Accrued Liabilities and Long-Term Obligations

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

S. Net Position

Net position represents the difference between assets and liabilities. Net investment invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purchases for which both restricted and unrestricted net position is available.

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District's classifications, and policies for determining such classifications, are as follows:

Nonspendable

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The permanent fund represents the nonspendable funds of the District.

Restricted

The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned

The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned

The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balance first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

U. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

V. Interfund Activity

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

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. Recent Accounting Pronouncements Not Yet Effective

The district adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. Recent Accounting Pronouncements Not Yet Effective (Continued)

- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits- Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

As of June 30, 2015, the District's bank balance of \$1,969,316 was insured or collateralized as follows:

Insurance	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>1,719,316</u>
Total	\$ <u>1,969,316</u>

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Equivalents
Checking accounts	\$ 1,167,193
Savings accounts	<u>0</u>
Total	\$ <u>1,167,193</u>

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education prior to 2001 and included in the capital outlay budget, which was certified for taxes and 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 its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.l(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	\$ 1,127
Interst Earnings - Budget	<u>10</u>
Ending Balance June 30, 2015	\$ <u>1,137</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects is \$83,672.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of the fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General</u>	<u>Special</u>	<u>Internal</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Fund</u>	
		<u>Fund</u>	<u>Fund</u>		
State	\$ 75,931	\$ 20,000	\$	\$ 404	\$ 96,335
Federal		394,647		17,518	412,165
Other			152,835		152,835
Total	<u>\$ 75,931</u>	<u>\$ 414,647</u>	<u>\$ 152,835</u>	<u>\$ 17,922</u>	<u>\$ 661,335</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5- CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance as of June 30, 2014	Additions	Disposals	Adjustments	Balance as of June 30, 2015
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	27,796	1,051,138			1,078,934
Total Capital Assets, not being Depreciated	\$ 27,796	\$ 1,051,138			\$ 1,078,934
Capital Assets, being Depreciated					
Site and Site Improvements	1,877,638				1,877,638
Buildings and Building Improvement	8,485,447	304,402			8,789,849
Machinery and Equipment	1,841,835	305,378			2,147,213
Total at Historical Cost	12,204,920	609,780			12,814,700
Less Accumulated Depreciation:					
Site and Site Improvement	(489,956)	(93,062)			(583,018)
Buildings and Building Improvements	(6,222,923)	(143,390)			(6,366,313)
Machinery and Equipment	(1,328,813)	(117,759)			(1,446,572)
Total Accumulated Depreciation	(8,041,692)	(354,211)			(8,395,903)
Total Capital Assets Being Depreciated, net	4,163,228	255,569			4,418,797
Governmental Activities Capital Assets, net	\$ 4,191,024	\$ 1,306,707	\$ -	\$ -	\$ 5,497,731
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	\$ 443,157	\$ 7,722	\$ (36,000)	\$ -	\$ 414,879
Less Accumulated Depreciation	(404,659)	(6,910)	36,000		(375,569)
Business-Type Activities Capital Assets, net	\$ 38,498	\$ (6,910)	\$ -	\$ -	\$ 39,310

Depreciation expense in the amount of \$354,211 was charged to governmental functions as follows:

Unallocated	\$ 354,211
Total Depreciation Expense	\$ 354,211

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 - GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Principal Outstanding June 30, 2014	Additions	Reductions	Principal Outstanding June 30, 2015	Amounts Due Within One Year
Obligation under Capital Lease \$	1,796,975	\$	\$ 500,540	\$ 1,296,435	\$ 506,234
Compensated Absences Payable	1,342,007		116,892	1,225,115	63,080
Total	\$ 3,138,982	\$	\$ 617,432	\$ 2,521,550	\$ 569,314

A. Bonds Payable

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

On August 18, 1993, the District issued \$3,023,759 in general obligation bonds at 5.288% for a small project. The final maturity of the bonds was made in 2013. Also on August 18, 1993, the District issued \$1,007,920 in general obligation bonds at 1.5% for a safe program. The final maturity of the bonds was also in 2013.

B. As of June 30, 2015, the District had no authorized but not issued bonds.

C. Capital Leases

At June 30, 2015, the District had capital lease obligations as follows:

Lease #1 - Acquisition of computer smart boards, LCD projectors, and an energy efficient boiler in the amount of \$581,550. The lease is for a term of four years and bears interest at 2.47%.

Lease #2 - Purchase of science lab equipment and renovation of the high school science lab in the amount of \$750,764. The lease is for a term of four years and bears interest at 2.38%.

Lease #3 - Various improvements to the Pennsville High School in the amount of \$1,200,000. The lease is for a term of five years and bears interest at 1.61%.

The following is a schedule of the minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015.

Year Ending June 30,	Principal	Interest	Total
2016	\$ 506,234	\$ 21,017	\$ 527,251
2017	300,465	11,532	311,997
2018	242,905	6,911	249,816
2019	246,831	2,984	249,815
	\$ 1,296,435	\$ 42,444	\$ 1,338,879

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - GENERAL LONG-TERM DEBT (Continued)

D. Temporary Notes Payable

As of June 30, 2015, the District had no temporary notes payable.

E. Interest Expense

No interest expense was capitalized nor paid by the debt service fund during the fiscal year ending June 30, 2015.

F. Compensated Absences

Compensated Absences will be paid from the fund from which the employees' salaries are paid.

NOTE 7 - PENSION PLANS

Description of Plans

Substantially all of the District's employees participate in one of the following pension plans which have been established by state statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 - PENSION PLANS (Continued)

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over the several preceding fiscal years.

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

For the year ended June 30, 2015, the District recognized pension expense of \$3,714,113 and revenue of \$3,714,113 for support provided by the State.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus assets no longer exist.

The District is billed annually for its normal contribution plus any accrued liability.

The District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Non- Contributory Life	Total Liability	Paid by District
2015	\$ 41,545	\$ 192,180	\$ 15,830	\$ 264,438	\$ 264,438
2014	56,061	182,510	3,810	242,381	242,381
2013	62,548	149,555	12,624	224,727	224,727

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 - PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) Payment Deferral

On March 17, 2009, P.L. 2009, c. 19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a pay off amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

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

For the year ended June 30, 2015, the District recognized pension expense of \$270,558.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	178,222	
Net difference between projected and actual earnings on pension plan investments		337,763
Changes in proportion and differences between District contributions and proportionate share of contributions	5,541	
District contributions subsequent to the measurement date	249,555	
Total	\$ 433,318	\$ 337,763

\$178,222 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 - PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) Payment Deferral (Continued)

Collective balances at June 30, 2013 and 2014 are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
 District's Proportion	 0.03027164%	 0.030237316%

The District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$97,567. The following is the 2014-15 payment of the PERS deferral, based on the billing received to date. N.J.S.A. 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n).

Year Ending June 30,	<u>Deferral Payment</u>	<u>Interest</u>	<u>Total Projected Payment</u>
2015	\$ 4,246	\$ 10,637	\$ 14,883
2014	4,246	10,303	14,549
2013	4,246	9,699	13,945

NOTE 8 - POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 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. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9- ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$665,733 and \$1,056,851, respectively. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$913,126 during the year ended June 30, 2015 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 basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 10 - COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation at their current rate of pay. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the District. Accumulated sick days are paid at one day's salary for every four days of accumulated sick days up to a total of \$30,000 and \$20,000 maximum for certified employees and non-certified employees, respectively.

In the district-wide Statement of Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

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, 2015, no liability existed for compensated absences in the proprietary fund types.

NOTE 11- DEFERRED COMPENSATION

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

The Legend Group Financial Services

MetLife

Lincoln Investments

Equitable

Valic

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 - 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.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool.

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 previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015		\$ 38,248	\$ 34,364	\$ 22,066
2013-2014		38,110	35,072	18,182
2012-2013		37,755	22,611	15,144

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balances at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 552,985	\$ 17,009
Special Revenue Fund		482,676
Capital Project Fund		61,487
Enterprise Fund	17,009	
Internal Service Fund		8,538
Fiduciary Fund		284
	\$ 569,994	\$ 569,994

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES (Continued)

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as 2015's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 14 - FUND BALANCE APPROPRIATED

The District has classified its fund balances with the following hierarchy:

Nonspendable:

As of June 30, 2015, the balance in the permanent fund account is \$88,719.

Spendable:

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

Restricted Capital reserve - As of June 30, 2015, the balance in the capital reserve account is \$1,137 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. There was no excess surplus as of June 30, 2015.

Capital Projects Fund - There was no fund balance reflected in the capital project fund, as of June 30, 2015.

On August 23, 2010, the District's Board adopted a resolution authorizing the roof replacement of Penn Beach School. The unexpended balance remaining on this project was cancelled during the 2014-15 year, in the amount of \$1,280.

On June 21, 2011, the District's Board adopted a resolution authorizing the boiler replacement at the middle school and the purchase of computer equipment. The unexpended balance remaining on this project was cancelled during the 2014-15 year, in the amount of \$11,883.

On February 27, 2012, the District adopted a resolution for the renovation of the science lab at the high school. The unexpended balance remaining on this project was cancelled during the 2014-15 year, in the amount of \$750,113.

Assigned Other Purposes - The spendable portion of the permanent fund was \$13 as of June 30, 2015.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - FUND BALANCE APPROPRIATED (Continued)

Assigned Designated by the Board of Education for subsequent year's expenditures - The District has appropriated and included as anticipated revenue \$650,000 of unrestricted fund balance and \$753,984 of restricted capital reserve fund balance.

Assigned for Year End Encumbrances - As of June 30, 2015, the District had no encumbrances outstanding for purchase orders and contracts signed by the District but not completed.

Unassigned - This is the remainder of the District's equity in the governmental fund types. The total balance is a deficit of \$389,220 as of June 30, 2015.

NOTE 15 - DEFICIT FUND BALANCES

The District has a deficit fund balance of \$389,220 in the General Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing differences of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$831,607.

NOTE 16 - CONTINGENT LIABILITIES

The Board is not involved in any claims or lawsuits incidental to its operations that will, in the opinion of the administration and legal counsel, have a material adverse effect on the financial position of the District.

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 24, 2015, the date which the financial statements were available to be issued.

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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 18. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement.

In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$ 2,696,920
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(5,778,952)
Net Deferred Outflows	<u>227,832</u>
Net Position as restated, July 1, 2014	<u><u>(\$ 2,854,200)</u></u>

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,968,608	\$	\$ 18,968,608	\$ 18,968,608	
Tuition from other LEA's	45,000		45,000	127,810	82,810
Transportation Fees from Individuals	55,000		55,000	58,571	3,571
Interest Earned				3,669	3,669
Interest Earned on Capital Reserve Funds	10		10	10	
Miscellaneous	188,624		188,624	176,274	(12,350)
Total - Local Sources	19,257,242		19,257,242	19,334,942	77,700
State Sources:					
Equalization Aid	7,416,252		7,416,252	7,416,252	
Categorical Special Education Aid	997,530		997,530	997,530	
School Choice Aid	231,576		231,576	231,576	
Categorical Security Aid	57,757		57,757	57,757	
Categorical Transportation Aid	117,331		117,331	117,331	
PARCC Readiness Aid	17,350		17,350	17,350	
Per Pupil Growth Aid	17,350		17,350	17,350	
Extraordinary Aid				28,568	28,568
Non-public Transportation Aid				2,895	2,895
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				665,733	665,733
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,056,851	1,056,851
Reimbursed TPAF Social Security (Non-Budgeted)				913,126	913,126
Total - State Sources	8,855,146		8,855,146	11,522,319	2,667,173
Federal Sources:					
Medical Reimbursement	31,366		31,366	45,749	14,383
ARRA Semi				19,651	19,651
Total - Federal Sources	31,366		31,366	65,400	34,034
Total Revenues	28,143,754		28,143,754	30,922,661	2,778,907
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Kindergarten	400,918	(12,500)	388,418	388,417	1
Grades 1-5	2,394,109	(124,769)	2,269,340	2,269,339	1
Grades 6-8	1,792,741	(45,359)	1,747,382	1,747,381	1
Grades 9-12	2,565,268	193,517	2,758,785	2,758,784	1
Home Instruction:					
Salaries of Teachers	10,000	4,135	14,135	14,135	
Regular Programs - Undistributed Instruction:					
Purchased Professional / Educational Services	32,716	(20,566)	12,150	9,350	2,800
Other Purchased Services	160,321	(8,814)	151,507	130,756	20,751
General Supplies	532,081	48,029	580,110	536,840	43,270
Textbooks	121,745	9,385	131,130	129,471	1,659
Other Objects	3,560	115	3,675	2,016	1,659
Total Regular Programs	8,013,459	43,173	8,056,632	7,986,489	70,143
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	207,819	198,658	406,477	406,477	
Other Salaries for Instruction	161,915	(25,932)	135,983	135,982	1
General Supplies	8,126	(997)	7,129	4,593	2,536
Textbooks	2,940		2,940	785	2,155
Total Learning and/or Language Disabilities	380,800	171,729	552,529	547,837	4,692

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 79,046	\$ (79,046)	\$	\$	
Other Salaries for Instruction	19,622	(19,622)			
Total Behavioral Disabilities	98,668	(98,668)			
Multiple Disabilities:					
Salaries of Teachers	43,595		43,595	43,595	
Other Salaries for Instruction	38,853	360	39,213	39,213	
General Supplies	19,025	(4,067)	14,958	3,058	11,900
Total Multiple Disabilities	101,473	(3,707)	97,766	85,866	11,900
Resource Room - Instruction:					
Salaries of Teachers	1,558,903	(202,204)	1,356,699	1,356,308	391
Other Salaries for Instruction	342,165	82,805	424,970	424,970	
Purchased Professional and Technical Services		20,506	20,506		20,506
General Supplies	24,412	(10,078)	14,334	10,410	3,924
Textbooks	14,780	(10,874)	3,906	3,835	71
Total Resource Room - instruction	1,940,260	(119,845)	1,820,415	1,795,523	24,892
Preschool disabilities - Part-Time:					
Salaries of Teachers	158,396		158,396	145,165	13,231
Other Salaries for Instruction	119,948	(72,485)	47,463	19,985	27,478
General Supplies	11,475		11,475	6,778	4,697
Total Preschool Disabilities - Part -Time	289,819	(72,485)	217,334	171,928	45,406
TOTAL SPECIAL EDUCATION	2,811,020	(122,976)	2,688,044	2,601,154	86,890
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	114,214	124,117	238,331	238,331	
Other Purchased Services	2,000	(1,141)	859		859
General supplies	19,975	(2,439)	17,536	13,196	4,340
Other Objects		2,439	2,439	2,439	
Total Basic Skills / Remedial - Instruction	136,189	122,976	259,165	253,966	5,199
Bilingual Education - Instruction					
Salaries of Teachers	49,609		49,609	49,609	
General Supplies		800	800	794	6
Textbooks		2,071	2,071	2,071	
Total Bilingual Education - Instruction	49,609	2,871	52,480	52,474	6
School Sponsored Co-curricular Activities - Instruction					
Salaries	82,049		82,049	71,601	10,448
Transfers to Cover Deficit in Agency Funds	22,245		22,245	19,036	3,209
Total School Sponsored Co-curricular Activities-Instruction	104,294		104,294	90,637	13,657
School Sponsored Athletics - Instruction					
Salaries	267,322		267,322	242,365	24,957
Purchased Services	72,857		72,857	58,201	14,656
Supplies and Materials	71,484		71,484	69,410	2,074
Other Objects	25,470		25,470	20,947	4,523
Total School Sponsored Athletics - Instruction	437,133		437,133	390,923	46,210
Total Instruction	11,551,704	46,044	11,597,748	11,375,643	222,105

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 342,000	\$ 94,649	\$ 436,649	\$ 411,190	\$ 25,459
Tuition to Other LEAs Within the State - Special	90,000	(65,854)	24,146	15,507	8,639
Tuition to CSSD & Regional Day Schools	249,474	(31,987)	217,487	217,487	
Tuition to Private Schools for the Disabled - Within State	443,165	(26,612)	416,553	222,024	194,529
Tuition - State Facilities	50,000	14,612	64,612	64,612	
Total Undistributed Expenditures - Instruction	1,174,639	(15,192)	1,159,447	930,820	228,627
Attendance & Social Work services:					
Salaries	51,514	154	51,668	51,668	
Total attendance and social work services:	51,514	154	51,668	51,668	
Health Services					
Salaries	362,367	(531)	361,836	359,534	2,302
Purchased Professional and Technical Services	17,000	351	17,351	17,350	1
Supplies and Materials	8,443	11,106	19,549	13,524	6,025
Total Health Services	387,810	10,926	398,736	390,408	8,328
Speech, OT, PT & Related Services					
Salaries	427,731		427,731	388,126	39,605
Purchased Professional - Educational Services	145,925		145,925	85,784	60,141
Total - Speech, OT, PT & Related Services	573,656		573,656	473,910	99,746
Other Supp Serv STD-Extra Serv					
Purchased Professional - Educational Services	185,000	53,501	238,501	205,090	33,411
Total Other Supp Serv STD-Extra Serv	185,000	53,501	238,501	205,090	33,411
Guidance					
Salaries of Other Professional Staff	523,904	7,641	531,545	531,065	480
Salaries of Secretarial and Clerical Assistants	57,764	44	57,808	57,807	1
Other Purchased Professional and Technical Services	1,899		1,899	645	1,254
Other Purchased Services	400		400	176	224
Supplies and Materials	38,800	(634)	38,166	21,451	16,715
Other Objects	650	634	1,284	1,284	
Total - Guidance	623,417	7,685	631,102	612,428	18,674
Child Study Teams					
Salaries of Other Professional Staff	420,493	(865)	419,628	411,342	8,286
Salaries of Secretarial and Clerical Assistants	99,123	(17,111)	82,012	61,563	20,449
Other Salaries	30,000	10,775	40,775	40,775	
Other Purchased Professional and Technical Services	7,000	(2,008)	4,992	4,165	827
Miscellaneous Purchased Services	4,050	3,791	7,841	7,840	1
Supplies and Materials	32,512	(4,309)	28,203	17,872	10,331
Other Objects	2,450	(19)	2,431	567	1,864
Total - Child Study Team	595,628	(9,746)	585,882	544,124	41,758
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	123,763	23,206	146,969	127,587	19,382
Salaries of Other Professional Staff	286,421	(58,993)	227,428	187,982	39,446
Salaries of Secretarial and Clerical Assistants	73,301		73,301	73,186	115
Purchased Professional Educational Services		7,315	7,315	370	6,945
Other Purchased Professional and Technical Services	29,500	9,152	38,652	22,582	16,070
Other Purchased Services	2,950		2,950	1,565	1,385
Supplies and Materials	9,776		9,776	4,552	5,224
Other Objects	6,870		6,870	3,619	3,251
Total - Improvement of Instruction Services	532,581	(19,320)	513,261	421,443	91,818

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Educational Media Services/School Library					
Salaries	\$ 260,308	\$	\$ 260,308	\$ 237,865	\$ 22,443
Purchased Professional and Technical Services		3,550	3,550	2,801	749
Other Purchased Services	9,925	(824)	9,101	8,590	511
Supplies and Materials	13,921	924	14,845	12,365	2,480
Other Objects	375		375	85	290
Total Educational Media Services/School Library	284,529	3,650	288,179	261,706	26,473
Support Services - General Administration:					
Salaries	244,880		244,880	234,889	9,991
Legal Services	70,000	(25,047)	44,953	44,952	1
Audit Fees	21,000		21,000	19,950	1,050
Other Purchased Professional Services	88,000	34,265	122,265	110,995	11,270
Communications/Telephone	123,100		123,100	119,518	3,582
BOE Other Purchased Services	1,000		1,000	211	789
Miscellaneous Purchased Services	111,737	(9,193)	102,544	90,235	12,309
General Supplies	11,306	173	11,479	7,948	3,531
BOE in-house training/meeting supplies	3,506		3,506	3,177	329
Miscellaneous Expenditures	4,125		4,125	3,702	423
BOE Membership Dues and Fees	15,000		15,000	14,093	907
Total - Support Services - General Administration	693,654	198	693,852	649,670	44,182
Support Service - School Administration:					
Salaries of Principals/Assistant Principals	701,048	6,908	707,956	707,394	562
Salaries of Other Professional Staff	193,727	14,347	208,074	208,074	
Salaries of Secretarial and Clerical Assistants	424,530	37,166	461,696	461,358	338
Other Purchased Services	5,500	(3,668)	1,832	1,781	51
Supplies and Materials	18,594	6,153	24,747	24,297	450
Other Objects	1,290	(370)	920	920	
Total - Support Services - School Administration	1,344,689	60,536	1,405,225	1,403,824	1,401
Central Services:					
Salaries	370,187	16,100	386,287	347,123	39,164
Purchased Technical Services	2,000		2,000		2,000
Miscellaneous Purchased Services	49,026	7,293	56,319	36,129	20,190
Supplies and Materials	6,800		6,800	5,454	1,346
Miscellaneous expenditures	1,592		1,592	1,040	552
Total - Central Services	429,605	23,393	452,998	389,746	63,252
Administrative Information Technology					
Salaries	218,434	48,789	267,223	218,614	48,609
Total - Administrative Information Technology	218,434	48,789	267,223	218,614	48,609
Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	137,408	(3,066)	134,342	68,019	66,323
General Supplies	76,302	(16,036)	60,266	60,265	1
Total - Required Maintenance for School Facilities	213,710	(19,102)	194,608	128,284	66,324

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Custodial Services:					
Salaries	\$ 332,412	\$	\$ 332,412	\$ 324,644	\$ 7,768
Salaries of Non-Instructional Aides	37,810	1	37,811	32,663	5,148
Purchased Professional and Technical Services	1,092,980	19,218	1,112,198	1,102,324	9,874
Cleaning, Repair and Maintenance Services	143,284		143,284	131,332	11,952
Other Purchased Property Services	62,000	1,540	63,540	61,807	1,733
Insurance	141,933		141,933	113,582	28,351
Miscellaneous purchased services	5,525		5,525	3,638	1,887
General Supplies	163,072	1,212	164,284	145,735	18,549
Energy (Natural Gas)	261,260		261,260	170,211	91,049
Energy (Electricity)	358,491		358,491	334,487	24,004
Energy (Oil)	15,000		15,000	13,646	1,354
Total - Custodial Services	2,613,767	21,971	2,635,738	2,434,069	201,669
Security:					
Salaries	15,124		15,124	14,364	760
Total - Security	15,124		15,124	14,364	760
Student Transportation Services					
Aid in lieu - Non Public	30,000	(30,000)			
Contracted Services - (Between Home and School) - Vendors	917,430	(3,785)	913,645	911,807	1,838
Contracted Services - (Other than Between Home & School) - Vendors	91,050	3,933	94,983	94,983	
Contracted Services (Between Home & School) - Joint Agreements	24,720	(5,587)	19,133	12,908	6,225
Contracted Services (Regular Students) - ESC's & CTSA's		167,323	167,323	167,322	1
Contracted Services (Special Education Students) - ESC's & CTSA's	67,000	145,486	212,486	212,485	1
Contracted Services (Special Education Students)	201,000	(201,000)			
Contracted Services - Aid in Lieu Payments - Non-Public		20,830	20,830	20,573	257
Total Student Transportation Services	1,331,200	97,200	1,428,400	1,420,078	8,322
Unallocated Benefits:					
Social Security Contributions	207,098	107,110	314,208	308,033	6,175
Other Retirement Contributions - Regular	262,983	1,455	264,438	264,438	
Unemployment Compensation	50,000	(15,244)	34,756	20,826	13,930
Workmen's Compensation	183,700		183,700	169,500	14,200
Health Benefits	4,626,577	(623,054)	4,003,523	3,994,389	9,134
Tuition Reimbursement	55,000		55,000	50,000	5,000
Other Employee Benefits	20,750	5,480	26,230	26,230	
Total Unallocated Benefits	5,406,108	(524,253)	4,881,855	4,833,416	48,439
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				665,733	(665,733)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,056,851	(1,056,851)
Reimbursed TPAF Social Security (Non-Budgeted)				913,126	(913,126)
Total On-Behalf Contributions				2,635,710	(2,635,710)
Total Undistributed Expenditures	16,675,065	(259,610)	16,415,455	18,019,372	(1,603,917)
Total Expenditures - Current Expense	28,226,769	(213,566)	28,013,203	29,395,015	(1,381,812)

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Interest Deposit on Capital Reserve	10		10		10
Equipment:					
Kindergarten					
Undistributed Expenditures:					
Special Schools - (All Programs)		305,378	305,378	305,378	
Total Equipment		305,378	305,378	305,378	
Facilities Acquisition and Construction Services					
Construction Services	413,047	(47,819)	365,228	304,402	60,826
Lease Purchase Services - Principal	153,080	47,819	200,899	200,899	
Other Objects - Debt Service Assessment	3,014		3,014	3,014	
Total Facilities Acquisition and Construction Services	569,141		569,141	508,315	60,826
Total Capital Outlay	569,151	305,378	874,529	813,693	60,836
Total Expenditures	28,795,920	91,812	28,887,732	30,208,708	(1,320,976)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(652,166)	(91,812)	(743,978)	713,953	1,457,931
OTHER FINANCING SOURCES (USES):					
Operating Transfers :					
Transfer to Food Service Fund				(17,009)	(17,009)
Transfer from Internal Service Fund				8,538	8,538
Transfer from Capital Projects Fund				42,437	42,437
Total Other Financing Sources (Uses):				33,966	33,966
Net Change in Fund Balances	(652,166)	(91,812)	(743,978)	747,919	1,491,897
Fund Balances - Beginning of Year	1,099,589		1,099,589	1,099,589	
Fund Balances - End of Year	\$ 447,423	\$ (91,812)	\$ 355,611	\$ 1,847,508	\$ 1,491,897
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,137	
Assigned Fund Balance:					
Capital Reserve - Designated for Subsequent Year's Budget				753,984	
Designated For Subsequent Year's Expenditures				650,000	
Unassigned				442,387	
				1,847,508	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(831,607)	
				\$ 1,015,901	

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:	\$ 75,559	\$ 26,914	\$ 102,473	\$ 67,800	\$
Federal Sources:	705,741	176,801	882,542	826,748	
Total Revenues	<u>781,300</u>	<u>203,715</u>	<u>985,015</u>	<u>894,548</u>	
EXPENDITURES:					
Instruction					
Salaries of Teachers	221,698	19,771	241,469	239,762	
Other Salaries for Instruction	15,752	2,592	18,344	18,344	
Textbooks		9,533	9,533	7,773	
Tuition	378,526	107,474	486,000	483,972	
General Supplies	19,855	39,161	59,016	34,889	
Total Instruction	<u>635,831</u>	<u>178,531</u>	<u>814,362</u>	<u>784,740</u>	
Support					
Salaries	8,212	(2,230)	5,982	6,443	
Employee Benefits	52,822	(2,788)	50,034	46,005	
Purchased Educational Services	61,009	509	61,518	20,621	
Purchased Professional / Technical Services	7,650	19,167	26,817	22,448	
Purchased Professional Services	8,395	17,907	26,302	14,291	
Contracted Transportation Services	6,155	(6,155)			
Supplies	1,226	(1,226)			
Total Support Services	<u>145,469</u>	<u>25,184</u>	<u>170,653</u>	<u>109,808</u>	
Total Expenditures	<u>781,300</u>	<u>203,715</u>	<u>985,015</u>	<u>894,548</u>	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses) \$	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:					
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 30,922,661	[C-2]	\$	894,548
Difference - Budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					15,268
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		796,697			
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(831,607)			
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 30,887,751	[B-2]	\$	909,816
Uses/Outflows of Resources:					
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 30,208,708	[C-2]	\$	894,548
Differences - Budget to GAAP:					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					15,268
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 30,208,708	[B-2]	\$	909,816

REQUIRED SUPPLEMENTARY INFORMATION
PART III

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.030272%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,667,678
District's Covered-Employee Payroll	\$ 2,106,721
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	269.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS**

Public Employee's Retirement System

	<u>2014</u>
Contractually Required Contribution	\$ 249,555
Contributions in Relation to the Contractually Required Contribution	<u>(249,555)</u>
Contribution Deficiency (Excess)	<u>\$</u>
District's Covered-Employee Payroll	\$ 2,106,721
Contributions as a Percentage of Covered-Employee Payroll	11.85%

SCHEDULE L-3

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Schedules of Required Supplementary Information**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.129144%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,914,003
District's Covered-Employee Payroll	\$ 12,340,840
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	72.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

PENNSVILLE TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Federal</u>	<u>State</u>	<u>Total</u>
REVENUES:			
State Sources	\$	\$ 67,800	\$ 67,800
Federal Sources	826,748		826,748
Total Revenues	<u>826,748</u>	<u>67,800</u>	<u>894,548</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	239,762		239,762
Other instructional salaries	18,344		18,344
Textbooks		7,773	7,773
General Supplies	13,759	21,130	34,889
Tuition	483,972		483,972
Total Instruction	<u>755,837</u>	<u>28,903</u>	<u>784,740</u>
Support Services:			
Salaries	2,741	3,702	6,443
Employee Benefits	45,722	283	46,005
Purchased Educational Services		20,621	20,621
Purchased Technical Services	22,448		22,448
Purchased Professional Services		14,291	14,291
Total Support Services	<u>70,911</u>	<u>38,897</u>	<u>109,808</u>
Total Expenditures	<u>826,748</u>	<u>67,800</u>	<u>894,548</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>

CAPITAL PROJECTS FUND DETAIL STATEMENT

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project Title	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Cancelled	Unexpended Appropriations June 30, 2015
			Prior Year	Current Year		
Roof Replacement of Penn Beach School	8/23/11	\$ 581,042	\$ 579,762	\$	\$ 1,280	\$
Boiler Replacement Pennsville Middle School and Purchase of Computer Equipment	6/22/11	665,007	653,124		11,883	
Renovation of Science Lab Pennsville Memorial High School	2/27/12	3,304,684	1,503,433	1,051,138	750,113	
		<u>\$ 4,550,733</u>	<u>\$ 2,736,319</u>	<u>\$ 1,051,138</u>	<u>\$ 763,276</u>	<u>\$</u>
					Unearned NJSDA Share	\$ 720,839
					Unexpended	42,437
						<u>\$ 763,276</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources

State Sources - SDA Grant	\$	
Proceeds of Capital Lease		
Total Revenues and Other Financing Sources		

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	\$	
Construction Services		1,051,138
Total Expenditures and Other Financing Uses		1,051,138

Excess (Deficiency) of Revenues Over (Under) Expenditures before Other Financing Sources (Uses)		(1,051,138)
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Other Financing Sources and Uses

Cancellation of Unexpended Balance		(42,437)

Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,093,575)
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Fund Balance - Beginning		1,093,575

Fund Balance - Ending	\$	

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT OF PENN BEACH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 255,526	\$	\$ 255,526	\$ 255,526
Transfers	325,516	(1,280)	324,236	325,516
Total Revenues and Other Financing Sources	<u>581,042</u>	<u>(1,280)</u>	<u>579,762</u>	<u>581,042</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	15,875		15,875	15,875
Construction Services	563,887		563,887	565,167
Total Expenditures and Other Financing Uses	<u>579,762</u>		<u>579,762</u>	<u>581,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,280</u>	<u>\$ (1,280)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Project Number	DOE-4075-078-101002 SDA-4075-078-10-G0NT
Grant Date	6/17/11
Original Authorization Cost	\$581,042
Additional Authorized Cost	0
Revised Authorized Cost	581,042
Percentage Increase Over Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/1/2011
Revised Target Completion Date	1/1/2012

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
BOILER REPLACEMENT PENNSVILLE MIDDLE SCHOOL AND ACQUISITION OF COMPUTER EQUIPMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Insurance Claim	\$ 83,457	\$	\$ 83,457	\$ 83,457
Proceeds of Capital Lease	581,550	(11,883)	569,667	581,550
Total Revenues and Other Financing Sources	665,007	(11,883)	653,124	665,007
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	13,768		13,768	13,768
Equipment - Instruction	66,668		66,668	78,551
Construction Services	572,688		572,688	572,688
Total Expenditures and Other Financing Uses	653,124		653,124	665,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,883	\$ (11,883)	\$	\$

Additional project information:

Project Number	N/A
Grant Date	6/22/11
Original Authorization Cost	\$594,426
Additional Authorized Cost	70,581
Revised Authorized Cost	665,007
Percentage Increase Over Authorized Cost	11.87%
Percentage Completion	100%
Original Target Completion Date	10/15/2011
Revised Target Completion Date	8/31/2012

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF SCIENCE LAB PENNSVILLE MEMORIAL HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,375,172	\$	\$ 1,375,172	\$ 1,375,172
Proceeds of Capital Lease	1,929,512	(750,113)	1,179,399	1,950,764
Total Revenues and Other Financing Sources	<u>3,304,684</u>	<u>(750,113)</u>	<u>2,554,571</u>	<u>3,325,936</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	227,273		227,273	111,822
Construction Services	1,276,160	1,051,138	2,327,298	3,214,114
Total Expenditures and Other Financing Uses	<u>1,503,433</u>	<u>1,051,138</u>	<u>2,554,571</u>	<u>3,325,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,801,251</u>	<u>\$ (1,801,251)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Project Number	DOE-4075-050-10-1001 SDA-4075-050-10-GONS
Grant Date	5/2/12
Original Authorization Cost	\$3,304,684
Additional Authorized Cost	0
Revised Authorized Cost	3,304,684
Percentage Increase Over Authorized Cost	0%
Percentage Completion	75%
Original Target Completion Date	9/1/2012
Revised Target Completion Date	10/15/2013

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 Services Fund – This fund provides for the operation of food services in all schools within the school district.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015

ASSETS:

Current Assets:

Cash	\$	(47,081)
Accounts Receivable:		
Federal		17,518
State		404
Due from General Fund		17,009
Inventories		25,337

Total Current Assets 13,187

Fixed Assets:

Equipment	414,879
Accumulated Depreciation	(375,569)

Total Fixed Assets 39,310

Total Assets \$ 52,497

LIABILITIES:

Current Liabilities:

Unearned Revenue	<u>13,187</u>
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Total Current Liabilities 13,187

Total Liabilities 13,187

NET POSITION:

Net Position:	
Unreserved	<u>39,310</u>

Total Net Position \$ 39,310

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OPERATING REVENUES:

Local Sources:

Daily Sales-Reimbursable Programs:

School Lunch Program

\$ 174,263

School Breakfast Program

12,149

Daily Sales Non-Reimbursable Programs

149,072

Special Functions and Miscellaneous

9,683

Total Operating Revenue

345,167

OPERATING EXPENSES:

Salaries and Benefits

323,201

Supplies and Materials

23,128

Cost of Sales

265,778

Depreciation

6,910

Miscellaneous

45,665

Total Operating Expenses

664,682

Operating Loss

(319,515)

Non-Operating Revenues (Expenses):

State Sources:

State School Lunch Program

6,308

Federal Sources:

National School Breakfast Program

29,367

National School Lunch Program

218,217

Food Distribution Program

36,825

Transfer from General Fund

17,009

Total Non-Operating Revenues

307,726

Net Income (Loss) Before Contributions and Transfers

(11,789)

Change in Net Position

(11,789)

Total Net Position-July 1

51,099

Total Net Position-June 30

\$ 39,310

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 345,167
Payments to Employees and Employee Benefits	(323,201)
Payments to Suppliers	(333,648)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	(311,682)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
State Sources	6,308
Federal Sources	247,584
	<hr/>
Net Cash Provided by (Used For) Non-Capital Financing Activities	253,892
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(7,722)
	<hr/>
Net Cash Provided by (Used For) Capital and Related Financing Activities	(7,722)
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	(65,512)
Cash and Cash Equivalents, July 1	18,431
	<hr/>
Cash and Cash Equivalents, June 30	\$ (47,081)
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (319,515)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	6,910
Food Distribution	36,825
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(254)
(Increase)/Decrease in Inventory	(11,660)
Increase/(Decrease) in Accounts Payable	(37,175)
Increase/(Decrease) in Unearned Revenue	13,187
	<hr/>
Net Cash Used by Operating Activities	\$ (311,682)
	<hr/> <hr/>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015

ASSETS

Current Assets:

Cash	\$	69,070
Accounts Receivable		152,835

Total Current Assets		<u>221,905</u>
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Fixed Assets

Equipment		193,479
Accumulated Depreciation		(148,621)

Total Fixed Assets		<u>44,858</u>
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Total Assets	\$	<u>266,763</u>
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LIABILITIES

Current Liabilities:

Due to General Fund		<u>8,538</u>
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Total Current Liabilities		<u>8,538</u>
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Total Liabilities		<u>8,538</u>
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NET POSITION

Net Position:

Net Investment In Capital Assets		44,858
Unrestricted		213,367

Total Net Position	\$	<u><u>258,225</u></u>
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>School To Work Continuation</u>	<u>SCC Interlocal</u>	<u>Pennsville Township Interlocal</u>	<u>Graphic Arts Academy</u>	<u>Creative Arts Academy</u>	<u>Quinton B.O.E.</u>	<u>Total</u>
OPERATING REVENUES:							
Program Fees	\$	\$ 64,308	\$ 18,500	\$ 234,347	\$ 275,103	\$ 22,688	\$ 614,946
Total Operating Revenue		64,308	18,500	234,347	275,103	22,688	614,946
OPERATING EXPENSES:							
Salaries		41,028		167,732	192,927	19,842	421,529
Employee Benefits				34,877	41,769		76,646
Supplies and Materials				18,894	5,072		23,966
Other Purchased Services				750	29,842		30,592
Depreciation				12,134	1,868		14,002
Total Operating Expenses		41,028		234,387	271,478	19,842	566,735
Operating Income (Loss)		23,280	18,500	(40)	3,625	2,846	48,211
Non-Operating Sources and Uses:							
Transfer to General Fund	(8,538)						(8,538)
Retained Earnings - July 1	8,538	10,000		170,282	29,732		218,552
Retained Earnings - June 30	\$	\$ 33,280	\$ 18,500	\$ 170,242	\$ 33,357	\$ 2,846	\$ 258,225

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 614,946
Payments to Employees and Employee Benefits	(498,175)
Payments to Suppliers	(199,582)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	(82,811)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
Transfer to General Fund	(8,538)
	<hr/>
Total Cash Flows from Non-Capital Financing Activities	(8,538)
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	(91,349)
Cash and Cash Equivalents, July 1	160,419
	<hr/>
Cash and Cash Equivalents, June 30	\$ 69,070
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ 48,211
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	14,002
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(149,976)
Increase/(Decrease) in Due to General Fund	4,952
	<hr/>
Net Cash Used by Operating Activities	\$ (82,811)
	<hr/> <hr/>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Expendable Trust	Agency		
	Unemployment Compensation Insurance Trust	Student Activity	Payroll	Total
ASSETS:				
Cash and Cash Equivalents	\$ 22,066	\$ 175,742	\$ 201,738	\$ 399,546
Total Assets	\$ 22,066	\$ 175,742	\$ 201,738	\$ 399,546
LIABILITIES, RESERVES AND NET POSITION:				
Payroll Deductions and Withholdings Due to General Fund	\$	\$	\$ 6,129	\$ 6,129
Flexible Spending Reserve			284	284
Summer Payment Salaries and Wages			17,022	17,022
Due to Student Groups		175,742	178,303	178,303
Total Liabilities		175,742	201,738	377,480
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	22,066			22,066
Total Net Position	22,066			22,066
Total Liabilities and Net Position	\$ 22,066	\$ 175,742	\$ 201,738	\$ 399,546

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

OPERATING REVENUES

Deductions from Employees' Salaries	\$	38,225
Interest Earned		23

Total Operating Revenue		<u>38,248</u>
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OPERATING EXPENSES

Quarterly Reports		<u>34,364</u>
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Total Operating Expenses		<u>34,364</u>
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Operating Income (Loss)		<u>3,884</u>
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Net Position - July 1		<u>18,182</u>
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Net Position - June 30	\$	<u><u>22,066</u></u>
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Elementary Schools				
Central Park	\$ 1,810	\$ 408	\$ 20	\$ 2,198
Penn Beach	3,122	1,193	1,021	3,294
Valley Park	3,300	483	410	3,373
Total Elementary Schools	<u>8,232</u>	<u>2,084</u>	<u>1,451</u>	<u>8,865</u>
Junior High School				
Pennsville Middle School	18,800	4,494	6,922	16,372
Total Middle School	<u>18,800</u>	<u>4,494</u>	<u>6,922</u>	<u>16,372</u>
Senior High School				
Pennsville Memorial High School	144,064	285,443	279,002	150,505
Pennsville Athletic Fund		28,954	28,954	
Total Senior High School	<u>144,064</u>	<u>314,397</u>	<u>307,956</u>	<u>150,505</u>
Total All Schools	<u>\$ 171,096</u>	<u>\$ 320,975</u>	<u>\$ 316,329</u>	<u>\$ 175,742</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 234,345	\$ 22,292,455	\$ 22,325,062	\$ 201,738
Total Assets	<u>\$ 234,345</u>	<u>\$ 22,292,455</u>	<u>\$ 22,325,062</u>	<u>\$ 201,738</u>
LIABILITIES:				
Net Payroll	\$	\$ 9,159,736	\$ 9,159,736	\$
Payroll Deductions & Withholdings	50,085	12,744,830	12,788,786	6,129
Interfund Accounts Payable		284		284
Flexible Spending Reserve		17,022		17,022
Summer Payment Salaries and Wages	184,260	370,583	376,540	178,303
Total Liabilities	<u>\$ 234,345</u>	<u>\$ 22,292,455</u>	<u>\$ 22,325,062</u>	<u>\$ 201,738</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM ACCOUNT GROUP
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
			<u>Principal</u>	<u>Interest</u>					
Acquisition of Computers, Smart Boards, LCD Projectors and Energy Efficient Boilers	8/2/11	5 years	\$ 581,550	\$ 40,260	2.47%	\$ 299,724	\$	\$ 117,688	\$ 182,036
Purchase of Science Lab Equipment and Renovation of High School Science Lab	5/1/12	5 years	750,764	31,529	2.38%	297,251		146,867	150,384
Various Improvements to the Pennsville High School	5/13/14	5 years	1,200,000	49,078	1.61%	1,200,000		235,985	964,015
						<u>\$ 1,796,975</u>	<u>\$</u>	<u>\$ 500,540</u>	<u>\$ 1,296,435</u>

STATISTICAL SECTION

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net Investment in Capital Assets	\$ 4,202,433	\$ 2,394,049	\$ 2,417,555	\$ 1,239,386	\$ 2,531,921	\$ 1,222,733	\$ (236,380)	\$ (698,426)	\$ (442,018)	\$ (121,624)
Restricted	1,492,703	2,087,092	2,186,240	2,006,486	1,111,144	1,052,483	920,920	961,828	978,706	869,377
Unrestricted	(6,980,384)	(1,784,221)	(1,581,023)	(1,635,105)	(1,730,013)	(1,217,991)	(1,709,426)	(1,455,526)	(1,418,315)	(1,486,092)
Total Governmental Activities Net Position	\$ (1,285,248)	\$ 2,696,920	\$ 3,022,772	\$ 1,610,767	\$ 1,913,052	\$ 1,057,225	\$ (1,024,886)	\$ (1,192,124)	\$ (881,627)	\$ (738,339)
Business-Type Activities										
Net Investment in Capital Assets	\$ 39,310	\$ 38,498	\$ 39,874	\$ 34,986	\$ 25,826	\$ 16,139	\$ 20,857	\$ 24,753	\$ 28,518	\$ 21,095
Restricted										
Unrestricted		12,601	24,633	54,969	16,866	40,126	(4,948)	(7,410)	(78,092)	(160,413)
Total Business-Type Activities Net Position	\$ 39,310	\$ 51,099	\$ 64,507	\$ 89,955	\$ 42,692	\$ 56,265	\$ 15,909	\$ 17,343	\$ (49,574)	\$ (139,318)
District-wide Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 4,241,743	\$ 2,432,547	\$ 2,457,429	\$ 1,274,372	\$ 2,557,747	\$ 1,238,872	\$ (215,523)	\$ (673,673)	\$ (413,500)	\$ (100,529)
Restricted	1,492,703	2,087,092	2,186,240	2,006,486	1,111,144	1,052,483	920,920	961,828	978,706	869,377
Unrestricted	(6,980,384)	(1,771,620)	(1,556,390)	(1,580,136)	(1,713,147)	(1,177,865)	(1,714,374)	(1,462,936)	(1,496,407)	(1,646,505)
Total District-Wide Net Position	\$ (1,245,938)	\$ 2,748,019	\$ 3,087,279	\$ 1,700,722	\$ 1,955,744	\$ 1,113,490	\$ (1,008,977)	\$ (1,174,781)	\$ (931,201)	\$ (877,657)

Source: CAFR Schedule A-1

PENNSVILLE TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year Ending June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
Instruction										
Regular	\$ 8,786,497	8,250,989	8,548,429	9,021,795	9,174,353	8,912,458	9,095,102	8,859,612	8,447,005	8,235,759
Special Education	2,601,154	2,666,345	2,569,675	2,484,988	2,447,378	2,474,232	2,535,103	2,300,124	2,017,643	1,883,132
Other Special Instruction	306,440	222,500	227,489	215,568	193,617	180,673	234,364	201,016	159,276	112,375
Other Instruction	1,034,293	1,050,172	937,070	1,088,855	1,227,484	1,184,051	1,025,926	950,046	942,483	832,075
Support Services										
Tuition	930,820	1,608,457	1,225,452	859,808	894,823	1,344,917	1,579,610	1,747,629	1,898,566	1,641,403
Student and Instruction Related Services	3,024,580	3,183,312	3,322,246	3,303,486	3,084,588	3,444,367	3,178,782	3,236,708	3,164,737	2,987,446
General and Business Administration	649,670	627,813	681,586	680,987	1,262,409	1,226,056	1,211,247	1,094,115	940,112	919,940
School Administrative Services	1,403,824	1,361,901	1,327,618	930,355	920,639	872,656	899,368	899,048	891,166	1,032,282
Central Services	389,746	374,769	381,669	365,581	358,838	349,523	340,326	331,562	304,127	290,401
Administrative Information Technology	218,615	249,148	310,434	331,290						
Plant Operations and Maintenance	2,277,076	3,112,268	2,843,147	2,895,403	2,732,052	2,567,790	2,527,592	2,732,083	2,672,418	2,523,317
Pupil Transportation	1,420,078	1,411,096	1,261,716	1,300,477	1,194,498	1,197,183	1,358,887	1,419,502	1,522,701	1,425,531
Other Support Services	6,753,509	7,292,506	7,308,903	6,428,462	6,198,514	6,174,499	5,827,638	7,063,274	6,522,157	5,563,451
Special Schools					2,308	108,750	72,682	101,362	109,509	111,123
Interest on Long-Term Debt	10,307	513	12,214	25,207	39,699	62,213	57,232	67,281	76,941	86,234
Unallocated Depreciation	354,211	308,453	260,016	248,000	213,586	201,483	183,795	198,903	204,952	215,701
Total Governmental Activities Expenses	30,160,820	31,720,242	31,217,664	30,180,262	29,944,786	30,300,851	30,127,654	31,202,265	29,873,793	27,860,170
Business-Type Activities										
Food Service	664,682	637,617	659,151	648,243	611,521	583,527	582,919	585,604	563,305	565,654
Total Business-Type Activities Expense	664,682	637,617	659,151	648,243	611,521	583,527	582,919	585,604	563,305	565,654
Total District Expenses	\$ 30,825,502	32,357,859	31,876,815	30,828,505	30,556,307	30,884,378	30,710,573	31,787,869	30,437,098	28,425,824
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 614,946	592,269	644,753	673,440	761,469	748,761	640,372	488,187	514,255	496,539
Operating Grants and Contributions	2,879,793	3,408,167	3,684,433	3,134,513	3,028,881	3,999,932	3,410,593	4,676,135	4,541,688	3,738,010
Total Governmental Activities Prog Revenues	3,494,739	4,000,436	4,329,186	3,807,953	3,790,350	4,748,693	4,050,965	5,164,322	5,055,943	4,234,549
Business-Type Activities										
Charges for Services										
Food Service	345,167	355,732	368,799	410,109	351,712	386,030	385,132	439,480	416,914	373,960
Operating Grants and Contributions	290,717	268,477	264,903	278,725	242,880	237,853	196,531	213,042	224,947	229,221
Total Business-Type Activities Prog Revenues	635,884	624,209	633,702	688,834	594,592	623,883	581,663	652,522	641,861	603,181
Total District Program Revenues	\$ 4,130,623	4,624,645	4,962,888	4,496,787	4,384,942	5,372,576	4,632,628	5,816,844	5,697,804	4,837,730
Net (Expense)/Revenue										
Governmental Activities	\$ 26,666,081	(27,719,806)	(26,888,478)	(26,372,309)	(26,154,436)	(25,552,158)	(26,076,689)	(26,037,943)	(24,817,850)	(23,625,621)
Business-Type Activities	28,798	(13,408)	(25,449)	40,591	(16,929)	40,356	(1,256)	66,918	78,556	37,527
Total District-Wide Net Expense	\$ 26,694,879	(27,733,214)	(26,913,927)	(26,331,718)	(26,171,365)	(25,511,802)	(26,077,945)	(25,971,025)	(24,739,294)	(23,588,094)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, I	\$ 18,968,608	18,596,675	18,232,034	17,874,543	17,524,062	17,226,469	17,032,091	17,557,343	16,884,103	15,643,345
Taxes Levied for Debt Service		206,967	208,838	210,678	212,653	201,769	203,727	205,493	207,278	245,060
Unrestricted Grants and Contributions	8,917,099	8,643,567	8,625,509	8,678,128	7,914,969	9,141,616	8,719,315	8,301,357	8,052,343	8,433,130
Restricted Grants and Contributions		64,992		589,340	255,526					
Tuition Received	127,810	87,733	161,614	152,888	120,125	144,321	75,138	54,280	16,949	2,107
Transportation Fees from Individuals	58,571	55,705	59,014	57,801	57,110		76,823	80,147	72,519	75,898
Investment Earnings	3,679	3,611	5,569	8,169	9,726	11,749	39,797	134,223	98,722	65,290
Miscellaneous Income	176,275	27,709	353,234	394,969	292,267	133,460	173,835	138,546	93,060	118,717
Transfers	(17,009)							(50,000)	(75,000)	(75,000)
Fixed Asset Additions, Disposals, Prior Period Adjustments		886,076	559,514	(662,889)	343,647	605,445	(26,869)	31,465	18,370	17,093
Capital Lease Issued		(1,200,000)		(1,332,314)				(838,000)	(505,000)	
Capital Lease Adjustment						213,358				
Bequests for Scholarships										
Savings from Refinancing of Bonded Debt										
Compensated Absences (Increase)/reduction		20,919	95,157	98,711	280,177	(43,917)	(49,930)	112,592	(106,848)	198
Total Governmental Activities	28,235,033	27,393,954	28,300,483	26,070,024	27,010,262	27,634,270	26,243,927	25,727,446	24,756,496	24,525,838
Business-Type Activities										
Miscellaneous Income				5,009						
Fixed Asset Disposals and Prior Period Adjustments				1,464	3,357		(178)		11,187	8,865
Transfers	17,009									
Total Business-Type Activities	17,009			6,473	3,357		(178)		11,187	8,865
Total District-Wide	\$ 28,252,042	27,393,954	28,300,483	26,076,497	27,013,619	27,634,270	26,243,749	25,727,446	24,767,683	24,534,703
Change in Net Position										
Governmental Activities	\$ 1,568,952	(325,852)	1,412,005	(302,285)	855,826	2,082,112	167,238	(310,497)	(61,354)	900,217
Business-Type Activities	(11,789)	(13,408)	(25,449)	47,064	(13,572)	40,356	(1,434)	66,918	89,743	46,392
Total District-Wide	\$ 1,557,163	(339,260)	1,386,556	(255,221)	842,254	2,122,468	165,804	(243,579)	28,389	946,609

Source: CAFR Schedule A-2

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Reserved	\$	\$	\$	\$	\$	\$ 1,737,489	\$ 1,046,060	\$ 911,588	\$ 1,057,765	\$ 784,814
Unreserved						(276,773)	(238,144)	200,059	223,486	192,868
Restricted	1,137	77,650	79,089	99,189	222,964					
Assigned	1,403,984	667,455	1495183	133860	706,024					
Unassigned	(389,220)	(442,214)	(212,450)	(165,361)	(156,957)					
Total General Fund	\$ 1,015,901	\$ 302,891	\$ 1,361,822	\$ 67,688	\$ 772,031	\$ 1,460,716	\$ 807,916	\$ 1,111,647	\$ 1,281,251	\$ 977,682
All Other Governmental Funds										
Assigned	\$ 88,706	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unassigned, reported in:										
Special Revenue Fund		(86,697)	(79,059)	(78,660)	(74,232)	(74,412)	(71,996)	(168,930)	(137,930)	(137,930)
Capital Projects Fund		62,124	62,124	535,196	626,408	451,965	42,976	72,058	26,215	138,592
Debt Service Fund							8,749	8,750	31,898	31,897
Permanent Fund	13									
Total All Other Governmental Funds	\$ 88,719	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176	\$ 377,553	\$ (20,271)	\$ (88,122)	\$ (79,817)	\$ 32,559

Source: CAFR Schedule B-1

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$ 18,968,608	\$ 18,803,642	\$ 18,440,872	\$ 18,085,221	\$ 17,736,715	\$ 17,428,238	\$ 17,235,818	\$ 17,762,836	\$ 17,091,381	\$ 15,888,405
Tuition Charges	127,810	87,733	161,614	152,888	120,125	144,321	75,138	54,280	16,949	2,107
Transportation Charges	58,571	55,705	59,014	57,801	57,110		76,823	80,147	72,519	75,897
Interest Earnings	3679	3,611	5,569	8,169	9,726	10	39,797	134,223	98,722	65,290
Miscellaneous	176,275	27,709	373,996	394,969	321,023	842,889	416,404	317,970	129,728	157,910
State Sources	11,555,209	11,167,790	11,394,253	11,146,578	10,169,491	9,949,755	10,853,862	12,012,370	11,626,536	11,179,152
Federal Sources	907,416	948,936	902,726	1,255,403	1,001,129	2,494,102	1,033,478	785,698	848,894	952,795
Total Revenues	31,797,568	31,095,126	31,338,044	31,101,029	29,415,319	30,859,315	29,731,320	31,147,524	29,884,729	28,321,556
Expenditures										
Instruction										
Regular Instruction	8,786,497	8,250,988	8,548,429	9,021,795	9,174,353	8,912,458	9,095,102	8,859,612	8,447,005	8,235,759
Special Education Instruction	2,601,154	2,666,345	2,569,676	2,484,988	2,447,378	2,474,232	2,535,102	2,300,124	2,017,644	1,883,132
Other Special Instruction	306,440	222,500	227,489	215,568	193,617	180,673	234,364	201,016	159,276	112,375
Other Instruction	481,560	467,418	468,408	438,538	439,223	484,591	437,457	460,264	415,084	402,395
Support Services										
Tuition	930,820	1,608,457	1,225,452	859,808	894,823	1,344,917	1,579,610	1,747,629	1,898,566	1,641,403
Student and Instruction Related Services	3,024,580	3,183,312	3,209,515	3,303,486	3,084,588	3,444,367	3,178,782	3,236,708	3,164,736	2,987,447
General Administration	649,670	627,813	681,586	680,987	611,374	617,705	637,145	557,040	454,868	505,427
School Administrative Services	1,403,824	1,361,901	1,327,618	1,295,935	1,279,476	1,222,180	1,239,694	1,230,610	1,195,293	1,322,683
Central Services	389,746	374,769	381,669	365,581	358,837	349,523	340,326	331,562	304,127	290,401
Administrative Information Technology	218,614	249,148	310,434	331,290	292,198	258,827	233,776	205,513	181,117	124,112
Plant Operations and Maintenance	2,576,717	3,112,268	2,843,147	2,529,822	2,732,052	2,567,790	2,723,021	3,200,079	2,768,646	2,523,317
Pupil Transportation	1,420,078	1,411,096	1,261,716	1,300,477	1,194,498	1,197,183	1,358,887	1,419,502	1,522,701	1,425,531
Employee Benefits	7,515,131	7,292,506	7,308,903	6,428,462	6,198,514	6,174,499	5,827,638	7,063,274	6,522,157	5,563,450
Special Schools					2,308	108,750	72,682	101,361	109,509	111,123
Capital Outlay	1,864,831	2,706,628	625,047	2,002,278	917,673	578,652	248,953	898,065	555,124	568,824
Debt Service										
Principal		270,991	261,424	252,314	243,850	235,802	228,329	220,969	214,021	207,336
Interest and Other Charges		6,160	18,228	29,802	40,911	51,583	61,845	71,715	81,207	90,338
Total Expenditures	32,169,662	33,812,300	31,268,741	31,541,131	30,105,673	30,203,732	30,032,713	32,105,043	30,011,081	27,995,053
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(372,094)	(2,717,174)	69,303	(440,102)	(690,354)	655,583	(301,393)	(957,519)	(126,352)	326,503
Other Financing Sources (Uses)										
Bequest for Scholarship										
Proceeds from Capital Lease		1,178,748								
Capital Leases		1,200,000		1,332,314				838,000	505,000	
Transfers In	8,538	1			325,516	1				323,058
Transfers Out	(17,009)	(1)			(325,516)	(1)		(50,000)	(75,000)	(398,058)
Total Other Financing Sources (Uses)	(8,471)	2,378,748		1,332,314				788,000	430,000	(75,000)
Net Change in Fund Balances	\$ (380,565)	\$ (338,426)	\$ 69,303	\$ 892,212	\$ (690,354)	\$ 655,583	\$ (301,393)	\$ (169,519)	\$ 303,648	\$ 251,503
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.89%	0.91%	0.96%	0.98%	0.97%	0.97%	0.94%	1.00%	1.09%

Source: CAFR Schedule B-2

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investment</u>	<u>Transportation</u> <u>Fees</u>	<u>Solar</u> <u>Renewable</u> <u>Credits</u>	<u>Prior Year</u> <u>Tuition</u> <u>and</u> <u>Transportation</u>	<u>Prior Year</u> <u>Order</u> <u>Adjustments</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 127,810	\$ 3,669	\$ 58,571	\$ 44,480	\$ 91,003	\$ 28,601	\$ 12,200	\$ 366,334
2014	87,733	3,611	55,705				27,709	174,758
2013	161,614	5,569	59,014				373,996	600,193
2012	152,888	8,169	57,801				394,969	613,827
2011	120,125	9,726	57,110	73,656			218,327	478,944
2010	144,321	11,464					133,460	289,245
2009	75,138	39,797	76,823				173,310	365,068
2008	54,280	133,640	80,147				138,546	406,613
2007	16,949	98,144	72,519				93,060	280,672
2006	2,107	64,711	75,898				118,717	261,433

Source: District Records

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate**
2015	\$ 21,897,997	\$ 729,661,534	\$ 10,492,000	\$ 1,562,200	\$ 126,578,900	\$ 153,447,700	\$ 29,973,300	\$ 1,073,613,631	\$ 1,539,239	\$ 1,075,152,870	\$ 1,115,270,411	\$ 1.795
2014	21,943,897	731,985,434	10,730,400	1,557,600	129,111,400	166,993,000	29,973,300	1,092,295,031	1,451,982	1,093,747,013	1,179,652,954	1.727
2013	22,701,800	733,533,934	10,992,200	1,685,200	132,021,500	166,993,000	30,560,300	1,098,487,934	1,813,332	1,100,301,266	1,232,034,873	1.693
2012	23,648,600	734,678,147	11,129,700	1,685,200	134,762,900	177,993,000	30,560,300	1,114,457,847	2,051,986	1,116,509,833	1,264,372,477	1.636
2011	21,956,000	741,079,700	11,909,600	1,734,900	147,404,300	202,993,000	32,747,600	1,159,825,100	2,592,983	1,162,418,083	1,412,292,003	1.558
2010	12,901,600	480,612,100	7,092,900	2,076,100	80,069,400	150,325,900	17,513,000	750,591,000	1,552,472	752,143,472	1,353,383,538	2.304
2009	13,368,800	478,692,500	6,828,900	2,082,600	80,085,400	150,160,900	17,513,000	748,732,100	1,635,282	750,367,382	1,171,277,265	2.297
2008	15,202,700	476,113,800	6,655,800	2,027,200	79,372,000	150,155,900	17,513,000	747,040,400	1,727,963	748,768,363	1,041,316,420	2.320
2007	16,656,700	466,826,800	6,603,600	2,005,300	77,276,300	151,673,600	17,513,000	738,555,300	1,947,019	740,502,319	889,706,019	2.169
2006	15,643,500	460,183,800	6,724,800	2,062,300	76,339,300	151,654,300	17,513,000	730,121,000	2,194,311	732,315,311	917,316,574	2.123

Note: real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation

Source: District records Tax list summary & Municipal Tax Assessor

*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies.

**Tax rates are per \$100

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Borough of Penns Grove

Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate *	General Obligation Debt Service **	Total Direct School Tax Rate	Municipality	County	
2015	\$ 1.795	\$ 0.000	\$ 1.795	\$ 0.673	\$ 1.012	\$ 3.480
2014	1.709	0.019	1.727	1.600	0.864	4.191
2013	1.674	0.019	1.693	1.512	0.946	4.151
2012	1.617	0.019	1.636	1.450	0.940	4.026
2011	1.540	0.018	1.558	1.420	0.920	3.898
2010	2.277	0.027	2.304	1.340	0.870	4.514
2009	2.270	0.027	2.297	1.130	0.900	4.327
2008	2.280	0.040	2.320	2.120	1.730	6.170
2007	2.136	0.033	2.169	1.800	1.550	5.519
2006	2.090	0.033	2.123	1.620	1.470	5.213

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budgeted year net budget by more than the spending growth limitation calculated as follows: The pre-budgeted year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

* The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

** Rates for Debt Service are based on each year's requirements.

Rates for debt service are based on each year's requirements.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

<u>Taxpayer</u>	<u>2015</u>			<u>2006</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
The Chemours Company FC LLC	124,000,000	1	11.53%			
ACP Pennsville Association	16,925,600	2	1.57%			
Calpine New Jersey Generation, LLC	15,865,800	3	1.48%			
Seigfried (USA), Inc.	13,581,900	4	1.26%			
Pennsville Acquisition, LLC	12,697,300	5	1.18%			
Orchard Court Association	8,752,200	6	0.81%			
HP PVL LLC Et Al C/O Metro Prop.	8,500,000	7	0.79%			
Pennsville Hotel Corporation	6,500,000	8	0.60%			
Penn Norse LLC	3,650,000	9	0.34%			
M & P RE LLC	3,606,600	10	0.34%			
Total	\$ 214,079,400		6.80%	\$ -		0.00%

Source: Municipal Tax Assessor

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2015	\$ 18,968,608	\$ 18,968,608	100.00%	\$
2014	18,803,642	18,803,642	100.00%	
2013	18,440,872	18,440,872	100.00%	
2012	18,085,221	18,085,221	100.00%	
2011	17,736,715	17,736,715	100.00%	
2010	17,428,238	17,428,238	100.00%	
2009	17,235,818	17,235,818	100.00%	
2008	17,762,836	17,762,836	100.00%	
2007	17,091,381	17,091,381	100.00%	
2006	15,888,405	15,888,405	100.00%	

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of	
	General Obligation Bonds	Capital Leases		Personal Income*	Per Capita*
2015	\$	\$	1,296,435	\$	31
2014			1,796,975		43
2013	270,991	855,241	1,126,232	0.20%	85
2012	532,414	1,107,335	1,639,749	0.30%	123
2011	784,728		784,728	0.14%	59
2010	1,028,578	270,052	1,298,630	0.24%	98
2009	1,264,380	583,347	1,847,727	0.36%	138
2008	1,492,710	778,776	2,271,486	0.44%	170
2007	1,713,679	408,772	2,122,451	0.43%	161
2006	1,927,700		1,927,700	0.41%	147

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

*See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property*</u>	<u>Per Capita**</u>	
2015	\$	\$	0.00%	\$
2014			0.00%	
2013	270,991		0.02%	20
2012	532,414		0.05%	40
2011	784,728		0.07%	59
2010	1,028,578		0.14%	77
2009	1,264,380		0.17%	95
2008	1,492,710		2.00%	112
2007	1,713,679		0.23%	130
2006	1,927,700		0.26%	147

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

* See Exhibit NJ J-6 for property tax data.

** Population data can be found in Exhibit J-43.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pennsville Township	\$ 5,207,254	100%	\$ 5,207,254
Salem County General Obligation Debt	40,278,964	21.18%	8,531,416
Subtotal, Overlapping Debt			<u>13,738,670</u>
District's Direct Debt			
Total Direct and Overlapping Debt			<u><u>\$ 13,738,670</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Local Debt Margin Calculation for Fiscal Year 2015:

Equalized valuation basis:

2014	\$	1,073,192,210
2013		1,122,968,651
2012		1,183,201,876
	\$	<u>3,379,362,737</u>

Average equalized valuation of taxable property \$ 1,126,454,246

Debt Limit (4% of average equalized value)* 45,058,170

Total net debt applicable to limit

Local Debt Margin \$ 45,058,170

Fiscal Year Ending June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 45,058,170	\$ 47,146,163	\$ 48,911,352	\$ 50,927,114	\$ 51,576,593	\$ 50,423,603	\$ 46,358,334	\$ 41,008,072	\$ 36,643,363	\$ 33,076,727
Total Net Debt Applicable to Limit			270,991	532,414	784,728	1,028,578	1,264,380	1,492,710	1,713,679	1,927,700
Legal Debt Margin	\$ <u>45,058,170</u>	\$ <u>47,146,163</u>	\$ <u>48,640,361</u>	\$ <u>50,394,700</u>	\$ <u>50,791,865</u>	\$ <u>49,395,025</u>	\$ <u>45,093,954</u>	\$ <u>39,515,362</u>	\$ <u>34,929,684</u>	\$ <u>31,149,027</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.55%	1.05%	1.52%	2.04%	2.73%	3.64%	4.68%	5.83%

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

* Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>		<u>Population*</u>		<u>Personal Income (thousands of dollars)**</u>		<u>Per Capita Personal Income***</u>		<u>Unemployment Rate****</u>
2015	**	12,912	\$	543,918,000	\$	42,125		7.1%
2014	**	13,005		546,249,015		42,003		7.3%
2013		13,105		550,370,685		41,997		7.8%
2012		13,239		550,080,450		41,550		7.6%
2011		13,362		549,685,956		41,138		8.0%
2010		13,380		531,065,580		39,691		7.6%
2009		13,303		518,457,819		38,973		4.4%
2008		13,349		521,865,806		39,094		3.4%
2007		13,350		494,190,300		37,018		3.4%
2006		13,195		466,839,100		35,380		3.3%

Source:

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

** Personal income has been estimated based upon the municipal population and per capita personal income presented

***Per Capita personal income by municipality estimated based upon the census published by the U.S. Bureau of Economic Analysis.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TOWNSHIP OF PENNSVILLE

Employer	2015		2006	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
PSEG Nuclear	1,500	N/A	N/A	N/A
Mannington Mills, Inc.	826	N/A	N/A	N/A
Memorial Hospital of Salem County	500	N/A	N/A	N/A
R.E. Pierson Construction	500	N/A	N/A	N/A
Inspira Health Network	489	N/A	N/A	N/A
Atlantic City Electric	426	N/A	N/A	N/A
McLane NJ	352	N/A	N/A	N/A
	4,593			

Source: Salem County Office of Development

Note: The information provided is for the County of Salem. Information at the municipal level is not available.

N/A - Information not available

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction										
Regular and Special Education	166.5	166.5	166.5	163.5	163.0	166.0	181.0	167.0	172.0	167.0
Other Special Education	33.0	33.0	33.0	36.0	36.0	38.0	38.0	32.0	28.0	22.0
Other Instruction	13.0	13.0	13.0	13.0	13.0	13.0	13.0	11.0	11.0	11.0
Support Services:										
Student & Instruction Related Services	15.0	15.0	15.0	16.0	16.0	16.0	12.0	17.0	16.0	15.0
General Administrative Services	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Other Administrative Services	5.5	5.5	5.5	5.5	5.5	5.5	6.0	6.0	6.0	6.0
School Administrative Services	15.5	15.5	15.5	15.5	15.5	15.5	20.0	18.0	18.0	18.0
Business Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.5	4.5	4.5	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	5.0	5.0	5.0	5.5	5.5	5.0	31.0	30.0	30.0	30.0
Total	<u>266</u>	<u>266.0</u>	<u>266.0</u>	<u>267.0</u>	<u>266.5</u>	<u>270.0</u>	<u>311.0</u>	<u>291.0</u>	<u>291.0</u>	<u>279.0</u>

Source: District Personnel Records

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)***	Average Daily Attendance (ADA)***	% Change in Average Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	1,790.0	\$ 31,259,846	\$ 17,464	5.14%	199	1 : 12	1 : 10	1 : 9	1,762.0	1,674.4	-3.37%	95.03%
2014	1,856.0	30,828,521	16,610	4.59%	199	1 : 12	1 : 9.7	1 : 9.3	1,823.5	1,738.9	-4.63%	95.36%
2013	1,912.0	30,364,042	15,881	6.01%	199	1 : 13	1 : 10.7	1 : 10.3	1,912.0	1,779.7	-2.10%	93.08%
2012	1,953.0	29,256,238	14,980	5.63%	198	1 : 15	1 : 10.6	1 : 8.9	1,953.0	1,838.7	4.80%	94.15%
2011	2,038.0	28,903,240	14,182	4.57%	198	1 : 12.3	1 : 11	1 : 8	1,863.6	1,757.3	-13.85%	94.30%
2010	2,163.1	29,337,695	13,563	-9.20%	206	1 : 12.3	1 : 11.2	1 : 9.2	2,163.1	2,032.2	14.60%	93.95%
2009	1,974.5	29,493,586	14,937	-1.07%	212	1 : 12.9	1 : 11.2	1 : 9.2	1,887.6	1,789.4	-7.81%	94.80%
2008	2,047.5	30,914,295	15,099	6.38%	201	1 : 13.3	1 : 11	1 : 10.2	2,047.5	1,849.3	-0.34%	90.32%
2007	2,054.5	29,160,728	14,194	9.38%	202	1 : 14	1 : 11.2	1 : 9.6	2,054.5	1,943.3	-1.73%	94.59%
2006	2,090.6	27,128,555	12,976	2.76%	201	1 : 13.6	1 : 10.8	1 : 10.5	2,090.6	1,966.6	2.11%	94.07%

Sources: District records

Note: Enrollment based on annual October district count.

* Operating expenditures equal total expenditures less debt service and capital outlay.

** Teaching staff includes only full-time equivalents of certificated staff.

*** Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District Building										
<u>Administrative Offices:</u>										
Square Feet	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096
Capacity (Students)										
Enrollment										
<u>Elementary</u>										
Central Park Elementary School (1956):										
Square Feet	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	241	259	306	274	259	259	251	257	264	260
Penn Beach Elementary School (1964):										
Square Feet	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	282	265	272	294	326	326	365	388	364	358
Valley Park Elementary School (1969):										
Square Feet	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	303	323	305	295	321	321	318	320	317	348
<u>Middle School</u>										
Pennsville Middle School (1959)										
Square Feet	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938
Capacity (students)	984	984	984	984	984	984	984	984	984	984
Enrollment	423	458	451	446	473	473	495	502	518	506
<u>High School</u>										
Pennsville Memorial High School										
Square Feet	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426
Capacity (students)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Enrollment	541	551	571	596	554	554	538	556	584	618

Number of Schools at June 30, 2015

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

Source: District records, ASSA

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
 (UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
District Office	42,096	\$ 4,327	\$ 17,775	\$ 31,886	\$ 3,715	\$ 49,630	\$ 8,005	\$ 15,353	\$ 28,568	\$ 24,126	\$ 14,556
Pennsville Memorial High School	158,426	58,350	239,675	177,323	45,447	32,550	52,048	97,311	118,760	177,057	51,661
Pennsville Middle School	98,938	11,307	46,444	65,066	36,179	16,449	26,405	25,268	71,151	39,416	19,672
Central Park Elementary School	34,960	10,081	41,407	46,334	840	29,143	3,955	5,411	6,728	29,995	17,109
Penn Beach Elementary School	36,330	29,889	58,860	29,860	17,401	117,913	28,878	37,431	30,463	62,333	25,678
Valley Park Elementary School	61,132	14,330	122,770	39,404	15,212	48,916	30,378	47,434	16,059	25,279	24,083
Total School Facilities		<u>128,284</u>	<u>526,931</u>	<u>389,873</u>	<u>118,794</u>	<u>294,601</u>	<u>149,669</u>	<u>228,208</u>	<u>271,729</u>	<u>358,206</u>	<u>152,759</u>
Grand Total		<u>\$ 128,284</u>	<u>\$ 526,931</u>	<u>\$ 389,873</u>	<u>\$ 118,794</u>	<u>\$ 294,601</u>	<u>\$ 149,669</u>	<u>\$ 228,208</u>	<u>\$ 271,729</u>	<u>\$ 358,206</u>	<u>\$ 152,759</u>

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)**

	Coverage	GCSSDJIF Self Insured Retention	Deductible
School package policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property, Inland Marine and Automobile physical damages	\$ 150,000,000	\$ 250,000	\$ 500
Property Valuation			
Buildings and Contents	Replacement Cost	N/A	N/A
Contractors Equipment	Actual Cash Value	N/A	N/A
Automobiles	Replacement Cost	N/A	N/A
Boiler and Machinery	125,000,000	None	1,000
Crime	500,000	250,000	500
General Automobile Liability	15,000,000	250,000	None
Worker's Compensation	Statutory	250,000	None
Educator's Legal Liability	15,000,000	175,000	None
Pollution Legal Liability	3,000,000	None	25,000
Cyber Liability	1,000,000	None	25,000
Public Employees' Faithful Performance Blanket			
Position Bond - Ohio Casualty Insurance:			
Board Secretary/Business Administrator	10,000		N/A
Treasurer of School Monies	140,000		N/A
* Excess and reinsurance carries involved:			
Property and Crime		SPELLJIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Co. Alterra Excess & Surplus Insurance Co. Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company General Reinsurance Corp.	
General Liability and Automobile Liability		SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company General Reinsurance Corp.	
Workers Compensation		SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company General Reinsurance Corp.	
Educator's Legal Liability		SPELLJIF, Great American Insurance Company General Reinsurance Corp.	
Group Purchase of primary insurance coverage carrier array:			
Boiler and Machinery		Travelers Insurance Company	
Pollution Legal Liability		AIG/Commerce and Industry Insurance Company	
Cyber Liability		Beazley Insurance Company Inc.	
Violent Malicious Acts		Lloyd's of London	
Public Employees' Faithful Performance Blanket			
Position Bond - Selective Insurance Company:			
Board Secretary/Business Administrator	10,000	N/A	N/A
Treasurer of School Monies	250,000	N/A	N/A
Student Accident Insurance - AIG Educational Markets	5,000,000	N/A	None
Volunteer Workers Policy - Markel Insurance Company	1,000,000	N/A	None

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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November 24, 2015

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Pennsville Township School District's basic financial statements and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pennsville Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pennsville Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pennsville Township 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses, labeled 2015-1.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, additional material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pennsville Township Board of Education's 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 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 instance of noncompliance that was required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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November 24, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Program

We have audited of the Board of Education of the Pennsville Township School District , in the County of Salem, 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 Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Pennsville Township School District's major federal and state programs for the fiscal year ended June 30, 2015. The Pennsville Township School District's section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Pennsville Township Board of Education's major and federal state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School 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 and/or 15-08, *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 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Pennsville Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Pennsville Township Board of Education's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, labeled 2015-2. Our opinion on each major federal and state program is not modified with respect to this matter.

Pennsville School District's Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Pennsville Township School District's Board of Education's responses and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Board of Education of the Pennsville Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Pennsville Township 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 the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pennsville Township Board of Education's internal control over compliance.

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

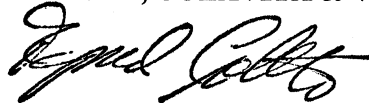
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended for the information and use of the audit committee, management, the Pennsville Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read "Raymond Colavita". The signature is written in a cursive, flowing style.

Raymond Colavita, CPA
Licensed Public School Accountant - No. 915

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Adj.	June 30, 2015	
					Accounts Receivable	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue
General Fund												
U.S. Department of Education:												
Passed-through State Department of Education												
Medical Assistance Program (SEMI)	93.778	N/A	7/1/14-6/30/15	\$ 45,749	\$	\$	\$ 45,749	\$ (45,749)	\$	\$	\$	
ARRA-Medical Assist Prg (SEMI)	93.778	N/A	10/1/08-12/31/10	19,651			19,651	(19,651)				
Total General Fund							65,400	(65,400)				
Special Revenue Fund:												
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I - Part A	84.010	NCLB407515	7/1/14-6/30/15	282,844			183,890	(252,776)			(68,886)	
Title I - Part A	84.010	NCLB407514	7/1/13-6/30/14	294,463	(16,734)		18,988	(1,661)			593	
Title I - Part A	84.010	NCLB407513	9/1/12-8/31/13	258,795	(4,961)		4,961					
Title II A	84.367	NCLB407515	7/1/14-6/30/15	60,479			43,812	(55,223)			(11,411)	
Title II A	84.367	NCLB407514	7/1/13-6/30/14	59,381	(4,144)		12,644	(9,848)	1,348			
Title II A	84.367	NCLB407513	9/1/12-8/31/13	59,107	(10,392)		11,684				1,292	
I.D.E.A. Part B, Basic Regular	84.027	NCLB407515	7/1/14-6/30/15	462,666			174,481	(449,103)			(274,622)	
I.D.E.A. Part B, Basic Regular	84.027	NCLB407514	7/1/13-6/30/14	456,489	(445,325)		445,325	(38,346)			(38,346)	
I.D.E.A. Part B, Basic Regular	84.027	IDEA407509	9/1/08-8/31/09	471,515	(21,281)				21,281			
I.D.E.A. Preschool	84.173	NCLB407515	7/1/14-6/30/15	19,791			18,409	(19,791)			(1,382)	
I.D.E.A. Preschool	84.173	NCLB407514	7/1/13-6/30/14	19,950	(568)				568			
Total U.S. Department of Education					(503,405)		914,194	(826,748)	23,197		(394,647)	
Enterprise Fund												
U.S. Dept. of Agriculture Passed-through State Dept. of Education:												
Child Nutrition Cluster:												
Cash Assistance:												
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	218,217			203,099	(218,217)			(15,118)	
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	206,635	(15,865)		15,865					
National School Breakfast Program	10.553	N/A	7/1/14-6/30/15	29,367			26,967	(29,367)			(2,400)	
National School Breakfast Program	10.553	N/A	7/1/13-6/30/14	16,829	(1,347)		1,347					
Non-Cash Assistance:												
Food Distribution Program	10.565	N/A	7/1/14-6/30/15	36,825			36,825	(23,638)			13,187	
Total U.S. Department of Agriculture					(17,212)		284,103	(271,222)			(17,518)	
Total Federal Financial Assistance					\$ (520,617)	\$	\$ 1,263,697	\$ (1,163,370)	\$ 23,197	\$	\$ (412,165)	\$ 15,072

See accompanying notes to schedules of financial assistance

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	June 30, 2015		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund - Current Expense:												
Equalization Aid	15-495-034-5120-078	\$ 7,416,252	7/1/14 to 6/30/15	\$	\$	\$ 6,719,774	\$ (7,416,252)	\$	\$ (696,478)	\$	\$ (696,478) *	\$ 7,416,252
Equalization Aid	14-495-034-5120-078	7,415,252	7/1/13 to 6/30/14	(687,948)		687,948						
Special Education Categorical Aid	15-495-034-5120-089	997,530	7/1/14 to 6/30/15			903,850	(997,530)		(93,680)		(93,680) *	997,530
Special Education Categorical Aid	14-495-034-5120-089	997,530	7/1/13 to 6/30/14	(92,496)		92,496						
School Choice Aid	15-495-034-5120-068	231,576	7/1/14 to 6/30/15			209,828	(231,576)		(21,748)		(21,748) *	231,576
Security Aid	15-495-034-5120-084	57,757	7/1/14 to 6/30/15			52,333	(57,757)		(5,424)		(5,424) *	57,757
Security Aid	14-495-034-5120-084	57,757	7/1/13 to 6/30/14	(5,338)		5,338						
Transportation Aid	15-495-034-5120-014	117,331	7/1/14 to 6/30/15			106,312	(117,331)		(11,019)		(11,019) *	117,331
Transportation Aid	14-495-034-5120-014	117,331	7/1/13 to 6/30/14	(10,915)		10,915						
PARCC Readiness Aid	15-495-034-5120-098	17,350	7/1/14 to 6/30/15			15,721	(17,350)		(1,629)		(1,629) *	17,350
Per Pupil Growth Aid	15-495-034-5120-097	17,350	7/1/14 to 6/30/15			15,721	(17,350)		(1,629)		(1,629) *	17,350
Extraordinary Special Education Aid	15-495-034-5120-473	28,568	7/1/14 to 6/30/15				(28,568)		(28,568)		*	28,568
Extraordinary Special Education Aid	14-495-034-5120-473	5,335	7/1/13 to 6/30/14	(5,335)		5,335						
Nonpublic Transportation aid	15-495-034-5120-014	2,895	7/1/14 to 6/30/15				(2,895)		(2,895)		*	2,895
Nonpublic Transportation aid	14-495-034-5120-014	4,472	7/1/13 to 6/30/14	(4,472)		4,472						
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	913,126	7/1/14 to 6/30/15			868,658	(913,126)		(44,468)		*	913,126
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-003	947,706	7/1/13 to 6/30/14	(46,189)		46,189						
				(852,693)		9,744,890	(9,799,735)		(907,538)		(831,607)	9,799,735
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	15-100-034-5120-064	9,533	7/1/14 to 6/30/15			9,533	(7,773)			1,760	*	7,773
Textbook Aid	14-100-034-5120-064	9,160	7/1/13 to 6/30/14		516			(516)				
Nursing Aid	15-100-034-5120-070	15,176	7/1/14 to 6/30/15			15,176	(15,176)				*	15,176
Technology Aid	15-100-034-5120-373	5,120	7/1/14 to 6/30/15			5,120	(5,115)			5	*	5,115
Auxiliary Services:												
Compensatory Education Aid	15-100-034-5120-067	29,561	7/1/14 to 6/30/15			29,561				29,561		
Compensatory Education Aid	14-100-034-5120-067	58,721	7/1/13 to 6/30/14			52,904		(52,904)				
Transportation Aid	14-100-034-5120-068	7,241	7/1/13 to 6/30/14			7,241		(7,241)				
Handicapped Services:												
Supplemental Instruction Aid	15-100-034-5120-066	7,062	7/1/14 to 6/30/15			7,062	(3,060)			4,002	*	3,060
Examination & Classification Aid	15-100-034-5120-066	26,302	7/1/14 to 6/30/15			26,302	(14,291)			12,011	*	14,291
Examination & Classification Aid	14-100-034-5120-066	19,746	7/1/13 to 6/30/14		19,287			(19,287)				
Corrective Speech	15-100-034-5120-066	9,719	7/1/14 to 6/30/15			9,719	(2,385)			7,334	*	2,385
PARCC Assessment Assistance for Secondary Education (PAASE)	15-100-034-5068-049											
	-H300-6060	20,000	7/1/14 to 6/30/15				(20,000)		(20,000)			20,000
Total Special Revenue Fund												
					79,948	102,473	(67,800)	(79,948)	(20,000)	54,673		67,800
Debt Service Fund:												
Debt Service Aid Type II												
	15-495-034-5120-075		7/1/14 to 6/30/15									
State Department of Agriculture:												
Enterprise Fund												
National School Lunch Program (State Share)	15-100-010-3350-023	6,308	7/1/14 to 6/30/15			5,904	(6,308)		(404)		*	6,308
National School Lunch Program (State Share)	14-100-010-3350-023	5,898	7/1/13 to 6/30/14	(456)		456						
				(456)		6,360	(6,308)		(404)			6,308
Total State Financial Assistance Subject to OMB 04-04/15-08				\$ (853,149)	\$ 79,948	\$ 9,853,723	\$ (9,873,843)	\$ (79,948)	\$ (927,942)	\$ 54,673	\$ (831,607)	\$ 9,873,843
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08												
On-Behalf TPAF Post Retirement Medical	15-495-034-5095-001	1,056,851	7/1/14 to 6/30/15			\$ 1,056,851	\$ (1,056,851)					
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	665,733	7/1/14 to 6/30/15			665,733	(665,733)					
Total State Financial Assistance						\$ 11,576,307	\$ (11,596,427)					

See accompanying notes to schedules of financial assistance

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 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 the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$34,910) for the general fund and \$15,268 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 65,400	\$ 11,487,409	\$ 11,552,809
Special Revenue Fund	842,016	67,800	909,816
Food Service Fund	<u>284,409</u>	<u>6,308</u>	<u>290,717</u>
Total Awards & Financial Assistance	\$ <u>1,191,825</u>	\$ <u>11,561,517</u>	\$ <u>12,753,342</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Pennsville Township School District had no outstanding State or federal loans at June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

There were three adjustments on Federal Awards in the amount of \$23,197 from prior year balances and none on State Aid, as reflected on Schedule A and Schedule B.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? X yes no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted?

yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

yes X no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Basic
84.173	IDEA Preschool

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 X yes no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-068	School Choice Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section II - Financial Statement Findings

Finding: 2015-1

Criteria or specific requirement:

Generally Accepted Accounting Principles for New Jersey School Districts requires that districts maintain a fixed asset accounting system that includes asset descriptions, historical cost, funding source, estimated useful lives, depreciation expense and accumulated depreciation.

Condition:

While the District maintains fixed asset records, the updated report, prepared by an outside appraisal company, was not available for examination in a timely manner and accordingly, the current year amounts were determined and adjusted as part of the audit, based on the previous outside appraisal report.

Context:

Fixed asset reporting is required by GASB 34 and included in the District-wide Financial Statements.

Effect:

Material misstatement of the financial statements would have resulted, pertaining to historical cost and accumulated depreciation on the statement of net position and depreciation expense on the statement of activities, if the adjustments were not made as part of the audit.

Cause:

Inadvertent delay in submission of information.

Recommendation:

Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a more timely manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

Management's response:

The finding will be addressed in the corrective action plan, as required by the New Jersey Department of Education.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

STATE AWARDS

Finding: 2015-2

Information on the state program:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Security Aid	495-034-5120-084
School Choice Aid	495-034-5120-068
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

Criteria or specific requirement:

Districts are required by the N.J. Dept. of Education Division of Finance to properly complete an ASSA report (Application for State School Aid), including workpapers that document the compilation of data and provide an audit trail for testing such data.

Condition:

In several instances, the total number of students reflected on the ASSA report did not agree with the supporting workpapers.

Questioned Costs: NONE

Context:

ASSA information is utilized by New Jersey State Department of Education, to calculate the amount of aid a school is entitled to, based on state statute and related formulas.

Effect:

The proper information was not available for the New Jersey State Department of Education to calculate the correct amount of school aid.

Cause:

Inadvertent oversight.

Recommendation:

Written procedures for ASSA reporting should be revised, in order to assure the supporting workpapers are in agreement with numbers reflected in the ASSA report.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.