

**PAULSBORO SCHOOL DISTRICT**

**Paulsboro, New Jersey  
County of Gloucester**

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**PAULSBORO SCHOOL DISTRICT**

**PAULSBORO, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Paulsboro School District  
Business Office**



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**INTRODUCTORY SECTION**

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# Paulsboro Public Schools

Administration Building, 662 North Delaware Street, Paulsboro, NJ 08066  
Telephone: (856) 423-5515 - Ext. 1218 • Fax: (856) 423-4602

Dr. Laurie Bandlow, Superintendent

December 1, 2016

Honorable President and  
Members of the Board of Education  
Paulsboro School District  
County of Gloucester, New Jersey

Dear Members of the Board of Education:

I am pleased to submit The Comprehensive Annual Financial Report of the Paulsboro School District (hereafter the “District”) for the fiscal year ending June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The Financial section includes the independent Auditor’s Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations”, and the State Treasury Circular Letter 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

## **REPORTING ENTITY AND ITS SERVICES**

The Paulsboro Public Schools, consisting of the Billingsport Early Childhood Center, Loudenslager Elementary School and Paulsboro Junior-Senior High School. The Billingsport Early Childhood Center serves students in prekindergarten through grade two. Full day programs for all prekindergarten and kindergarten students are a matter of pride for the community.

Loudenslager Elementary School serves students in grades three through six. The program at this school is designed to meet the needs of upper elementary school age children.

Paulsboro Junior-Senior High School serves grades seven through twelve students. In addition to hometown students, this school receives pupils from Greenwich Township. Paulsboro Junior-Senior High School offers a comprehensive curriculum with courses ranging from special education to advanced placement. The students follow a block schedule in order to enhance instructional time and student engagement. In addition to the excellent academic program, the community is particularly proud of the school's legendary athletic program. The number of graduates who attend the United States Military and Naval Academies as well as those who play in the National Football League demonstrates both the range and effectiveness of the school program.

All of the schools have modern library/media centers, Bright Links/Smart Boards in classrooms, and a computer classroom. All of the classrooms have Internet access. The district network consists of nearly 900 computers and numerous printers. The Genesis student information program is used districtwide to provide accurate recordkeeping and curriculum monitoring.

Many districts have discontinued PreK-12 art and music programs. The Paulsboro Public Schools continue to offer these programs so that the interests of all students are addressed. Once again, going against the trend, Paulsboro High School has an excellent woodshop program.

Another point of pride is the fact that the district is organized based on the Princeton Plan where all students in a given grade are served in a single school. As a result, the schools are fully integrated. In fact, diversity is celebrated in the Paulsboro Public Schools. One example of the pride in diversity is the half-century old Brotherhood Program. Another example is the Student United for Respect and Equality (SURE). This program was founded at Paulsboro High School and now serves as the model for the Gloucester County SURE initiative.

The entire Paulsboro School Family is focused on improving student attendance, increasing instructional time and improving test scores. Implementation of the McREL teacher observation system as well as the New Jersey Department of Education initiative of Student Growth Objectives (SGO) and Student Growth Percentiles (SGP) will move the administration and faculty toward their goal of maintaining and improving the education for all of the district students.

School enrollment has steadily declined from approximately 1500 students (circa 2000-2001) to a current enrollment of 1,166. This is approximately a .69% decrease in enrollment. Unfortunately, the trend continues as follows:

<b>District Enrollment</b>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	1,123	-2.43%
2014-2015	1,151	-0.60%
2013-2014	1,158	-4.77%
2012-2013	1,216	-1.46%

The decrease in enrollment is partially due to the Gloucester County Institute of Technology (GCIT) becoming a full-time program. While we are all proud of the quality and scope of the programs offered by GCIT, the full-time program has placed an additional strain on the Paulsboro Public Schools. Specifically, it is very difficult to offer the full range of programs required in a comprehensive high school with fewer students.

The overall decrease in enrollment reduces the revenue available to the Paulsboro Public Schools. The decrease in funds is a result of less state school aid, fewer students (and therefore less tuition) from the Greenwich Township Public Schools. The cost of sending students to GCIT places a strain on the expenditure side of the budget.

## **FINANCIAL AND ORGANIZATIONAL**

Paulsboro continues to look at ways to save money by combining efforts with other districts in joint purchases and the utilization of resources. Some of the cost saving methods are indicated below:

- The Board of Education, during this audit, was a member of the School Alliance Insurance Fund (SAIF). Composed of several school districts and municipalities. This venture reduces the cost of property, casualty, and workers' compensation costs for all of its members.
- The Board of Education has accepted status as a Choice School. Parents from other districts may send their child to the Paulsboro Public Schools at no cost. In fact, the district applied for and received approval to expand the Choice program. It now includes the Loudenslager Elementary School as well as Paulsboro High School.
- The district also offers professional courtesy to staff members so that their children can attend the Paulsboro Public Schools. Staff members recognize the quality of education at Paulsboro and therefore request that their children attend.
- The school district maintains a strong cooperative relationship with local businesses and industry. By illustration, the ExxonMobil grant funding program "STEM" (Science Technology Engineering and Math) allows students to participate in a summer work-study program.

## **PUBLIC RELATIONS - RECOGNITION**

The Class of 2016 was the 100<sup>th</sup> group of students to graduate from Paulsboro High School. The School Family has begun a year-long Paulsboro High School Centennial Celebration beginning with Commencement in June 2016. Centennial activities will be linked to the following community and school events including but not limited to:

- Commencement 2016
- Golden Anniversary Club Annual Banquet
- July 4th Parade
- Home Football Games – Tailgate Activities and School Tours
- Night Football Game
- Homecoming Parade and Pep Rallies
- Community Christmas Tree Lighting
- Paulsboro High School Sports Hall of Fame Induction Dinner
- PHS Musical and VIPS Reception
- Senior Citizens Day Program
- Brotherhood Assembly

The Centennial celebration will culminate with a gala and rededication of the building on April 22, 2017. A Hall of Distinguished Alumni was established to pay tribute to those who have gone on to distinguish themselves in their dedicated field and as a humanitarian. The first induction ceremony will take place as part of the Paulsboro High School Centennial Celebration.

The municipality expanded and modernized its library (Gill Memorial Library). The Board of Education gave approval for the municipal library to use the Paulsboro High School Media Center during construction of the new municipal facility. This \$1,200,000 project was completed and reopened to the public in the fall of 2015.

The students and teachers in the Paulsboro High School Journalism classes are working directly with reporters from the *South Jersey Times* in order to create news articles that both provide experience for the students and present the school district in a very positive manner.

The Paulsboro Public Schools builds community support by utilizing many strategies. Examples of these strategies include the Memorial Tree Fund, Alumni Park, Volunteers in Paulsboro Schools (VIPS), Grandparents' Day, Key Communicators, community use of the schools, alumni tours, Senior Citizen Gold Card Passes. A Heroes Hall to recognize graduates of Paulsboro High School who served in the armed forces has being created. The district is also creating a Hall of Diplomas in the Administration Building in order to display diplomas, varsity letters and other memorabilia donated by alumni.

**INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a

control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimate and judgments by management.

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

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the 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 and the special revenue fund and 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 items basis. Open encumbrances at year-end either are canceled 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, 2016.

**ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**CASH MANAGEMENT:** The investment policy of the District is by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**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.

**OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Uniform Guidance and the State Treasury Circular Letter 15-08. 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.

**ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Paulsboro Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laurie E. Bandlow".

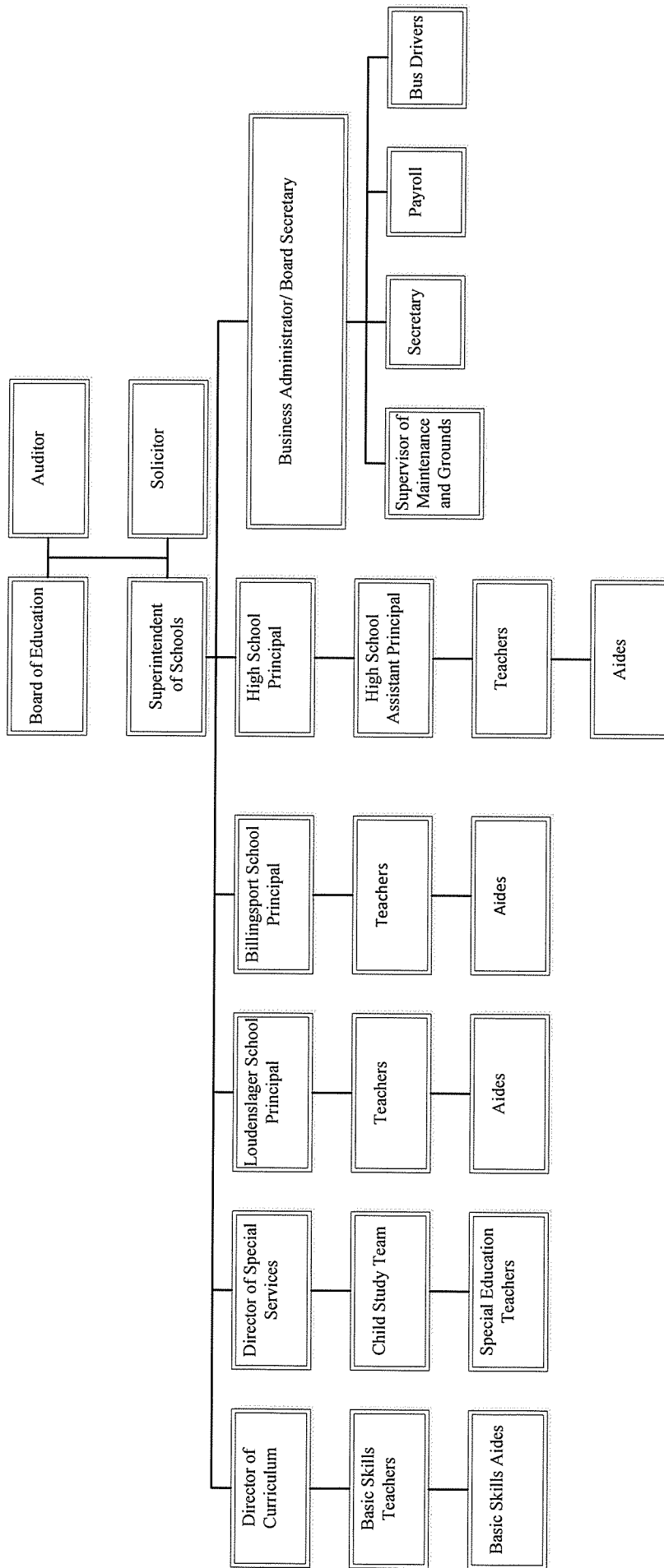
Dr. Laurie Bandlow  
Superintendent of Schools



# Paulsboro Public Schools

## Organizational Chart

### Chain of Command



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**PAULSBORO SCHOOL DISTRICT**  
**Paulsboro, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Thomas Ridinger, President	2018
Bonnie Eastlack, Vice President	2016
John Hughes (1)	
Barbara Dunn	2017
Lisa Priest	2016
Joseph L. Lisa	2017
Lisa L. Lozada-Shaw	2016
Marvin E. Hamilton, Sr.	2016
Irma R. Stevenson	2018
James J. Walter, II	2018

**OTHER OFFICIALS**

Dr. Laurie Bandlow, Superintendent of Schools

Jennifer Johnson, Business Administrator/Board Secretary

Deborah Kappra, Treasurer

Philipp Duvilla, Solicitor

(1) Representative from Greenwich Township Public Schools

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**PAULSBORO SCHOOL DISTRICT**  
**Paulsboro, New Jersey**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Kevin P. Frenia, CPA, PSA  
Holman Frenia Allison, P. C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Philipp Duvilla  
39 South Broad Street  
Woodbury, New Jersey 08055

**ARCHITECT**

Garrison Architects  
713 Creek Road  
Belmawr, New Jersey 08031

**OFFICIAL DEPOSITORY**

Ocean First Bank  
Mantua Township, New Jersey 08051

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Paulsboro School District  
County of Gloucester  
Paulsboro, New Jersey 08066

### 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 Paulsboro School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Paulsboro School District, County of Gloucester, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Paulsboro School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Paulsboro School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Paulsboro School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 1, 2016

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**PAULSBORO SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2016**

The Management Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments (commonly referred to as GASB 34) issued in June 1999, and is required to be incorporated by the New Jersey Department of Education.

**Objectives:**

In the Concepts Statement No. 1, Objective of Financial Reporting, the GASB established a number of objectives of financial reporting by state and local governments and GASB further believes that the MD&A will help users to:

Evaluate the operating results of the government for the year (GASB Concepts Statement No. 1, paragraph 78) by providing an easily readable summary of operating results and the reasons for changes in the components of operating results.

Assess the financial position and condition of the government and determine whether the government's financial position improved or deteriorated as a result of the year's operations (paragraph 78c and 79a) by providing financial management's analysis directed specifically to this point, including the reasons for changes.

Determine whether current-year revenues were sufficient to pay for current-year services (paragraph 77a) by discussing operating results, including decisions already made that will affect future operations.

Understand the sources and uses of financial resources (paragraph 78a) by providing an analysis of the balances and transaction of individual funds, particularly for *governmental* funds.

Understand how the government financed its activities and met its cash requirements (paragraph 78b) by describing (a) important economic factors, such as changes in tax or employment bases, that significantly affected operating results for the year; and (b) debt limitations that may affect the financing of planned facilities or services and any changes in credit ratings.

Determine whether resources were obtained and used in accordance with the entity's legally adopted budget (paragraph 77b) by providing management's analysis of significant variations between original and final budget amounts and between final budget and actual amounts for the government's general fund.

Assess the service efforts, costs and accomplishments (SEA) of the governmental entity (paragraph 77c) by discussing currently known facts that are expected to affect the services a government provides and the cost of those services.

Assess the level of services that can be provided by the government and its ability to meet obligations as they become due (paragraph 79) by describing debt limitations, changes in credit ratings, reasons for significant changes in individual fund balances and the effect of any limitations on their use, as well as important economic factors that significantly affected operating results for the year.

Gain information about a government's physical and other nonfinancial resources having useful lives that extend beyond current year (paragraph 79b) by describing significant capital assets activity during the year, commitments made to acquire new capital assets, and in some cases, the condition level of infrastructure assets.

Assess legal or contractual restrictions on resources and risks of potential loss of resources (paragraph 79c) by describing debt limitations and any changes in credit ratings, limitations on individual fund balances, as well as currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Thus, it is the objective of this statement to assess for the readers the financial position of the Paulsboro School District and to explain the major sources of revenues.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to the reporting for the private sector. For governmental entities these statements tell new services were financed and what remains for future spending.

The combined statement of net position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The combined statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

**Proprietary Funds** - The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used 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 of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the government-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

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

The District uses trust and agency funds to account for resources held for payroll transactions, Student activities and scholarship funds. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

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

**Other information.** The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

### **Overview of the District as a Whole**

The Paulsboro School District is a Pre K-12 School District, serving approximately 1,166 students from the Borough of Paulsboro and tuition students from Greenwich Township. There are three (3) school buildings, Billingsport Elementary (Grades Pre K-2), Loudenslager Elementary (Grades 3-6) and Paulsboro High School (Grades 7-12), the Administration Building (Ireland House), and various other structures for vehicles and/or storage capabilities.

General revenues received by the District are predominantly made up of state and federal aid (73%), local tax levy (21%) and tuition for students attending from Greenwich Township (6%).

### **Financial Highlights**

The district has closely monitored spending during the FY 2015-2016 school year which is evident by the budget transfers made throughout the year. Expenditures were closely monitored to ensure adequate surplus was available as budgeted for the next fiscal year. As in past budgets the districts is continuing to monitor overtime and substitutes closely. In-house maintenance staff continues to reduce costs from not

outsourcing projects. Cooperative bidding is used to purchase instructional supplies, copier paper, electrical power, custodial supplies, and maintenance projects not done in-house.

The following table, also shown as Exhibit A-1, is a worksheet indicator of the District's financial position:

<b>Paulsboro Board of Education</b>		
<b>Statement of Net Position</b>		
ASSETS	JUNE 30, 2016	JUNE 30, 2015
Cash & Cash Equivalents	\$ 3,654,696	\$ 5,062,156
Receivables, Net	2,007,314	771,396
Inventory	14,834	10,096
Capital Assets, Non-Depreciable (Note 4)	2,189,862	-
Capital Assets, Net (Note 4)	<u>5,264,625</u>	<u>5,439,475</u>
Total Assets	<u>13,131,331</u>	<u>11,283,123</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	<u>729,895</u>	<u>378,557</u>
Total Deferred Outflows of Resources	<u>729,895</u>	<u>378,557</u>
Total Assets and Deferred Outflows of Resources	<u>13,861,226</u>	<u>11,661,680</u>
<b>LIABILITIES</b>		
Accounts Payable	882,533	793,127
Pension Payable	-	212,986
Unearned Revenue	137,506	95,523
Accrued Interest Payable	24,610	18,696
Noncurrent Liabilities (Note 6):		
Due Within One Year	131,628	110,000
Due Beyond One Year	<u>9,520,737</u>	<u>9,234,249</u>
Total Liabilities	<u>10,697,014</u>	<u>10,464,581</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	<u>733,003</u>	<u>450,501</u>
Total Deferred Outflows of Resources	<u>733,003</u>	<u>450,501</u>
Total Liabilities and Deferred Outflows of Resources	<u>11,430,017</u>	<u>10,915,082</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,342,889	2,307,474
Restricted For:		
Debt Services	(17,287)	(16,961)
Other Purposes	2,795,040	3,230,677
Unrestricted	<u>(4,689,433)</u>	<u>(4,774,592)</u>
Total Net Position	<u>\$ 2,431,209</u>	<u>\$ 746,598</u>

## Financial Analysis of the District's Funds

As discussed previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental fund is to provide information on near term inflows, outflows, as balance, of spendable resources. Such information is useful in assessing the District financing requirements. The unreserved fund balance is divided between designated balance and undesignated balances.

### Financial Information at Fiscal Year End

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental funds revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increase/(decrease) relative to FY'2015 amounts.

Revenue Source	Amount	Percent of Total	Increase/ Decrease from 2015	Percent of Increase/ (Decrease)
Local Sources	\$ 8,120,890	31.31%	\$ 520,419	6.41%
State Sources	15,987,493	61.64%	1,442,744	9.02%
Federal Sources	<u>1,829,312</u>	7.05%	<u>450,886</u>	<u>24.65%</u>
Total	<u>\$ 25,937,695</u>		<u>\$ 2,414,049</u>	9.31%

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2016 and the percentage of increase/(decrease) relative to FY'2015 amounts.

Expenditure Source	Amount	Percent of Total	Increase / Decrease from 2015	Percent of Increase/ (Decrease)
Instruction	\$ 9,767,211	37.04%	\$ 237,150	-0.28%
Support Services	13,854,667	52.54%	553,835	2.68%
Capital Outlay	2,552,899	9.68%	2,303,355	18.44%
Debt Service	<u>196,165</u>	0.74%	<u>(43,535)</u>	<u>-17.32%</u>
Total	<u>\$ 26,370,942</u>		<u>\$ 3,050,805</u>	1.34%

Spending during FY'2016 was monitored closely and only essential spending was approved to ensure surplus was available at year end.

**Proprietary Funds.** The District's proprietary fund provides the same type of information found in the district wide financial statements.

**Capital Assets, Net of Depreciation:**

**PAULSBORO SCHOOL DISTRICT  
RECAP-CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES  
June 30, 2016**

	June 30, 2015	Additions	Depreciation	Adjustments	June 30, 2016
Land	\$ 2,045,846	\$ -	\$ -	\$ (1,946,635)	\$ 99,211
Construction In Progress	161,034	1,929,644	-	(27)	2,090,651
Land Improvements	-	-	(125,062)	613,046	487,984
Buildings	2,342,163	-	(205,381)	1,333,589	3,470,371
Machinery & Equipment	885,198	599,284	(188,033)	-	1,296,449
<b>Total</b>	<b>\$ 5,434,241</b>	<b>\$ 2,528,928</b>	<b>\$ (518,476)</b>	<b>\$ (27)</b>	<b>\$ 7,444,666</b>

**Debt Service**

The current year obligations for payment of debt service principal and interest amounted to \$196,165. Funding was provided by the local tax levy. Remaining principal balance on general obligation bonds as of June 30, 2016 is \$3,022,000.

**Economic Factors and the Forecast on the 2016/2017 (FY'17) Budget**

The District anticipates the approved 2016-2017 budget will be adequate to satisfy all 2016-2017 financial needs. With local and state tax revenues depleting it is anticipated that the district will continue to face difficult tasks when preparing subsequent years budgets.

**Requests for Information**

This financial report is designed to provide a general overview of the Paulsboro Board of Education's finances. Questions concerning any of the information contained in this report or any requests for additional information should be addressed to Jennifer Johnson, School Business Administrator/Board Secretary at the Paulsboro Board of Education, Administration Building, 662 N. Delaware Street, Paulsboro, NJ 08066.

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**PAULSBORO SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,654,197	\$ 499	\$ 3,654,696
Receivables, Net	1,885,786	121,528	2,007,314
Internal Balances	9,000	(9,000)	-
Inventory	-	14,834	14,834
Capital Assets, Non-Depreciable (Note 4)	2,189,862	-	2,189,862
Capital Assets, Depreciable, Net (Note 4)	5,254,804	9,821	5,264,625
<b>Total Assets</b>	<b>12,993,649</b>	<b>137,682</b>	<b>13,131,331</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	729,895	-	729,895
<b>Total Deferred Outflows of Resources</b>	<b>729,895</b>	<b>-</b>	<b>729,895</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>13,723,544</b>	<b>137,682</b>	<b>13,861,226</b>
<b>LIABILITIES</b>			
Accounts Payable	880,596	1,937	882,533
Unearned Revenue	131,402	6,104	137,506
Accrued Interest Payable	24,610	-	24,610
Noncurrent Liabilities (Note 6)			
Due Within One Year	131,628	-	131,628
Due Beyond One Year	9,506,749	13,988	9,520,737
<b>Total Liabilities</b>	<b>10,674,985</b>	<b>22,029</b>	<b>10,697,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	733,003	-	733,003
<b>Total Deferred Inflows of Resources</b>	<b>733,003</b>	<b>-</b>	<b>733,003</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,407,988</b>	<b>22,029</b>	<b>11,430,017</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,333,068	9,821	4,342,889
Restricted For:			
Debt Service	(17,287)	-	(17,287)
Other Purposes	2,795,040	-	2,795,040
Unrestricted	(4,795,265)	105,832	(4,689,433)
<b>Total Net Position</b>	<b>\$ 2,315,556</b>	<b>\$ 115,653</b>	<b>\$ 2,431,209</b>

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

**PAULSBORO SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION					
	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS			
Governmental Activities:						
Instruction:						
Regular	\$ 6,058,930	\$ -	\$ -	(6,058,930)	-	\$ (6,058,930)
Special Education	3,159,325	-	1,610,994	(1,548,331)	-	(1,548,331)
Other Special Instruction	7,522	-	-	(7,522)	-	(7,522)
Other Instruction	541,434	-	-	(541,434)	-	(541,434)
Support Services & Undistributed Costs:						
Instruction	1,843,059	-	248,633	(1,594,426)	-	(1,594,426)
Attendance & Social Work Services	72,648	-	-	(72,648)	-	(72,648)
Health Services	208,939	-	-	(208,939)	-	(208,939)
Other Support Services	994,546	-	-	(994,546)	-	(994,546)
Improvement of Instructional Services	246,562	-	-	(246,562)	-	(246,562)
Educational Media Services	345,339	-	-	(345,339)	-	(345,339)
Instructional Staff Training Services	30,339	-	-	(30,339)	-	(30,339)
General Administration	451,708	-	-	(451,708)	-	(451,708)
School Administration	925,178	-	-	(925,178)	-	(925,178)
Central Services	247,573	-	-	(247,573)	-	(247,573)
Administrative Information Technology	73,473	-	-	(73,473)	-	(73,473)
Plant Operations & Maintenance	1,609,360	-	277,408	(1,331,952)	-	(1,331,952)
Pupil Transportation	678,201	-	25,418	(652,783)	-	(652,783)
Unallocated Benefits	8,068,790	-	4,504,842	(3,563,948)	-	(3,563,948)
Interest & Other Changes on Long Term Debt	99,550	-	-	(99,550)	-	(99,550)
Unallocated Adjustment to Compensated Absences	31,242	-	-	(31,242)	-	(31,242)
Unallocated Depreciation	518,503	-	-	(518,503)	-	(518,503)
Total Governmental Activities	\$ 26,212,221	\$ -	\$ 6,667,295	(19,544,926)	\$ -	(19,544,926)

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

**PAULSBORO SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Business-Type Activities:						
Food Service	\$ 756,712	\$ 29,850	\$ 758,942	\$ -	\$ 32,080	\$ 32,080
Total Business - Type Activities	756,712	29,850	758,942	-	32,080	32,080
Total Primary Government	\$ 26,968,933	\$ 29,850	\$ 7,426,237	(19,544,926)	32,080	(19,512,846)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 5,593,986	\$ -	\$ 5,593,986
Taxes Levied for Debt Service				196,165	-	196,165
Federal & State Aid Not Restricted				13,561,677	-	13,561,677
Tuition Received				1,562,693	-	1,562,693
Miscellaneous Income				282,936	-	282,936
Total General Revenues, Special Items, Extraordinary Items & Transfers				21,197,457	-	21,197,457
Change In Net Position				1,652,531	32,080	1,684,611
Net Position - Beginning				663,025	83,573	746,598
Net Position - Ending				\$ 2,315,556	\$ 115,653	\$ 2,431,209

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

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## B. Fund Financial Statements

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Governmental Funds

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**PAULSBORO SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 814,428	\$ 952,766	\$ 1,887,001	\$ 2	\$ 3,654,197
Accounts Receivable:					
Intergovernmental - State	39,526	17,315	1,448,777	-	1,505,618
Intergovernmental - Federal	21,417	310,292	-	-	331,709
Other	-	34,091	-	-	34,091
Interfund Receivables	1,413,304	-	-	7,321	1,420,625
<b>Total Assets</b>	<b>\$ 2,288,675</b>	<b>\$ 1,314,464</b>	<b>\$ 3,335,778</b>	<b>\$ 7,323</b>	<b>\$ 6,946,240</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 253,022	\$ 242,693	\$ 365,287	\$ -	\$ 861,002
Intergovernmental Payable - State	-	19,594	-	-	19,594
Interfund Payables	-	948,827	448,430	-	1,397,257
Unearned Revenue	10,135	121,267	-	-	131,402
<b>Total Liabilities</b>	<b>263,157</b>	<b>1,332,381</b>	<b>813,717</b>	<b>-</b>	<b>2,409,255</b>
Fund Balances:					
Restricted for:					
Excess Surplus	254,599	-	-	-	254,599
Excess Surplus - Designated for Subsequent Year's Expenditures	18,380	-	-	-	18,380
Capital Projects Fund	-	-	2,522,061	-	2,522,061
Debt Service Fund	-	-	-	7,323	7,323
Assigned to:					
Designated for Subsequent Year's Expenditures	1,752,539	-	-	-	1,752,539
Unassigned	-	(17,917)	-	-	(17,917)
<b>Total Fund Balances</b>	<b>2,025,518</b>	<b>(17,917)</b>	<b>2,522,061</b>	<b>7,323</b>	<b>4,536,985</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 2,288,675</b>	<b>\$ 1,314,464</b>	<b>\$ 3,335,778</b>	<b>\$ 7,323</b>	

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 \$17,471,177 and the accumulated depreciation is \$10,026,511	7,444,666
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(3,108)
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(24,610)
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. Long-term liabilities at year-end consist of:	
Net Pension Liability	(5,561,163)
Bonds Payable	(3,022,000)
Capital Lease Payable	(89,598)
Compensated Absences Payable	(965,616)
<b>Net position of Governmental Activities</b>	<b>\$ 2,315,556</b>

**PAULSBORO SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>Revenues:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 5,593,986	\$ -	\$ -	\$ 196,165	\$ 5,790,151
Tuition Charges	1,562,693	-	-	-	1,562,693
Miscellaneous	277,348	485,110	-	5,588	768,046
<b>Total Local Sources</b>	<b>7,434,027</b>	<b>485,110</b>	<b>-</b>	<b>201,753</b>	<b>8,120,890</b>
State Sources	14,376,875	267,766	1,342,852	-	15,987,493
Federal Sources	85,348	1,743,964	-	-	1,829,312
<b>Total Revenues</b>	<b>21,896,250</b>	<b>2,496,840</b>	<b>1,342,852</b>	<b>201,753</b>	<b>25,937,695</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Regular Instruction	6,058,930	-	-	-	6,058,930
Special Education Instruction	1,548,331	1,610,994	-	-	3,159,325
Other Special Instruction	7,522	-	-	-	7,522
Other Instruction	541,434	-	-	-	541,434
<b>Support Services &amp; Undistributed Costs:</b>					
Instruction	1,594,426	248,633	-	-	1,843,059
Attendance & Social Work Services	72,648	-	-	-	72,648
Health Services	208,939	-	-	-	208,939
Other Support Services	994,546	-	-	-	994,546
Improvement of Instructional Services	246,562	-	-	-	246,562
Educational Media Services	345,339	-	-	-	345,339
Instructional Staff Training Services	30,339	-	-	-	30,339
General Administration	451,708	-	-	-	451,708
School Administration	925,178	-	-	-	925,178
Central Services	247,573	-	-	-	247,573
Administrative Information Technolog	73,473	-	-	-	73,473
Plant Operations & Maintenance	1,609,360	-	-	-	1,609,360
Pupil Transportation	678,201	-	-	-	678,201
Unallocated Benefits	5,767,937	359,805	-	-	6,127,742
Capital Outlay	345,847	277,408	1,929,644	-	2,552,899
<b>Debt Service:</b>					
Principal	-	-	-	110,000	110,000
Interest	-	-	-	86,165	86,165
<b>Total Expenditures</b>	<b>21,748,293</b>	<b>2,496,840</b>	<b>1,929,644</b>	<b>196,165</b>	<b>26,370,942</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	147,957	-	(586,792)	5,588	(433,247)
<b>Other Financing Sources/(Uses):</b>					
Capital Lease Proceeds	106,098	-	-	-	106,098
<b>Total Other Financing Sources &amp; Uses</b>	<b>106,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,098</b>
Net Change in Fund Balances	254,055	-	(586,792)	5,588	(327,149)
Fund Balance - July 1	1,771,463	(17,917)	3,108,853	1,735	4,864,134
<b>Fund Balance - June 30</b>	<b>\$ 2,025,518</b>	<b>\$ (17,917)</b>	<b>\$ 2,522,061</b>	<b>\$ 7,323</b>	<b>\$ 4,536,985</b>

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

**PAULSBORO 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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (327,149)

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

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.  
The amount that exceeded capital outlays is as follows:

Capital Outlays	\$	2,552,899	
Depreciation Expense		(518,476)	
Adjustment to Capital Assets		(27)	
Less: Capital Lease Payment		(16,500)	
Less: SDA Debt Service Assessment		(7,471)	2,010,425

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

Pension Expense - PERS Contribution - 2016		212,986	
Unfunded TPAF Pension Expense		1,927,057	
State Share of Unfunded TPAF Pension Expense		(1,927,057)	
Pension Expense		(226,977)	(13,991)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Position and is not reported in the Statement of Activities. 110,000

Increase in obligations under capital lease (106,098)

Repayment of 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. 16,500

Interest on long-term debt in the Statement of Activities is accrued, regardless when it is due. It is reported in the Governmental Funds when it is due. The difference in the accrued interest is an addition in the reconciliation.

Prior Year		18,696	
Current Year		(24,610)	(5,914)

Certain operating expenses, e.g. compensated absences (vacations, sick pay, etc.) are accrued in the Statement of Activities. In the governmental funds these amounts are recorded when due and paid. The amount accrued that exceeded the amount paid is deducted in the reconciliation.

Prior Year		934,374	
Current Year		(965,616)	(31,242)

Change in Net Position of Governmental Activities: \$ 1,652,531

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Proprietary Funds

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**PAULSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 499
Accounts Receivable:	
State	1,431
Federal	119,791
Interfund Accounts Receivable	306
Inventories	14,834
	<hr/>
Total Current Assets	136,861
	<hr/>
Noncurrent assets:	
Furniture, Machinery & Equipment	102,082
Less: Accumulated Depreciation	(92,261)
	<hr/>
Total Noncurrent Assets	9,821
	<hr/>
Total Assets	146,682
	<hr/>
<b>LIABILITIES</b>	
Accounts Payable	1,937
Interfund Payable	9,000
Unearned Revenue	6,104
Long-Term Liabilities:	
Compensated Absences Payable	13,988
	<hr/>
Total Liabilities	31,029
	<hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	9,821
Unrestricted	105,832
	<hr/>
Total Net Position	\$ 115,653
	<hr/> <hr/>

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

**PAULSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 AS OF JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD</u> <u>SERVICE</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,328
Daily Sales - Nonreimbursable Programs	26,522
	<hr/>
Total Operating Revenues	29,850
	<hr/>
Operating Expenses:	
Cost of Sales	408,131
Salaries	203,488
Employee Benefits	72,435
Supplies & Materials	19,314
Management Fee	38,871
Other Miscellaneous	13,660
Depreciation	813
	<hr/>
Total Operating Expenses	756,712
	<hr/>
Operating Income/(loss)	(726,862)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	8,165
Federal Sources:	
National School Lunch Program	457,338
National Summer Lunch Program	16,005
School Breakfast Program	222,113
After School Snacks	5,169
Food Distribution Program	50,152
	<hr/>
Total Nonoperating Revenues/(Expenses)	758,942
	<hr/>
Change in Net Position	32,080
Total Net Position - Beginning	83,573
	<hr/>
Total Net Position - Ending	\$ 115,653
	<hr/> <hr/>

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



**PAULSBORO SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 AS OF JUNE 30, 2016**

EXHIBIT B-6

	<b>BUSINESS-TYPE            ACTIVITIES -            ENTERPRISE FUNDS</b> <hr/> <b>FOOD            SERVICE</b>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 30,652
Payments to Employees	(274,460)
Payments to Suppliers	(428,224)
	(672,032)
Net Cash Provided/(Used) by Operating Activities	(672,032)
Cash Flows From Noncapital Financing Activities:	
Cash Received from Federal & State Reimbursements	649,480
	649,480
Net Cash Provided/(Used) by Noncapital Financing Activities	649,480
Cash Flows From Investing Activities:	
Purchase of Equipment	(5,400)
	(5,400)
Net Cash Provided/(Used) by Investing Activities	(5,400)
Net Increase/(Decrease) in Cash & Cash Equivalents	(27,952)
Balances - Beginning of Year	28,451
Balances - End of Year	\$ 499

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

Operating Income/(Loss)	\$ (726,862)
Adjustments to Reconcile Operating Income/(Loss) to	
Net Cash Provided/(Used) by Operating Activities:	
Depreciation	813
Food Distribution Program	50,152
Changes in Assets & Liabilities:	
(Increase)/Decrease in Inventory	(4,738)
Increase/(Decrease) in Accounts Payable	(7,964)
Increase/(Decrease) in Interfund Payable	9,000
Increase/(Decrease) in Unearned Revenue	6,104
Increase/(Decrease) in Compensated Absences Payable	1,463
	54,830
Total Adjustments	54,830
Net Cash Provided/(Used) by Operating Activities	\$ (672,032)

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

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Fiduciary Fund

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**PAULSBORO SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE	AGENCY		TOTAL
	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 137,350	\$ 77,301	\$ 187,514	\$ 402,165
Interfund Receivable	250	-	-	250
<b>Total Assets</b>	<b>137,600</b>	<b>77,301</b>	<b>187,514</b>	<b>402,415</b>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	-	-	178,968	178,968
Due to Student Groups	-	70,923	-	70,923
Interfund Payable	-	6,378	8,546	14,924
<b>Total Liabilities</b>	<b>-</b>	<b>77,301</b>	<b>187,514</b>	<b>264,815</b>
<b>NET POSITION</b>				
Reserved for Scholarships	137,600	-	-	137,600
<b>Total Net Position</b>	<b>\$ 137,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,600</b>

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

**PAULSBORO SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	<u>PRIVATE PURPOSE SCHOLARSHIP</u>
Contributions:	
Other	\$ 50,142
Total Contributions	<u>50,142</u>
Investment Earnings:	
Interest	<u>283</u>
Net Investment Earnings	<u>283</u>
Total Additions	<u>50,425</u>
DEDUCTIONS	
Scholarship Payments	<u>60,903</u>
Total Deductions	<u>60,903</u>
Change in Net Position	(10,478)
Net Position - Beginning of the Year	<u>148,078</u>
Net Position - End of the Year	<u><u>\$ 137,600</u></u>

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

**PAULSBORO SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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# PAULSBORO SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies

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

#### **Reporting Entity**

The Paulsboro School District (hereafter referred to as the ‘District’) is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its five schools. The District has an approximate enrollment at June 30, 2016 of 1,136 students.

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

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

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

#### **Component Units**

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

#### **Government-Wide Financial Statements**

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

These statements are presented on an ‘economic resources’ measurement focus and the accrual basis of

## PAULSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

#### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

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

#### **Proprietary Fund Financial Statements**

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

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or

## PAULSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

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

noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

#### **Fiduciary Fund Financial Statements**

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

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

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

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.

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

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

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

**Budgets/Budgetary Control**

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

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

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

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

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

**Encumbrances**

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

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

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

**Inventories**

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

**Short-Term Interfund Receivables/Payables**

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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



PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

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

that they are normally expected to be paid with expendable available financial resources.

**Use of Estimates**

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

**Fund Balance**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

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

**Net Position**

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

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

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

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

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

Recently Issued and Adopted Accounting Pronouncements

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

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

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

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions Section**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

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

same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2016 through the date of December 1, 2016, which is the date the financial statements were available to be issued. The following was noted:

On September 2, 2016, the School District entered into a capital lease purchase agreement for Technology Equipment. The capital lease was approved in the amount of \$462,369 and at an annual interest rate of 1.47%. The lease has a term of four (4) years.

On September 2, 2016, the School District entered into a capital lease purchase agreement for two School Buses. The capital lease was approved in the amount of \$199,768 and at an annual interest rate of 1.56%. The lease has a term of five (5) years.

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District's bank balance of \$6,462,347.79 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	250,000
Collateralized by securities held by		
Pledging financial institution		4,307,446
Uninsured and uncollateralized		<u>532,380</u>
Total	\$	<u>5,089,826</u>

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United States or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 2. Cash Deposits and Investments (continued):**

3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

**Note 3. Accounts Receivable**

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 60,943	\$ 327,607	\$ 1,448,777	\$ 121,222	\$ 1,958,549
Other	-	34,091	-	-	34,091
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 60,943	\$ 361,698	\$ 1,448,777	\$ 121,222	\$ 1,992,640
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 4. Capital Assets**

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

	<b>Balance June 30, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments</b>	<b>Balance June 30, 2016</b>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,045,846	\$ -	\$ -	\$ (1,946,635)	\$ 99,211
Construction in Progress	161,034	1,929,644	-	(27)	2,090,651
<b>Total capital assets not being depreciated</b>	<b>2,206,880</b>	<b>1,929,644</b>	<b>-</b>	<b>(1,946,662)</b>	<b>2,189,862</b>
Capital Assets being depreciated:					
Land Improvements	-	-	-	1,946,635	1,946,635
Buildings	9,946,722	-	-	-	9,946,722
Machinery & Equipment	2,788,674	599,284	-	-	3,387,958
<b>Total capital assets being depreciated</b>	<b>12,735,396</b>	<b>599,284</b>	<b>-</b>	<b>1,946,635</b>	<b>15,281,315</b>
Less: accumulated depreciation:					
Land Improvements	-	(125,062)	-	(1,333,589)	(1,458,651)
Buildings	(7,723,056)	(205,381)	-	1,333,589	(6,594,848)
Machinery & Equipment	(1,784,979)	(188,033)	-	-	(1,973,012)
<b>Total accumulated depreciation</b>	<b>(9,508,035)</b>	<b>(518,476)</b>	<b>-</b>	<b>-</b>	<b>(10,026,511)</b>
<b>Total capital assets being depreciated, net</b>	<b>3,227,361</b>	<b>80,808</b>	<b>-</b>	<b>1,946,635</b>	<b>5,254,804</b>
<b>Total Governmental Activities capital assets, net</b>	<b>\$ 5,434,241</b>	<b>\$ 2,010,452</b>	<b>\$ -</b>	<b>\$ (27)</b>	<b>\$ 7,444,666</b>

	<b>Balance June 30, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2016</b>
<b>Business-Type Activities:</b>				
Capital assets being depreciated:				
Machinery & Equipment	\$ 96,682	\$ 5,400	\$ -	\$ 102,082
<b>Total capital assets being depreciated</b>	<b>96,682</b>	<b>5,400</b>	<b>-</b>	<b>102,082</b>
Less: accumulated depreciation:				
Machinery & Equipment	(91,448)	(813)	-	(92,261)
<b>Total accumulated depreciation</b>	<b>(91,448)</b>	<b>(813)</b>	<b>-</b>	<b>(92,261)</b>
<b>Total capital assets being depreciated, net</b>	<b>5,234</b>	<b>4,587</b>	<b>-</b>	<b>9,821</b>
<b>Total Business-type activities capital assets, net</b>	<b>\$ 5,234</b>	<b>\$ 4,587</b>	<b>\$ -</b>	<b>\$ 9,821</b>

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 4. Capital Assets (continued):**

Depreciation expense was charged to governmental functions/programs as follows:

<b>Governmental Activities:</b>	
Unallocated	\$ 518,476
Total Depreciation Expense - Governmental Activities	<u>\$ 518,476</u>

**Note 5. Interfund Receivables, Payables and Transfers**

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

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 1,413,304	\$ -
Special Revenue Fund	-	948,827
Capital Projects Fund	-	448,430
Debt Service Fund	7,321	-
Food Service Fund	306	9,000
Student Activities Fund	-	6,378
Scholarship Fund	250	-
Payroll Trust Fund	-	8,546
	<u>\$ 1,421,181</u>	<u>\$ 1,421,181</u>

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

The summary of interfund transfers follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 463,832	\$ 554,615
Special Revenue Fund	527,151	441,322
Capital Projects Fund	5,588	-
Debt Service Fund	-	5,588
Food Service Fund	27,464	18,464
Student Activities Fund	-	3,896
Payroll Trust Fund	-	150
	<u>\$ 1,024,035</u>	<u>\$ 1,024,035</u>

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



**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 6. Long-Term Obligations**

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

	<b>June 30, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2016</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 934,374	\$ 31,242	\$ -	\$ 965,616	\$ -
Net Pension Liability	5,265,350	295,813	-	5,561,163	-
General Obligation Bonds	3,132,000	-	(110,000)	3,022,000	110,000
Capital Lease Payable	-	106,098	(16,500)	89,598	21,628
	<hr/>				
Total	\$ 9,331,724	\$ 433,153	\$ (126,500)	\$ 9,638,377	\$ 131,628
	<hr/>				
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 12,525	\$ 1,463	\$ -	\$ 13,988	\$ -
	<hr/>				
Total	\$ 12,525	\$ 1,463	\$ -	\$ 13,988	\$ -
	<hr/>				

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences are liquidated by the general fund.

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
Refunding Bonds	3.00%	10/1/15 & 4/1/16	\$ 3,132,000	\$ 3,022,000
				<hr/>
Total				\$ 3,022,000
				<hr/>

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 6. Long-Term Obligations (continued):**

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

<b>Year-ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 110,000	\$ 94,245	\$ 204,245
2018	115,000	90,945	205,945
2019	115,000	87,495	202,495
2020	125,000	84,045	209,045
2021	125,000	80,295	205,295
2022-2026	725,000	340,725	1,065,725
2027-2031	885,000	222,675	1,107,675
2032-2035	822,000	71,393	893,393
<b>Total</b>	<b>\$ 3,022,000</b>	<b>\$ 1,071,818</b>	<b>\$ 4,093,818</b>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2016, the District had no authorized but not issued bonds.

**C. Capital Leases Payable:**

At June 30, 2016, capital leases payable consisted of the following individual issues:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
School Bus Lease Purchase	2.34%	10/9/2019	\$ 106,098	\$ 89,598
<b>Total</b>				<b>\$ 89,598</b>

Principal and Interest due on the capital lease is as follows:

<b>Year-ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 21,628	\$ 2,097	\$ 23,725
2018	22,135	1,590	23,725
2019	22,652	1,073	23,725
2020	23,183	542	23,725
<b>Total</b>	<b>\$ 89,598</b>	<b>\$ 5,302</b>	<b>\$ 94,900</b>

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 7. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 212,986	100%	\$ 5,561,163
6/30/2015	231,840	100%	5,265,350
6/30/2014	230,110	100%	5,536,666

**Components of Pension Liability** - At June 30, 2016, the District reported a liability of \$5,561,163 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.02477% percent, which was a decrease of 0.00335% from its proportion measured as of June 30, 2014.

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

	<u>6/30/2016</u> July 1, 2015	<u>6/30/2015</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 729,895	\$ 378,557
Deferred Inflows of Resources	\$ 733,003	\$ 450,501
Net Pension Liability	\$ 5,561,163	\$ 5,265,350
District's portion of the Plan's total Net Pension Liability	0.02477%	0.02812%

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2016, the District recognized pension expense of \$226,977. At June 30, 2016, 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
Changes of assumptions	\$ 597,225	\$ -
Net difference between expected and actual experience	132,670	
Net difference between projected and actual earnings on pension plan investments	-	89,413
Changes in proportion and differences between District contributions and proportionate share of contributions	-	643,590
	\$ 729,895	\$ 733,003

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	(20,384)
2018	(20,384)
2019	(20,384)
2020	58,064
2021	(20)
Thereafter	-

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 7. Pension Obligations (continued):

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

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

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

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

	<u>Decrease</u> (3.90%)		<u>Discount</u> (4.90%)		<u>Increase</u> (5.90%)
District's proportionate share of the net pension liability	\$ 6,911,845		\$ 5,561,163		\$ 4,428,761

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

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

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

The following represents the membership tiers for TPAF:

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

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



**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

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

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 1,565,966	100%	-
6/30/2015	1,266,168	100%	-
6/30/2014	1,053,501	100%	-

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

PAULSBORO SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016

Note 7. Pension Obligations (continued):

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 7. Pension Obligations (continued):**

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**Defined Contribution Retirement Plan (DCRP)** – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

## PAULSBORO SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): YEAR ENDED JUNE 30, 2016

#### Note 7. Pension Obligations (continued):

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

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$13,248, and the District recognized pension expense of \$7,226.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

#### Note 8. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

#### Note 9. Risk Management

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

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

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 9. Risk Management (continued):**

**Joint Insurance Pool** – The Paulsboro School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	Excess Liability
General and Automobile Liability	Worker’ Compensation
School Board Legal Liability	Comprehensive Crime Coverage

**Note 10. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 11. Economic Dependency**

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

**Note 12. Deferred Compensation**

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

AXA Equitable  
Thomas Seely Agency, Inc.  
Lincoln Investment Planning  
Syracusa

**Note 13. Commitments**

The District entered into several construction contracts during the fiscal year, which include building and site improvements to the various schools within the district. As of June 30, 2016, the District had outstanding construction contracts totaling \$6,064,754 that will be financed from capital projects fund. These amounts are recorded as follows:

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 13. Commitments (continued):**

<b>Purpose</b>	<b>Commitment Date</b>	<b>Amount Outstanding</b>
Renovation of High School Gym	2010	\$ 24,934
Paulsboro High School HVAC Replacement	2011	7,028
Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing	2015	921,807
Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing	2015	539,903
Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing	2015	3,506,677
Paulsboro High School Track Improvements	2015	753,324
Loudenslager Elementary School Basketball Courts	2015	<u>311,081</u>
		<u>\$ 6,064,754</u>

**Note 14. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not 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 varying amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$965,616.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. The amount at June 30, 2016 is \$13,988.

**PAULSBORO SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
YEAR ENDED JUNE 30, 2016**

**Note 15. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$254,599.

**Note 16. Fund Balance**

**General Fund** – Of the \$2,025,518 General Fund fund balance at June 30, 2016, \$18,380 is restricted for excess surplus designated for subsequent years expenditures; \$254,599 is restricted current year excess surplus; \$1,752,539 is assigned to designated by the Board of Education for subsequent year's expenditures and \$-0- is assigned to other purposes.

**Capital Projects Fund** – Of the \$2,522,061 Capital Projects Fund fund balance at June 30, 2016, \$2,522,061 is restricted for future capital projects approved by the District and the Department of Education.

**Debt Service Fund** – Of the \$7,323 Debt Service Fund fund balance at June 30, 2016, \$7,323 it restricted for future debt service payments.

**Note 17. Deficit in Net Position**

**Restricted Net Position** – The School District had a deficit in restricted net position for Debt Service in the amount of \$17,287 at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$4,795,265 at June 30, 2016. The deficit is caused by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) at June 30, 2016.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210-000-000	\$ 5,593,986	\$ -	\$ 5,593,986	\$ 5,593,986	\$ -
Tuition	10-1300-000-000	1,513,076	-	1,513,076	1,562,693	49,617
Miscellaneous	10-1000-000-000	50,000	-	50,000	277,348	227,348
<b>Total Local Sources</b>		<b>7,157,062</b>	<b>-</b>	<b>7,157,062</b>	<b>7,434,027</b>	<b>276,965</b>
<b>State Sources:</b>						
School Choice Aid	10-3116-000-000	41,265	-	41,265	41,265	-
Categorical Special Education Aid	10-3132-000-000	615,970	-	615,970	615,970	-
Equalization Aid	10-3176-000-000	11,357,502	-	11,357,502	11,357,502	-
Transportation Aid	10-3176-000-000	25,418	-	25,418	25,418	-
Security Aid	10-3176-000-000	74,739	-	74,739	74,739	-
PARCC Readiness Aid	10-3190-000-000	10,345	-	10,345	10,345	-
Per Pupil Growth Aid	10-3190-000-000	10,345	-	10,345	10,345	-
Extraordinary Aid	10-3000-000-000	50,000	-	50,000	7,560	(42,440)
<b>Nonbudgeted:</b>						
<b>On-Bhalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	851,149	851,149
Normal Pension Contributions		-	-	-	714,817	714,817
Reimbursed TPAF Social Contributions		-	-	-	652,014	652,014
<b>Total State Sources</b>		<b>12,185,584</b>	<b>-</b>	<b>12,185,584</b>	<b>14,361,124</b>	<b>2,175,540</b>
<b>Federal Sources:</b>						
SEMI	10-4200-000-000	63,680	-	63,680	85,348	21,668
<b>Total Federal Sources</b>		<b>63,680</b>	<b>-</b>	<b>63,680</b>	<b>85,348</b>	<b>21,668</b>
<b>Total Revenues</b>		<b>19,406,326</b>	<b>-</b>	<b>19,406,326</b>	<b>21,880,499</b>	<b>2,474,173</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
<b>Local Contribution -</b>						
Transfer to Special Revenue	11-105-100-935	490,437	(49,115)	441,322	441,322	-
Kindergarten	11-110-100-101	367,753	-	367,753	347,359	20,394
Grades 1 - 5	11-120-100-101	1,749,446	(41,154)	1,708,292	1,438,574	269,718
Grades 6 - 8	11-130-100-101	1,061,260	79,595	1,140,855	997,216	143,639
Grades 9 - 12	11-140-100-101	2,369,153	(103,420)	2,265,733	2,150,678	115,055
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	35,200	(3,440)	31,760	31,760	-
<b>Purchased Professional -</b>						
Educational Services	11-150-100-320	35,000	29,256	64,256	64,255	1
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	35,852	(1,991)	33,861	2,631	31,230
Purchased Professional - Educational Services	11-190-100-320	265,314	-	265,314	242,048	23,266
Other Purchased Services	11-190-100-500	122,651	(595)	122,056	114,008	8,048
General Supplies	11-190-100-610	281,017	(5,253)	275,764	192,684	83,080
Textbooks	11-190-100-640	162,853	-	162,853	36,029	126,824
Other Objects	11-190-100-800	972	-	972	366	606
<b>Total Regular Programs - Instruction</b>		<b>6,976,908</b>	<b>(96,117)</b>	<b>6,880,791</b>	<b>6,058,930</b>	<b>821,861</b>

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	569,079	(49,964)	519,115	485,184	33,931
Other Salaries for Instruction	11-204-100-106	180,813	(22,842)	157,971	141,282	16,689
Purchased Technical Services	11-204-100-340	11,336	-	11,336	-	11,336
General Supplies	11-204-100-610	12,950	1,072	14,022	9,091	4,931
<b>Total Learning and/or Language Disabilities</b>		<b>774,178</b>	<b>(71,734)</b>	<b>702,444</b>	<b>635,557</b>	<b>66,887</b>
<b>Behavioral Disabilities:</b>						
Salaries of Teachers	11-209-100-101	234,975	(5,225)	229,750	229,750	-
Other Salaries for Instruction	11-209-100-106	-	63,676	63,676	63,676	-
Purchased Professional Educational Services	11-209-100-320	4,251	-	4,251	-	4,251
General Supplies	11-209-100-610	10,219	(534)	9,685	870	8,815
<b>Total Behavioral Disabilities</b>		<b>249,445</b>	<b>57,917</b>	<b>307,362</b>	<b>294,296</b>	<b>13,066</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	230,791	-	230,791	199,338	31,453
Other Salaries for Instruction	11-212-100-106	59,009	-	59,009	34,952	24,057
Purchased Professional Educational Services	11-212-100-320	4,251	-	4,251	-	4,251
General Supplies	11-212-100-610	3,219	-	3,219	2,349	870
<b>Total Multiple Disabilities</b>		<b>297,270</b>	<b>-</b>	<b>297,270</b>	<b>236,639</b>	<b>60,631</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	192,067	-	192,067	192,067	-
Other Salaries for Instruction	11-213-100-106	97,459	14,889	112,348	108,795	3,553
Purchased Professional Educational Services	11-213-100-320	4,251	-	4,251	-	4,251
General Supplies	11-213-100-610	4,219	-	4,219	432	3,787
<b>Total Resource Room/Resource Center</b>		<b>297,996</b>	<b>14,889</b>	<b>312,885</b>	<b>301,294</b>	<b>11,591</b>
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	-	44,441	44,441	44,441	-
Other Salaries for Instruction	11-215-100-106	-	45,464	45,464	36,104	9,360
General Supplies	11-215-100-610	-	364	364	-	364
<b>Total Preschool Disabilities - Part-Time</b>		<b>-</b>	<b>90,269</b>	<b>90,269</b>	<b>80,545</b>	<b>9,724</b>
<b>Total Special Education</b>		<b>1,618,889</b>	<b>91,341</b>	<b>1,710,230</b>	<b>1,548,331</b>	<b>161,899</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	77,894	-	77,894	-	77,894
Other Salaries for Instruction	11-230-100-106	591	-	591	-	591
Purchased Educational Services	11-230-100-320	4,251	-	4,251	-	4,251
General Supplies	11-230-100-610	2,160	-	2,160	942	1,218
<b>Total Basic Skills/Remedial</b>		<b>84,896</b>	<b>-</b>	<b>84,896</b>	<b>942</b>	<b>83,954</b>
<b>Bilingual Education - Instruction:</b>						
Salaries of Teachers	11-240-100-101	17,510	-	17,510	6,272	11,238
General Supplies	11-240-100-610	436	-	436	308	128
<b>Total Bilingual Education - Instruction</b>		<b>17,946</b>	<b>-</b>	<b>17,946</b>	<b>6,580</b>	<b>11,366</b>

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	53,449	4,776	58,225	57,439	786
Purchased Services	11-401-100-500	2,300	1,019	3,319	2,210	1,109
Supplies and Materials	11-401-100-600	2,875	(1,019)	1,856	-	1,856
<b>Total School Sponsored Cocurricular Activities</b>		<b>58,624</b>	<b>4,776</b>	<b>63,400</b>	<b>59,649</b>	<b>3,751</b>
School Sponsored Athletics - Instruction:						
Salaries of Teachers	11-402-100-100	281,279	2,675	283,954	277,247	6,707
Purchased Services	11-402-100-500	100,250	(15,927)	84,323	69,741	14,582
Supplies and Materials	11-402-100-600	50,980	9,920	60,900	53,454	7,446
Other Objects	11-402-100-800	20,000	(270)	19,730	17,879	1,851
<b>Total School Sponsored Athletics - Instruction</b>		<b>452,509</b>	<b>(3,602)</b>	<b>448,907</b>	<b>418,321</b>	<b>30,586</b>
Before/After School Programs - Instruction:						
Salaries of Teachers	11-421-100-101	16,320	-	16,320	14,144	2,176
<b>Total Before/After School Programs - Instruction</b>		<b>16,320</b>	<b>-</b>	<b>16,320</b>	<b>14,144</b>	<b>2,176</b>
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	53,760	-	53,760	41,456	12,304
Other Salaries of Instruction	11-422-100-106	5,040	-	5,040	2,040	3,000
General Supplies	11-422-100-610	9,550	(1,636)	7,914	1,500	6,414
<b>Total Summer School - Instruction</b>		<b>68,350</b>	<b>(1,636)</b>	<b>66,714</b>	<b>44,996</b>	<b>21,718</b>
Summer School - Support Services:						
Salaries of Teachers	11-421-200-101	2,688	1,636	4,324	4,324	-
<b>Total Summer School - Support Services</b>		<b>2,688</b>	<b>1,636</b>	<b>4,324</b>	<b>4,324</b>	<b>-</b>
<b>Total Instruction</b>		<b>9,297,130</b>	<b>(3,602)</b>	<b>9,293,528</b>	<b>8,156,217</b>	<b>1,137,311</b>
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's - State Regular	11-000-100-561	110,000	(36,082)	73,918	73,918	-
Tuition to Other LEA's - State Special	11-000-100-562	39,297	88,193	127,490	112,782	14,708
Tuition to County Voc. School District Regular	11-000-100-563	79,380	11,424	90,804	90,803	1
Tuition to CSSD & Regular Day Schools	11-000-100-565	671,900	193,881	865,781	865,344	437
Tuition to Private Schools for the Handicapped - State	11-000-100-566	675,052	(255,778)	419,274	419,273	1
Tuition - State Facilities	11-000-100-568	32,306	-	32,306	32,306	-
<b>Total Undistributed Expenditures - Instruction</b>		<b>1,607,935</b>	<b>1,638</b>	<b>1,609,573</b>	<b>1,594,426</b>	<b>15,147</b>
Attendance & Social Work Services:						
Salaries of Teachers	11-000-211-100	47,987	-	47,987	47,359	628
Purchased Professional & Technical Services	11-000-211-300	25,277	(333)	24,944	24,525	419
Other Purchased Services	11-000-211-500	500	(136)	364	196	168
Supplies and Materials	11-000-211-600	150	469	619	568	51
<b>Total Attendance &amp; Social Work Services</b>		<b>73,914</b>	<b>-</b>	<b>73,914</b>	<b>72,648</b>	<b>1,266</b>

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
<b>Health Services:</b>						
Salaries	11-000-213-100	183,528	-	183,528	169,638	13,890
Purchased Professional & Technical Services	11-000-213-300	36,398	-	36,398	27,444	8,954
Other Purchased Services (400-500 series)	11-000-213-500	339	-	339	-	339
Supplies and Materials	11-000-213-600	21,308	-	21,308	11,857	9,451
Other Objects	11-000-213-800	90	-	90	-	90
<b>Total Health Services</b>		<b>241,663</b>	<b>-</b>	<b>241,663</b>	<b>208,939</b>	<b>32,724</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries of Other Professional Staff	11-000-216-100	149,937	-	149,937	119,504	30,433
Purchased Educational Services	11-000-216-320	97,272	(1,590)	95,682	81,663	14,019
Supplies and Materials	11-000-216-600	2,650	(979)	1,671	523	1,148
Other Objects	11-000-216-800	-	931	931	930	1
<b>Total Other Support Services - Students - Related Services</b>		<b>249,859</b>	<b>(1,638)</b>	<b>248,221</b>	<b>202,620</b>	<b>45,601</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	320,483	1,920	322,403	270,402	52,001
Salaries of Secretarial & Clerical Assistants	11-000-218-105	45,912	-	45,912	45,912	-
Purchased Professional & Educational Services	11-000-218-320	13,668	3,505	17,173	17,171	2
Other Purchased Services	11-000-218-500	6,550	(3,505)	3,045	2,276	769
Supplies and Materials	11-000-218-600	14,200	(1,920)	12,280	3,938	8,342
Other Objects	11-000-218-800	350	-	350	295	55
<b>Total Other Support Services - Students- Regular</b>		<b>401,163</b>	<b>-</b>	<b>401,163</b>	<b>339,994</b>	<b>61,169</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	407,125	4,495	411,620	396,585	15,035
Salaries of Secretarial & Clerical Assistants	11-000-219-105	38,550	-	38,550	38,550	-
Purchased Professional - Educational Services	11-000-219-320	15,000	-	15,000	11,468	3,532
Other Purchased Professional & Technical Services	11-000-219-390	-	-	-	-	-
Other Purchased Services	11-000-219-592	1,150	-	1,150	658	492
Supplies and Materials	11-000-219-600	9,049	(2,483)	6,566	4,671	1,895
Other Objects	11-000-219-800	1,050	-	1,050	-	1,050
<b>Total Other Support Services - Students Special Services</b>		<b>471,924</b>	<b>2,012</b>	<b>473,936</b>	<b>451,932</b>	<b>22,004</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries	11-000-221-102	14,535	(935)	13,600	6,080	7,520
Salaries of Other Professional Staff	11-000-221-104	192,862	935	193,797	193,658	139
Salaries of Secretarial & Clerical Assistants	11-000-221-105	22,956	-	22,956	22,956	-
Salaries of Facilitators, Math & Literary Coaches	11-000-221-176	101,875	-	101,875	19,844	82,031



**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Improvement of Instruction Services/Other Support						
Services - Instruction Staff (continued):						
Other Purchased Services	11-000-221-500	2,000	-	2,000	-	2,000
Supplies and Materials	11-000-221-600	9,000	-	9,000	2,915	6,085
Other Objects	11-000-221-800	2,019	-	2,019	1,109	910
Total Improvement of Instruction Services/ Other Support Services Instructional Staff		345,247	-	345,247	246,562	98,685
Educational Media Services/School Library:						
Salaries	11-000-222-100	226,603	-	226,603	218,936	7,667
Salaries of Technology Coordinators	11-000-222-177	57,868	19,360	77,228	70,923	6,305
Purchased Professional & Technical Services	11-000-222-300	94,857	(19,360)	75,497	50,507	24,990
Other Purchased Services	11-000-222-500	53,593	-	53,593	-	53,593
Supplies and Materials	11-000-222-600	44,958	-	44,958	4,973	39,985
Total Educational Media Services/Library		477,879	-	477,879	345,339	132,540
Instructional Staff Training Services:						
Salaries of Secretarial & Clerical Assistants	11-000-223-105	22,956	-	22,956	22,956	-
Purchased Professional Educational Services	11-000-223-320	3,000	-	3,000	1,300	1,700
Other Purchased Services	11-000-223-500	7,875	(125)	7,750	5,848	1,902
Supplies & Materials	11-000-223-600	2,200	-	2,200	235	1,965
Other Objects	11-000-223-800	-	125	125	-	125
Total Instructional Staff Training Services		36,031	-	36,031	30,339	5,692
Support Services General Administration:						
Salaries	11-000-230-100	198,642	-	198,642	197,413	1,229
Legal Services	11-000-230-331	30,000	-	30,000	15,524	14,476
Audit Fees	11-000-230-332	20,400	-	20,400	20,400	-
Other Purchased Professional Services	11-000-230-339	8,098	(4,043)	4,055	3,068	987
Purchased Technical Services	11-000-230-340	525	-	525	-	525
Communications/Telephone	11-000-230-530	106,319	(31,377)	74,942	58,818	16,124
BOE Other Purchased Services	11-000-230-585	3,969	-	3,969	3,454	515
Other Purchased Services	11-000-230-590	99,309	35,040	134,349	133,931	418
Supplies and Materials	11-000-230-610	9,682	(1,775)	7,907	7,152	755
BOE In-House Training/Meeting Supplies	11-000-230-630	1,680	-	1,680	1,099	581
Miscellaneous Expenditures	11-000-230-890	-	100	100	100	-
BOE Membership Dues & Fees	11-000-230-895	10,770	2,055	12,825	10,749	2,076
Total Support Services General Administration		489,394	-	489,394	451,708	37,686
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	684,380	4,081	688,461	686,553	1,908
Salaries of Other Professional Staff	11-000-240-104	20,160	(4,081)	16,079	12,128	3,951
Salaries of Secretarial & Clerical Assistants	11-000-240-105	203,592	(1,101)	202,491	200,009	2,482
Other Purchased Services	11-000-240-500	12,307	-	12,307	8,132	4,175
Supplies and Materials	11-000-240-600	8,300	(1,104)	7,196	7,046	150
Other Objects	11-000-240-800	9,875	2,205	12,080	11,310	770
Total Support Services School Administration		938,614	-	938,614	925,178	13,436

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
<b>Central Services:</b>						
Salaries	11-000-251-100	220,147	-	220,147	218,997	1,150
Purchased Professional & Technical Services	11-000-251-340	31,956	(264)	31,692	21,945	9,747
Miscellaneous Purchased Services	11-000-251-592	3,843	-	3,843	1,269	2,574
Supplies and Materials	11-000-251-600	6,689	-	6,689	3,537	3,152
Other Objects	11-000-251-890	1,565	264	1,829	1,825	4
<b>Total Central Services</b>		<b>264,200</b>	<b>-</b>	<b>264,200</b>	<b>247,573</b>	<b>16,627</b>
<b>Administrative Information Technology:</b>						
Purchased Technical Services	11-000-252-330	38,925	(16,190)	22,735	17,335	5,400
Other Purchased Services	11-000-252-500	37,701	13,306	51,007	50,426	581
Supplies and Materials	11-000-252-600	13,640	(7,916)	5,724	5,712	12
Other Objects	11-000-252-800	500	(71)	429	-	429
<b>Total Administrative Information Technology</b>		<b>90,766</b>	<b>(10,871)</b>	<b>79,895</b>	<b>73,473</b>	<b>6,422</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	111,908	325	112,233	103,808	8,425
Cleaning, Repair & Maintenance Services	11-000-261-420	381,116	(325)	380,791	108,036	272,755
General Supplies	11-000-261-610	106,289	2,426	108,715	66,499	42,216
<b>Total Allowable Maintenance for School Facilities</b>		<b>599,313</b>	<b>2,426</b>	<b>601,739</b>	<b>278,343</b>	<b>323,396</b>
<b>Operation &amp; Maintenance of Plant Services &amp; School Facilities:</b>						
Salaries	11-000-262-100	453,126	14,165	467,291	447,736	19,555
Salaries of Non-Instructional Aides	11-000-262-107	55,311	(382)	54,929	36,709	18,220
Purchased Professional & Technical Services	11-000-262-300	9,000	-	9,000	4,620	4,380
Cleaning, Repair & Maintenance Services	11-000-262-420	45,000	(13,832)	31,168	15,965	15,203
Insurance	11-000-262-520	232,763	8,828	241,591	241,591	-
Miscellaneous Purchased Services	11-000-262-590	15,000	(1,428)	13,572	3,663	9,909
General Supplies	11-000-262-610	62,000	(1,137)	60,863	58,734	2,129
Energy (Natural Gas)	11-000-262-621	125,000	95,181	220,181	220,180	1
Energy (Electricity)	11-000-262-622	275,000	(95,690)	179,310	179,310	-
Other Objects	11-000-262-800	1,839	1,646	3,485	3,485	-
<b>Total Operation &amp; Maintenance of Plant Services &amp; School Facilities</b>		<b>1,274,039</b>	<b>7,351</b>	<b>1,281,390</b>	<b>1,211,993</b>	<b>69,397</b>
<b>Care &amp; Upkeep of Grounds:</b>						
Salaries	11-000-263-100	73,251	-	73,251	57,967	15,284
Cleaning, Repair & Maintenance Services	11-000-263-420	79,000	(4,653)	74,347	45,357	28,990
Supplies and Materials	11-000-263-610	31,977	-	31,977	12,847	19,130
<b>Total Care &amp; Upkeep of Grounds</b>		<b>184,228</b>	<b>(4,653)</b>	<b>179,575</b>	<b>116,171</b>	<b>63,404</b>
<b>Security:</b>						
Salaries	11-000-266-100	5,000	-	5,000	2,853	2,147
<b>Total Security</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>2,853</b>	<b>2,147</b>
<b>Student Transportation Services:</b>						
Salaries of Non-Instructional Aides	11-000-270-107	10,781	20,404	31,185	30,977	208
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	71,541	1,055	72,596	72,596	-

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Student Transportation Services (continued):						
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	71,263	(2,036)	69,227	51,073	18,154
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	35,898	(4,640)	31,258	29,206	2,052
Other Purchased Technical Services Cleaning, Repair & Maintenance Services	11-000-270-390	-	-	-	-	-
Rental Payments - School Buses	11-000-270-420	37,600	(12,065)	25,535	23,207	2,328
Contracted Services (Aid in Lieu of Payments) - (Choice Schools)	11-000-270-442	16,500	(16,500)	-	-	-
Contracted Services (Between Home & School) - Vendors	11-000-270-505	27,953	(7,558)	20,395	19,306	1,089
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-511	-	3,540	3,540	3,540	-
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-512	18,000	156	18,156	12,904	5,252
Contracted Services (Special Education Students)	11-000-270-513	-	26,635	26,635	26,635	-
Miscellaneous Purchased Services - Transportation	11-000-270-515	396,983	(25,491)	371,492	366,782	4,710
General Supplies	11-000-270-593	43,372	(3,527)	39,845	39,845	-
Transportation Supplies	11-000-270-610	1,000	217	1,217	931	286
Miscellaneous Expenditures	11-000-270-615	5,000	(217)	4,783	1,003	3,780
	11-000-270-800	400	-	400	196	204
Total Student Transportation Services		736,291	(20,027)	716,264	678,201	38,063
Unallocated Benefits - Employee Benefits:						
Social Security Contributions - Other	11-000-291-220	203,415	4,780	208,195	208,214	(19)
Other Retirement Contributions	11-000-291-241	263,494	-	263,494	221,467	42,027
Unemployment Compensation	11-000-291-250	57,104	-	57,104	48,103	9,001
Workmen's Compensation	11-000-291-260	233,027	(3,873)	229,154	229,154	-
Health Benefits	11-000-291-270	2,994,193	(4,780)	2,989,413	2,817,560	171,853
Tuition Reimbursements	11-000-291-280	37,800	-	37,800	2,700	35,100
Other Employee Benefits	11-000-291-290	52,410	-	52,410	22,759	29,651
Total Unallocated Benefits - Employee Benefits		3,841,443	(3,873)	3,837,570	3,549,957	287,613
Nonbudgeted:						
Post-Retirement Medical Contributions		-	-	-	851,149	(851,149)
Normal Pension Contributions		-	-	-	714,817	(714,817)
Reimbursed TPAF Social Security Contributions		-	-	-	652,014	(652,014)
Total Undistributed Expenditures		12,328,903	(27,635)	12,301,268	13,246,229	(944,961)
Total Expenditures - Current Expense		21,626,033	(31,237)	21,594,796	21,402,446	192,350
Capital Outlay:						
Equipment:						
Grades 9-12	12-140-100-730	5,200	-	5,200	-	5,200
School-Sponsored and Other Instructional Programs	12-4xx-100-730	-	3,602	3,602	3,602	-
Admin. Technology	12-000-252-730	-	10,871	10,871	10,871	-
Custodial Services	12-000-262-730	-	4,702	4,702	4,700	2
Student Transportation - School Buses - Regular	12-000-266-730	-	16,500	16,500	16,500	-

**PAULSBORO SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/(UNFAVORABLE)
Capital Outlay (continued):						
Special Schools	12-xxx-x00-730	196,605	-	196,605	196,605	-
Total Equipment		<u>201,805</u>	<u>35,675</u>	<u>237,480</u>	<u>232,278</u>	<u>5,202</u>
Facilities Acquisition & Construction Services						
Supplies and Materials	12-000-400-600	28,577	-	28,577	-	28,577
Assessment for Debt Service on SDA Funding	12-000-400-896	7,471	-	7,471	7,471	-
Total Facilities Acquisition & Construction Services		<u>36,048</u>	<u>-</u>	<u>36,048</u>	<u>7,471</u>	<u>28,577</u>
Assets Acquired Under Capital Leases (Nonbudgeted):						
Non-Instructional - Buses		-	-	-	106,098	(106,098)
Total Assets Acquired Under Capital Leases (Nonbudgeted):		<u>-</u>	<u>-</u>	<u>-</u>	<u>106,098</u>	<u>(106,098)</u>
Total Capital Outlay		<u>237,853</u>	<u>35,675</u>	<u>273,528</u>	<u>345,847</u>	<u>(72,319)</u>
Total Expenditures		<u>21,863,886</u>	<u>4,438</u>	<u>21,868,324</u>	<u>21,748,293</u>	<u>120,031</u>
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		<u>(2,457,560)</u>	<u>(4,438)</u>	<u>(2,461,998)</u>	<u>132,206</u>	<u>2,594,204</u>
Other Financing Sources/(Uses):						
Capital Leases (Nonbudgeted)		<u>-</u>	<u>-</u>	<u>-</u>	<u>106,098</u>	<u>106,098</u>
Total Other Financing Sources/(Uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>106,098</u>	<u>106,098</u>
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		<u>(2,457,560)</u>	<u>(4,438)</u>	<u>(2,461,998)</u>	<u>238,304</u>	<u>2,700,302</u>
Fund Balances, July 1		<u>2,914,604</u>	<u>-</u>	<u>2,914,604</u>	<u>2,914,604</u>	<u>-</u>
Fund Balances, June 30		<u>\$ 457,044</u>	<u>\$ (4,438)</u>	<u>\$ 452,606</u>	<u>\$ 3,152,908</u>	<u>\$ 2,700,302</u>

**RECAPITULATION OF BUDGET TRANSFERS:**

Prior Year Reserve for Encumbrances	<u>\$ 4,438</u>
Total Budget Transfers	<u>\$ 4,438</u>

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>	
Excess Surplus	\$ 254,599
Excess Surplus - Designated for Subsequent Year's Expenditures	18,380
<b>Assigned Fund Balance:</b>	
Designated for Subsequent Year's Expenditures	2,439,180
Designated for Subsequent Year's Expenditures - ARRA/SEMI	52,264
<b>Unassigned Fund Balance</b>	<u>388,485</u>
Subtotal	<u>3,152,908</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,127,390)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,025,518</u>

**PAULSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES:</b>					
State Sources	\$ 179,170	\$ 108,194	\$ 287,364	\$ 267,766	\$ (19,598)
Federal Sources	1,311,658	563,110	1,874,768	1,743,964	(130,804)
Local Sources	490,437	73,514	563,951	485,110	(78,841)
<b>Total Revenues</b>	<b>1,981,265</b>	<b>744,818</b>	<b>2,726,083</b>	<b>2,496,840</b>	<b>(229,243)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	736,009	120,442	856,451	840,634	15,817
Other Salaries for Instruction	273,807	(3,825)	269,982	265,239	4,743
Purchased Professional - Educational Services	12,863	152,990	165,853	114,893	50,960
Purchased Professional & Technical Services	-	36,899	36,899	33,029	3,870
Other Purchased Services	8,502	31,947	40,449	-	40,449
Tuition	230,486	44,769	275,255	247,344	27,911
Supplies	30,615	112,500	143,115	107,915	35,200
Miscellaneous	-	1,940	1,940	1,940	-
<b>Total Instruction</b>	<b>1,292,282</b>	<b>497,662</b>	<b>1,789,944</b>	<b>1,610,994</b>	<b>178,950</b>
<b>Support Services:</b>					
Salaries of Teachers	18,392	4,784	23,176	23,176	-
Salaries of Other Professional Staff	113,606	26,804	140,410	122,430	17,980
Personal Services - Employee Benefits	333,706	31,859	365,565	359,805	5,760
Purchased Professional - Educational Services	-	36,000	36,000	36,000	-
Purchased Professional & Technical Services	-	55,464	55,464	49,507	5,957
Other Purchased Services	-	5,000	5,000	3,015	1,985
Contracted Services (Other Than Between Home and School) - Vendors	-	3,465	3,465	3,465	-
Travel	-	125	125	124	1
Supplies	-	29,525	29,525	10,916	18,609
<b>Total Support Services</b>	<b>465,704</b>	<b>193,026</b>	<b>658,730</b>	<b>608,438</b>	<b>50,292</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Non-Instructional Equipment	223,279	54,130	277,409	277,408	1
<b>Total Facilities Acquisition &amp; Construction Services:</b>	<b>223,279</b>	<b>54,130</b>	<b>277,409</b>	<b>277,408</b>	<b>1</b>
<b>Total Expenditures</b>	<b>1,981,265</b>	<b>744,818</b>	<b>2,726,083</b>	<b>2,496,840</b>	<b>229,243</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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**PAULSBORO SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 21,880,499	\$ 2,496,840
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,143,141	17,917
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(1,127,390)</u>	<u>(17,917)</u>
 Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	 <u>\$ 21,896,250</u>	 <u>\$ 2,496,840</u>
 Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	 <u>\$ 21,748,293</u>	 <u>\$ 2,496,840</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	 <u>\$ 21,748,293</u>	 <u>\$ 2,496,840</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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**PAULSBORO SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014
District's proportion of the net pension liability (asset)	0.02477%	0.02812%	0.02897%
District's proportionate share of the net pension liability (asset)	\$ 5,561,163	\$ 5,265,350	\$ 5,536,666
District's covered-employee payroll	\$ 1,781,473	\$ 1,977,711	\$ 2,083,604
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	312.17%	266.23%	265.73%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

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

**PAULSBORO SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

	2016	2015	2014
Contractually required contribution	\$ 220,624	\$ 212,986	\$ 231,840
Contributions in relation to the contractually required contribution	\$ 220,624	\$ 212,986	\$ 231,840
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,781,473	\$ 1,977,711	\$ 2,083,604
Contributions as a percentage of covered-employee payroll	12.38%	10.77%	11.72%

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



**PAULSBORO SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST THREE FISCAL YEARS**

	2016	2015	2014
District's proportion of the net pension liability (asset)	0.090512%	0.094378%	0.095911%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 57,207,332	\$ 50,441,713	\$ 48,472,777
District's covered-employee payroll	\$ 9,003,558	\$ 9,451,683	\$ 9,575,426
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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

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**PAULSBORO SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

**Teachers Pension and Annuity Fund (TPAF)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

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

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**PAULSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE I	TITLE II	TITLE III	I.D.E.A. PART B REGULAR	I.D.E.A. PART B PRESCHOOL	PRESCHOOL DEVELOPMENT GRANT	RACE TO THE TOP
<b>Revenues:</b>							
Federal Sources	\$ 866,879	\$ 102,790	\$ 1,378	\$ 360,203	\$ 9,617	\$ 355,139	\$ 47,958
Local Sources	-	-	-	-	-	128,073	-
<b>Total Revenues</b>	<b>\$ 866,879</b>	<b>\$ 102,790</b>	<b>\$ 1,378</b>	<b>\$ 360,203</b>	<b>\$ 9,617</b>	<b>\$ 483,212</b>	<b>\$ 47,958</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 406,086	\$ 77,894	\$ 1,280	\$ 10,368	\$ 2,560	\$ 62,718	\$ -
Other Salaries for Instruction	185,768	-	-	4,560	998	22,085	-
Purchased Professional - Educational Services	30,513	5,469	-	-	-	-	-
Purchased Professional & Technical Services	-	-	-	33,029	-	-	-
Tuition	-	-	-	247,344	-	-	-
Supplies	68,687	-	-	-	492	26,805	-
<b>Total Instruction</b>	<b>691,054</b>	<b>83,363</b>	<b>1,280</b>	<b>295,301</b>	<b>4,050</b>	<b>111,608</b>	<b>-</b>
<b>Support Services:</b>							
Salaries of Teachers	-	-	-	-	-	-	-
Salaries of Other Professional Staff	48,571	-	-	51,513	240	-	-
Personal Services-Employee Benefits	123,748	19,427	98	13,389	290	58,079	-
Purchased Professional - Educational Services	-	-	-	-	-	36,000	-
Purchased Professional & Technical Services	-	-	-	-	5,037	-	44,470
Supplies	3,506	-	-	-	-	-	3,488
Travel	-	-	-	-	-	117	-
<b>Total Support Services</b>	<b>175,825</b>	<b>19,427</b>	<b>98</b>	<b>64,902</b>	<b>5,567</b>	<b>94,196</b>	<b>47,958</b>
<b>Facilities Acquisition &amp; Construction Services:</b>							
Non-Instructional Equipment	-	-	-	-	-	277,408	-
<b>Total Facilities Acquisition &amp; Construction Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,408</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 866,879</b>	<b>\$ 102,790</b>	<b>\$ 1,378</b>	<b>\$ 360,203</b>	<b>\$ 9,617</b>	<b>\$ 483,212</b>	<b>\$ 47,958</b>

PAULSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	NONPUBLIC									
	SUPPLEMENTAL	HOME	EXAM	NONPUBLIC COMPENSATORY						
	INSTRUCTION	INSTRUCTION	CLASSIFICATION	SPEECH	EDUCATION	TEXTBOOK	TRANSPORT	TECHNOLOGY	NURSING	
Revenues:										
State Sources	\$ 2,250	\$ 8,316	\$ 2,854	\$ 10,402	\$ 10,868	\$ 34,263	\$ 5,097	\$ 4,108	\$ 2,340	\$ 8,100
Total Revenues	\$ 2,250	\$ 8,316	\$ 2,854	\$ 10,402	\$ 10,868	\$ 34,263	\$ 5,097	\$ 4,108	\$ 2,340	\$ 8,100
Expenditures:										
Instruction:										
Purchased Professional -										
Educational Services	\$ -	\$ 8,316	\$ 2,854	\$ 10,402	\$ 10,868	\$ 34,263	\$ -	\$ 4,108	\$ -	\$ 8,100
Supplies	-	-	-	-	-	-	5,097	-	2,340	-
Total Instruction	-	8,316	2,854	10,402	10,868	34,263	5,097	4,108	2,340	8,100
Support Services:										
Supplies	2,250	-	-	-	-	-	-	-	-	-
Total Support Services	2,250	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,250	\$ 8,316	\$ 2,854	\$ 10,402	\$ 10,868	\$ 34,263	\$ 5,097	\$ 4,108	\$ 2,340	\$ 8,100

**PAULSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	PRESCHOOL EDUCATION PROGRAM AID	CENTENNIAL COMMITTEE	AEP COUNTY GRANT	TEACHER OF THE YEAR	EARN TO LEARN	TOTAL
<b>Revenues:</b>						
State Sources	\$ 179,168	\$ -	\$ -	\$ -	\$ -	\$ 267,766
Federal Sources	-	-	-	-	-	1,743,964
Local Sources	313,253	4,687	21,713	96	17,288	485,110
<b>Total Revenues</b>	<b>\$ 492,421</b>	<b>\$ 4,687</b>	<b>\$ 21,713</b>	<b>\$ 96</b>	<b>\$ 17,288</b>	<b>\$ 2,496,840</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 252,560	\$ -	\$ 16,928	\$ -	\$ 10,240	\$ 840,634
Other Salaries for Instruction	51,828	-	-	-	-	265,239
Purchased Professional - Educational Services	-	-	-	-	-	114,893
Purchased Professional & Technical Services	-	-	-	-	-	33,029
Tuition	-	-	-	-	-	247,344
Supplies	3,750	-	-	96	648	107,915
Miscellaneous	-	-	-	-	1,940	1,940
<b>Total Instruction</b>	<b>308,138</b>	<b>-</b>	<b>16,928</b>	<b>96</b>	<b>12,828</b>	<b>1,610,994</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	21,916	-	-	-	190	122,430
Salaries of Teachers	18,391	-	4,785	-	-	23,176
Personal Services - Employee Benefits	143,976	-	-	-	798	359,805
Purchased Professional - Educational Services	-	-	-	-	-	36,000
Purchased Professional & Technical Services	-	-	-	-	-	49,507
Other Purchased Services	-	3,015	-	-	-	3,015
Contracted Services (Other Than Between Home and School) - Vendors	-	-	-	-	3,465	3,465
Travel	-	-	-	-	7	124
Supplies	-	1,672	-	-	-	10,916
<b>Total Support Services</b>	<b>184,283</b>	<b>4,687</b>	<b>4,785</b>	<b>-</b>	<b>4,460</b>	<b>608,438</b>
<b>Facilities Acquisition &amp; Construction Services:</b>						
Non-Instructional Equipment	-	-	-	-	-	277,408
<b>Total Facilities Acquisition &amp; Construction Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,408</b>
<b>Total Expenditures</b>	<b>\$ 492,421</b>	<b>\$ 4,687</b>	<b>\$ 21,713</b>	<b>\$ 96</b>	<b>\$ 17,288</b>	<b>\$ 2,496,840</b>

**PAULSBORO SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 252,561	\$ 252,560	\$ 1
Other Salaries for Instruction	51,829	51,828	1
Supplies	3,750	3,750	-
Total Instruction	<u>308,140</u>	<u>308,138</u>	<u>2</u>
Support Services:			
Salaries of Teachers	40,309	40,307	2
Personal Services - Employee Benefits	143,977	143,976	1
Total Support Services	<u>184,286</u>	<u>184,283</u>	<u>3</u>
Total Expenditures	<u>\$ 492,426</u>	<u>\$ 492,421</u>	<u>\$ 5</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2015-2016 Preschool Education Aid Allocation	\$ 179,170
Add: Local Contribution - General Fund	313,253
Add: Actual Preschool Education Aid Carryover (June 30, 2015)	<u>4</u>
Total Preschool Education Aid Funds Available for 2015-2016 Budget	492,427
Less: 2015-2016 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(492,426)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	1
Add: June 30, 2016 Unexpended Preschool Education Aid Funds	<u>5</u>
2015-2016 Actual Carryover - Preschool Education Aid Funds	<u>\$ 6</u>
2015-2016 Preschool Education Aid Funds Carryover Budgeted in 2016-2017	<u>\$ -</u>



F. Capital Projects Fund

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**PAULSBORO SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

APPROVAL DATE	PROJECT TITLE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED APPROPRIATIONS 6/30/2016
			PRIOR YEAR	CURRENT YEAR	
2010	Renovation of High School Gym	\$ 341,927	\$ 316,993	\$ -	\$ 24,934
2011	Paulsboro High School HVAC Replacement	314,643	307,615	-	7,028
2015	Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing	2,498,969	117,947	1,459,215	921,807
2015	Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing	729,479	12,305	177,271	539,903
2015	Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing	3,771,750	18,301	246,772	3,506,677
2015	Paulsboro High School Track Improvements	798,272	5,705	39,243	753,324
2015	Loudenslager Elementary School Basketball Courts	325,000	6,776	7,143	311,081
Total		<u>\$ 8,780,040</u>	<u>\$ 785,642</u>	<u>\$ 1,929,644</u>	<u>\$ 6,064,754</u>
Less: Unearned SDA Revenue					<u>(3,542,693)</u>
Fund Balance (Exh. B-1)					<u>\$ 2,522,061</u>

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources:	
Bond Proceeds	\$ -
State Sources - SDA Grant	-
	<hr/>
Total Revenues	-
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional Services	446,229
Construction Services	1,482,873
Miscellaneous	542
	<hr/>
Total Expenditures	1,929,644
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,929,644)
Fund Balance - Beginning	7,994,398
	<hr/>
Fund Balance - Ending	<u><u>\$ 6,064,754</u></u>

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS TO HIGH SCHOOL GYMNASIUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 243,428	\$ -	\$ 243,428	\$ 243,428
Transfers	98,499	-	98,499	98,499
<b>Total Revenues</b>	<b>341,927</b>	<b>-</b>	<b>341,927</b>	<b>341,927</b>
Expenditures & Other Financing Uses:				
Construction Services	316,993	-	316,993	341,927
<b>Total Expenditures</b>	<b>316,993</b>	<b>-</b>	<b>316,993</b>	<b>341,927</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 24,934</u>	<u>\$ -</u>	<u>\$ 24,934</u>	<u>\$ -</u>

**ADDITIONAL PROJECT INFORMATION**

Project Number	4020-050-09-1001
Grant Date	6/30/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 420,000
Additional Authorized Cost	\$ (78,073)
Revised Authorized Cost	\$ 341,927
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	92.71%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2012

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
PAULSBORO HIGH SCHOOL HVAC  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 229,643		\$ 229,643	\$ 229,643
Transfers	85,000	-	85,000	85,000
<b>Total Revenues</b>	<b>314,643</b>	<b>-</b>	<b>314,643</b>	<b>314,643</b>
Expenditures & Other Financing Uses:				
Construction Services	307,615	-	307,615	314,643
<b>Total Expenditures</b>	<b>307,615</b>	<b>-</b>	<b>307,615</b>	<b>314,643</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 7,028	\$ -	\$ 7,028	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	4020-050-10-1001
Grant Date	6/30/2012
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 385,000
Additional Authorized Cost	\$ (70,357)
Revised Authorized Cost	\$ 314,643
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	97.77%
Original Target Completion Date	12/31/2012
Revised Target Completion Date	-

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LOUDENSLAGER ELEMENTARY SCHOOL - UNBUNDLED PROJECT, EXTERIOR CLOSURE, PLUMBING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 717,087	\$ -	\$ 717,087	\$ 717,087
State Sources - SDA Grant	1,781,882	-	1,781,882	1,781,882
<b>Total Revenues</b>	<b>2,498,969</b>	<b>-</b>	<b>2,498,969</b>	<b>2,498,969</b>
Expenditures & Other Financing Uses:				
Purchased Professional Services	117,947	97,958	215,905	226,830
Construction Services	-	1,360,767	1,360,767	2,267,307
Miscellaneous	-	490	490	4,832
<b>Total Expenditures</b>	<b>117,947</b>	<b>1,459,215</b>	<b>1,577,162</b>	<b>2,498,969</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 2,381,022	\$ (1,459,215)	\$ 921,807	\$ -

**ADDITIONAL PROJECT INFORMATION**

DOE Project #	4020-070-14-G3GQ
SDA Project #	4020-070-14-1004
Grant Date	6/2/2015
Bond Authorization Date	4/1/2015
Bonds Authorized	\$ 3,132,000
Bonds Issued	\$ 3,132,000
Original Authorized Cost	\$ 2,498,969
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,498,969
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	63.11%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	-

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BILLINGSPOORT ELEMENTARY SCHOOL - UNBUNDLED PROJECT, EXTERIOR CLOSURE, PLUMBING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 209,326	\$ -	\$ 209,326	\$ 209,326
State Sources - SDA Grant	520,153	-	520,153	520,153
<b>Total Revenues</b>	<b>729,479</b>	<b>-</b>	<b>729,479</b>	<b>729,479</b>
Expenditures & Other Financing Uses:				
Purchased Professional Services	12,305	76,003	88,308	88,308
Construction Services	-	101,257	101,257	639,829
Miscellaneous	-	11	11	1,342
<b>Total Expenditures</b>	<b>12,305</b>	<b>177,271</b>	<b>189,576</b>	<b>729,479</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 717,174	\$ (177,271)	\$ 539,903	\$ -

**ADDITIONAL PROJECT INFORMATION**

DOE Project #	4020-060-14-1002
SDA Project #	4020-060-14-G3GP
Grant Date	6/2/2015
Bond Authorization Date	4/1/2015
Bonds Authorized	\$ 3,132,000
Bonds Issued	\$ 3,132,000
Original Authorized Cost	\$ 729,479
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 729,479
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	25.99%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	-



**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
PAULSBORO HIGH SCHOOL - UNBUNDLED PROJECT, EXTERIOR CLOSURE, PLUMBING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 1,082,315	\$ -	\$ 1,082,315	\$ 1,082,315
State Sources - SDA Grant	2,689,435	-	2,689,435	2,689,435
<b>Total Revenues</b>	<b>3,771,750</b>	<b>-</b>	<b>3,771,750</b>	<b>3,771,750</b>
Expenditures & Other Financing Uses:				
Purchased Professional Services	18,301	225,882	244,183	244,183
Construction Services	-	20,849	20,849	3,520,320
Miscellaneous	-	41	41	7,247
<b>Total Expenditures</b>	<b>18,301</b>	<b>246,772</b>	<b>265,073</b>	<b>3,771,750</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 3,753,449	\$ (246,772)	\$ 3,506,677	\$ -

**ADDITIONAL PROJECT INFORMATION**

DOE Project #	4020-050-14-1001
SDA Project #	4020-050-14-G3GO
Grant Date	6/2/2015
Bond Authorization Date	4/1/2015
Bonds Authorized	\$ 3,132,000
Bonds Issued	\$ 3,132,000
Original Authorized Cost	\$ 3,771,750
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,771,750
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	7.03%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	-

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
RESURFACING EXISTING TENNIS COURTS, RUNNING TRACK, JUMP AREAS, FENCING AND NETTING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 798,272	\$ -	\$ 798,272	\$ 798,272
Total Revenues	798,272	-	798,272	798,272
Expenditures & Other Financing Uses:				
Purchased Professional Services	5,705	39,243	44,948	63,900
Construction Services	-	-	-	734,372
Total Expenditures	5,705	39,243	44,948	798,272
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 792,567	\$ (39,243)	\$ 753,324	\$ -

**ADDITIONAL PROJECT INFORMATION**

DOE Project #	4020-050-15-1000
SDA Project #	N/A
Grant Date	6/2/2015
Bond Authorization Date	4/1/2015
Bonds Authorized	\$ 3,132,000
Bonds Issued	\$ 3,132,000
Original Authorized Cost	\$ 798,750
Additional Authorized Cost	\$ (478)
Revised Authorized Cost	\$ 798,272
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	5.63%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	-

**PAULSBORO SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
REPAIR AND RESURFACE THE BASKETBALL COURTS, NETS, FENCING, REGARDING, DRAINAGE  
DUGOUTS AND GRASSES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 325,000	\$ -	\$ 325,000	\$ 325,000
Total Revenues	325,000	-	325,000	325,000
Expenditures & Other Financing Uses:				
Purchased Professional Services	6,776	7,143	13,919	26,000
Construction Services	-	-	-	299,000
Total Expenditures	6,776	7,143	13,919	325,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 318,224	\$ (7,143)	\$ 311,081	\$ -

**ADDITIONAL PROJECT INFORMATION**

DOE Project #	4020-070-15-1000
SDA Project #	N/A
Grant Date	6/2/2015
Bond Authorization Date	4/1/2015
Bonds Authorized	\$ 3,132,000
Bonds Issued	\$ 3,132,000
Original Authorized Cost	\$ 325,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 325,000
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	4.28%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	-

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G. Proprietary Funds

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## Enterprise Funds

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**PAULSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u> FOOD SERVICE
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 499
Accounts Receivable:	
State	1,431
Federal	119,791
Interfund Accounts Receivable	306
Inventories	14,834
	136,861
Total Current Assets	136,861
Noncurrent assets:	
Furniture, Machinery & Equipment	102,082
Less: Accumulated Depreciation	(92,261)
	9,821
Total Noncurrent Assets	9,821
Total Assets	146,682
 <b>LIABILITIES</b>	
Accounts Payable	1,937
Interfund Payable	9,000
Unearned Revenue	6,104
Long-Term Liabilities:	
Compensated Absences Payable	13,988
	31,029
Total Liabilities	31,029
 <b>NET POSITION</b>	
Net Investment in Capital Assets	9,821
Unrestricted	105,832
	115,653
Total Net Position	\$ 115,653

**PAULSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,328
Daily Sales - Nonreimbursable Programs	26,522
	29,850
Operating Expenses:	
Cost of Sales	408,131
Salaries	203,488
Employee Benefits	72,435
Supplies & Materials	19,314
Management Fee	38,871
Other Miscellaneous	13,660
Depreciation	813
	756,712
Operating Income/(loss)	(726,862)
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	8,165
Federal Sources:	
National School Lunch Program	457,338
National Summer Lunch Program	16,005
School Breakfast Program	222,113
After School Snacks	5,169
Food Distribution Program	50,152
	758,942
Total Nonoperating Revenues/(Expenses)	758,942
Change in Net Position	32,080
Total Net Position - Beginning	83,573
Total Net Position - Ending	\$ 115,653

**PAULSBORO SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2016**

	<b>BUSINESS-TYPE ACTIVITIES - FOOD SERVICE</b>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 30,652
Payments to Employees	(274,460)
Payments to Suppliers	(428,224)
	<u>(672,032)</u>
Net Cash Provided/(Used) by Operating Activities	
Cash Flows From Noncapital Financing Activities:	
Cash Received from Federal & State Reimbursements	649,480
	<u>649,480</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	
Cash Flows From Investing Activities:	
Purchase of Equipment	(5,400)
	<u>(5,400)</u>
Net Cash Provided/(Used) by Investing Activities	
Net Increase/(Decrease) in Cash & Cash Equivalents	(27,952)
Balances - Beginning of Year	28,451
	<u>28,451</u>
Balances - End of Year	\$ 499
	<u>499</u>

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

Operating Income/(Loss)	\$ (726,862)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	813
Food Distribution Program	50,152
Changes in Assets & Liabilities:	
(Increase)/Decrease in Inventory	(4,738)
Increase/(Decrease) in Accounts Payable	(7,964)
Increase/(Decrease) in Interfund Payable	9,000
Increase/(Decrease) in Unearned Revenue	6,104
Increase/(Decrease) in Compensated Absences Payable	1,463
	<u>1,463</u>
Total Adjustments	54,830
	<u>54,830</u>
Net Cash Provided/(Used) by Operating Activities	\$ (672,032)
	<u>(672,032)</u>

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**PAULSBORO SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

ASSETS	PRIVATE	AGENCY		TOTAL
	PURPOSE SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 137,350	\$ 77,301	\$ 187,514	\$ 402,165
Interfund Receivable	250	-	-	250
Total Assets	137,600	77,301	187,514	402,415
LIABILITIES				
Payroll Deductions & Withholdings	-	-	178,968	178,968
Due to Student Groups	-	70,923	-	70,923
Interfund Payable	-	6,378	8,546	14,924
Total Liabilities	-	77,301	187,514	264,815
NET POSITION				
Reserved for Scholarships	137,600	-	-	137,600
Total Net Position	\$ 137,600	\$ -	\$ -	\$ 137,600

**PAULSBORO SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>
<b>ADDITIONS</b>	
Contributions:	
Other	\$ 50,142
Total Contributions	<u>50,142</u>
Investment Earnings:	
Interest	<u>283</u>
Net Investment Earnings	<u>283</u>
Total Additions	<u>50,425</u>
<b>DEDUCTIONS</b>	
Scholarship Payments	<u>60,903</u>
Total Deductions	<u>60,903</u>
Change in Net Position	(10,478)
Net Position - Beginning of the Year	<u>148,078</u>
Net Position - End of the Year	<u><u>\$ 137,600</u></u>

**PAULSBORO SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Elementary Schools:				
Billingsport	\$ 7,754	\$ 965	\$ 608	\$ 8,111
Loudenslager	2,113	1,186	489	2,810
Total Elementary Schools	9,867	2,151	1,097	10,921
High School:				
General	57,658	75,941	73,041	60,558
Athletics	6,524	69,340	70,042	5,822
Total High School	64,182	145,281	143,083	66,380
Total Student Activity	\$ 74,049	\$ 147,432	\$ 144,180	\$ 77,301

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

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 168,594	\$ 16,091,700	\$ 16,072,780	\$ 187,514
Total Assets	\$ 168,594	\$ 16,091,700	\$ 16,072,780	\$ 187,514
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 159,898	\$ 8,858,063	\$ 8,838,993	\$ 178,968
Employees Net Payroll	-	7,233,637	7,233,637	-
Interfund Payable	8,696	-	150	8,546
Total Liabilities	\$ 168,594	\$ 16,091,700	\$ 16,072,780	\$ 187,514

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## I. Long-Term Debt

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**PAULSBORO SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
School Bus Lease Purchase	10/9/2015	\$ 106,098	10/9/2016	\$ 21,628	2.34%	\$ -	\$ 106,098	\$ 16,500	\$ 89,598
			10/9/2017	22,135	2.34%				
			10/9/2018	22,652	2.34%				
			10/9/2019	23,183	2.34%				
							\$ 106,098	\$ 16,500	\$ 89,598



**PAULSBORO SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	40-1210	\$ 196,165	\$ -	\$ 196,165	\$ 196,165	\$ -
Miscellaneous		-	-	-	5,588	5,588
Total Revenues		196,165	-	196,165	201,753	5,588
Expenditures:						
Regular Debt Service:						
Interest	40-701-510-834	86,165	-	86,165	86,165	-
Principal	40-701-510-910	110,000	-	110,000	110,000	-
Total Expenditures		196,165	-	196,165	196,165	-
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		-	-	-	5,588	5,588
Fund Balance, July 1		1,735	-	1,735	1,735	-
Fund Balance, June 30		\$ 1,735	\$ -	\$ 1,735	\$ 7,323	\$ 5,588

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STATISTICAL SECTION (Unaudited)

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### **Financial Trends Information**

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

Note that the Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 4,333,068	\$ 2,302,241	\$ 5,290,964	\$ 5,253,341	\$ 5,695,960	\$ 5,522,026	\$ 5,233,039	\$ 5,255,074	\$ 5,449,923	\$ 5,140,860
Restricted	2,777,753	3,213,715	639,243	195,093	89,965	32,235	2,329,313	1,409,742	1,557,504	3,877,201
Unrestricted	(4,795,265)	(4,852,931)	(18,864)	246,981	634,785	815,668	(1,698,969)	(1,629,233)	(1,079,068)	(985,433)
<b>Total Governmental Activities</b>	<b>\$ 2,315,556</b>	<b>\$ 663,025</b>	<b>\$ 5,911,343</b>	<b>\$ 5,695,415</b>	<b>\$ 6,420,710</b>	<b>\$ 6,369,929</b>	<b>\$ 5,863,383</b>	<b>\$ 5,035,583</b>	<b>\$ 5,928,359</b>	<b>\$ 8,032,628</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 9,821	\$ 5,234	\$ 7,464	\$ 15,955	\$ 17,515	\$ 25,441	\$ 33,936	\$ 9,624	\$ 12,933	\$ 14,216
Unrestricted	105,832	78,339	(2,390)	96,785	96,583	143,129	72,562	(89,968)	(239,028)	(121,206)
<b>Total Business-Type Activities</b>	<b>\$ 115,653</b>	<b>\$ 83,573</b>	<b>\$ 5,074</b>	<b>\$ 112,740</b>	<b>\$ 114,098</b>	<b>\$ 168,570</b>	<b>\$ 106,498</b>	<b>\$ (80,344)</b>	<b>\$ (226,095)</b>	<b>\$ (106,990)</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 4,342,889	\$ 2,307,475	\$ 5,298,428	\$ 5,269,296	\$ 5,713,475	\$ 5,547,467	\$ 5,266,975	\$ 5,264,698	\$ 5,462,856	\$ 5,155,076
Restricted	2,777,753	3,213,715	201,955	195,093	89,965	32,235	2,329,313	1,409,742	1,557,504	3,877,201
Unrestricted	(4,689,433)	(4,774,592)	416,034	343,766	731,368	958,797	(1,626,407)	(1,719,201)	(1,318,096)	(1,106,639)
<b>Total District Net Position</b>	<b>\$ 2,431,209</b>	<b>\$ 746,598</b>	<b>\$ 5,916,417</b>	<b>\$ 5,808,155</b>	<b>\$ 6,534,808</b>	<b>\$ 6,538,499</b>	<b>\$ 5,969,881</b>	<b>\$ 4,955,239</b>	<b>\$ 5,702,264</b>	<b>\$ 7,925,638</b>

PAULSBORO SCHOOL DISTRICT  
 CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
 LAST NINE FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,058,930	\$ 5,864,909	\$ 5,348,121	\$ 5,034,386	\$ 5,205,071	\$ 4,763,317	\$ 5,268,425	\$ 7,217,984	\$ 6,718,833	\$ 6,942,947
Special Education	3,159,325	3,049,687	3,143,366	2,868,367	3,063,340	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817
Other Special Instruction	7,522	83,466	579,314	574,828	583,035	575,042	243,456	249,942	352,029	240,703
Other Instruction	541,434	531,998	485,817	480,130	454,721	457,148	478,573	424,739	436,374	499,599
Support Services & Undistributed Costs:										
Instruction	1,843,059	1,525,656	1,669,618	1,834,598	1,727,154	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116
Attendance & Social Work Services	72,648	69,198	71,426	67,723						
Health Services	208,939	200,158	192,288	173,335	7,486,822	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383
Other Support Services	994,546	1,070,026	1,034,322	1,130,267	888,305	901,402	867,692	932,919	1,036,648	1,003,093
Improvement of Instructional Services	246,562	314,271	384,487	252,906						
Educational Media Services	345,339	299,784	349,939	368,466	721,692	722,951	662,666	694,277	790,737	767,210
Instructional Staff Training Services	30,339	25,524	32,050	36,780	1,506,238	1,443,238	1,467,734	1,570,277	1,755,357	1,658,804
General Administration	451,708	437,673	380,548	402,263	568,229	514,984	541,498	524,958	653,828	589,733
School Administration	925,178	912,215	868,322	864,657	16,382	-	-	-	-	-
Central Services	247,573	236,181	232,388	239,882						
Administrative Information Technology	73,473	102,135	105,689	96,763	31,854	42,310	52,798	62,871	72,177	80,050
Plant Operations & Maintenance	1,609,360	1,545,376	1,447,747	1,519,474	430,263	410,167	395,963	694,070	350,000	562,085
Pupil Transportation	678,201	743,131	602,489	557,207						
Transfer to Charter Schools	-	-	-	18,365						
Unallocated Benefits	8,068,790	8,058,016	5,590,178	6,089,312						
Interest on Long-Term Debt	99,550	27,734	18,580	21,399						
Unallocated Adjustment to										
Compensated Absences	31,242	29,261	(86,990)	16,334						
Unallocated Depreciation	518,476	362,438	342,411	974,617						
Adjustment to Capital Assets	27	(28,640)	92,282	(6,383)						
Total Governmental Activities Expenses	26,212,221	25,460,197	22,884,392	23,615,676	22,683,106	21,520,636	22,141,966	22,366,981	22,345,698	21,593,540
Business-Type Activities:										
Food Service	756,712	714,814	754,692	678,722	653,091	626,024	609,213	685,131	805,196	767,184
Total Business-Type Activities Expense	756,712	714,814	754,692	678,722	653,091	626,024	609,213	685,131	805,196	767,184
Total District Expenses	\$ 26,968,933	\$ 26,175,011	\$ 23,639,084	\$ 24,294,398	\$ 23,336,197	\$ 22,146,660	\$ 22,751,179	\$ 23,052,112	\$ 23,150,894	\$ 22,360,724
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 6,667,295	\$ 5,835,066	\$ 3,490,926	\$ 3,637,019	\$ 1,817,188	\$ 1,958,327	\$ 2,528,338	\$ 2,452,753	\$ 3,923,997	\$ 3,749,370
Total Governmental Activities Program Revenues	6,667,295	5,835,066	3,490,926	3,637,019	1,817,188	1,958,327	2,528,338	2,452,753	3,923,997	3,749,370



**PAULSBORO SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST NINE FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities:										
Charges for Services:										
Food Service	29,850	24,624	62,328	71,973	71,266	83,878	86,321	115,495	123,064	138,633
Operating Grants & Contributions	758,942	768,689	584,698	535,391	527,353	454,218	507,734	513,387	482,966	473,629
Total Business Type Activities	788,792	793,313	647,026	607,364	598,619	538,096	594,055	628,882	606,030	612,262
Program Revenues										
Total District Program Revenues	\$ 7,456,087	\$ 6,628,379	\$ 4,137,952	\$ 4,244,383	\$ 2,415,807	\$ 2,496,423	\$ 3,122,393	\$ 3,081,635	\$ 4,530,027	\$ 4,361,632
Net (Expense)/Revenue:										
Governmental Activities	\$ (19,544,926)	\$ (19,625,131)	\$ (19,393,466)	\$ (19,978,657)	\$ (20,865,918)	\$ (19,562,309)	\$ (19,613,628)	\$ (19,914,228)	\$ (18,421,701)	\$ (17,844,170)
Business-Type Activities	32,080	78,499	(107,666)	(71,358)	(54,472)	(87,928)	(15,158)	(56,249)	(199,166)	(154,922)
Total Government-Wide Net Expense	\$ (19,512,846)	\$ (19,546,632)	\$ (19,501,132)	\$ (20,050,015)	\$ (20,920,390)	\$ (19,650,237)	\$ (19,628,786)	\$ (19,970,477)	\$ (18,620,867)	\$ (17,999,092)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,593,986	\$ 5,484,300	\$ 5,376,765	\$ 5,135,064	\$ 4,801,099	\$ 4,706,960	\$ 4,858,863	\$ 4,671,984	\$ 4,492,292	\$ 4,491,320
Taxes Levied for Debt Service	196,165	118,292	143,066	150,644	155,803	160,965	138,099	140,089	145,608	146,580
Unrestricted Grants & Contributions	13,561,677	12,313,914	12,059,005	12,165,061	14,186,496	13,524,139	14,342,786	13,062,177	10,338,984	9,586,254
Tuition	1,562,693	1,496,167	1,566,297	1,613,147	1,762,911	1,710,901	1,330,571	1,237,204	1,240,012	1,035,186
Miscellaneous Income	282,936	500,805	371,979	259,446	103,918	126,291	39,548	54,455	217,839	400,011
Transfers	-	-	-	(70,000)	-	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)
Unallocated Adjustment to Compensated Absences	-	-	-	-	58,287	(10,401)	(66,439)	57,543	(27,066)	(135,652)
Loss on Revaluation of Assets	-	-	-	-	-	-	-	-	-	(100,600)
Cancellation of Account Receivable	-	-	-	-	(151,815)	-	-	-	-	-
Insurance Recovery Related to Impaired Capital Asset	-	-	92,282	-	-	-	-	-	-	-
Total Governmental Activities	21,197,457	19,913,478	19,609,394	19,253,362	20,916,699	20,068,855	20,441,428	19,021,452	16,317,432	15,413,099
Business-Type Activities:										
Transfers	-	-	-	70,000	-	150,000	202,000	202,000	80,061	10,000
Total Business-Type Activities	-	-	-	70,000	-	150,000	202,000	202,000	80,061	10,000
Total Government-Wide	\$ 21,197,457	\$ 19,913,478	\$ 19,609,394	\$ 19,323,362	\$ 20,916,699	\$ 20,218,855	\$ 20,643,428	\$ 19,223,452	\$ 16,397,493	\$ 15,423,099
Change in Net Position:										
Governmental Activities	\$ 1,652,531	\$ 288,347	\$ 215,928	\$ (725,295)	\$ 50,781	\$ 506,546	\$ 827,800	\$ (892,776)	\$ (2,104,269)	\$ (2,431,071)
Business-Type Activities	32,080	78,499	(107,666)	(1,358)	(54,472)	62,072	186,842	145,751	(119,105)	(144,922)
Total District	\$ 1,684,611	\$ 366,846	\$ 108,262	\$ (726,653)	\$ (3,691)	\$ 568,618	\$ 1,014,642	\$ (747,025)	\$ (2,223,374)	\$ (2,575,993)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Restricted	\$ 272,979	\$ 121,823	\$ 176,509	\$ 173,066	\$ 100,000	\$ 45,754	\$ 2,346,318	\$ 1,430,301	\$ 1,581,473	\$ 3,903,929
Assigned/Committed	1,752,539	1,649,640	1,335,222	1,239,083	1,590,172	1,463,127	-	-	-	-
Unassigned	-	-	-	15,181	-	-	(1,033,970)	(672,017)	(4,957)	2,260
<b>Total General Fund</b>	<b>\$ 2,025,518</b>	<b>\$ 1,771,463</b>	<b>\$ 1,511,731</b>	<b>\$ 1,427,330</b>	<b>\$ 1,690,172</b>	<b>\$ 1,508,881</b>	<b>\$ 1,312,348</b>	<b>\$ 758,284</b>	<b>\$ 1,576,516</b>	<b>\$ 3,906,189</b>
<b>All Other Governmental Funds:</b>										
Committed	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 206,205	\$ -	\$ -	\$ -	\$ -
Restricted, Reported in:										
Special Revenue Fund	(17,917)	(17,917)	(11,685)	(15,180)	(8,195)	-	-	-	(59,352)	-
Capital Projects Fund	2,522,061	3,108,853	28,577	28,577	28,575	180,392	358,656	-	-	-
Debt Service Fund	7,323	1,735	2	2	-	3	2	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 2,511,467</b>	<b>\$ 3,092,671</b>	<b>\$ 16,894</b>	<b>\$ 13,399</b>	<b>\$ 20,382</b>	<b>\$ 386,600</b>	<b>\$ 358,658</b>	<b>\$ -</b>	<b>\$ (59,352)</b>	<b>\$ -</b>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 5,790,151	\$ 5,602,592	\$ 5,519,831	\$ 5,285,708	\$ 4,956,902	\$ 4,867,925	\$ 4,996,962	\$ 4,812,073	\$ 4,637,900	\$ 4,637,900
Tuition Charges	1,562,693	1,496,167	1,566,297	1,613,147	1,762,911	1,710,901	1,330,571	1,237,204	1,240,012	1,035,186
Transportation Fees				3,330						
Miscellaneous	768,046	501,712	371,979	256,116	349,509	141,419	64,764	291,839	453,537	441,837
State Sources	15,987,493	14,544,749	14,215,136	14,357,076	13,873,198	13,757,771	12,607,611	13,438,865	12,315,098	11,347,947
Federal Sources	1,829,312	1,378,426	1,334,795	1,445,004	1,884,895	1,709,567	4,238,297	1,838,681	1,712,185	1,945,851
<b>Total Revenue</b>	<b>25,937,695</b>	<b>23,523,646</b>	<b>23,008,038</b>	<b>22,960,381</b>	<b>22,827,415</b>	<b>22,187,583</b>	<b>23,238,205</b>	<b>21,618,662</b>	<b>20,358,732</b>	<b>19,408,721</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	6,058,930	5,864,909	5,348,121	5,034,386	5,205,071	4,763,317	5,268,425	7,217,984	6,718,833	6,942,947
Special Education Instruction	3,159,325	3,049,687	3,143,366	2,868,367	3,063,340	3,111,445	3,627,921	1,457,620	1,494,270	1,295,817
Other Special Instruction	7,522	83,466	579,314	574,828	583,035	575,042	243,456	249,942	352,029	240,703
Other Instruction	541,434	531,998	485,817	480,130	454,721	457,148	478,573	424,739	436,374	499,599
<b>Support Services:</b>										
Instruction	1,843,059	1,525,656	1,669,618	1,834,598	1,727,154	1,664,571	1,427,257	1,732,517	2,036,724	1,646,116
Attendance & Social Work Services	72,648	69,198	71,426	67,723	7,486,822	6,914,061	7,107,983	6,804,807	6,648,721	6,307,383
Health Services	208,939	200,158	192,288	173,335	888,305	901,402	867,692	932,919	1,036,648	1,003,093
Other Support Services	994,546	1,070,026	1,034,322	1,130,267						
Improvement of Instructional Services	246,562	314,271	384,487	252,906	721,692	722,951	662,666	694,277	790,737	767,210
Educational Media Services	345,339	299,784	349,939	368,466	1,523,894	1,437,167	1,467,734	1,564,256	1,755,357	1,658,804
Instructional Staff Training Services	30,339	25,524	32,050	36,780	568,229	514,984	541,498	524,958	653,828	589,733
General Administration	451,708	437,673	380,548	402,263						
School Administration	925,178	912,215	868,322	864,657						
Central Services	247,573	236,181	232,388	239,882						
Administrative Information Technology	73,473	102,135	105,689	96,763						
Plant Operations & Maintenance	1,609,360	1,545,376	1,447,747	1,514,629						
Pupil Transportation	678,201	743,131	602,489	557,207						
Unallocated Benefits	6,127,742	5,819,504	5,590,178	6,089,312						
Capital Outlay	2,552,899	249,545	204,417	250,090	306,171	424,855	88,558	224,872	373,693	133,518
<b>Debt Service:</b>										
Principal	110,000	235,000	275,370	280,370	280,370	280,370	285,370	280,370	285,370	280,370
Interest & Other Charges	86,165	4,700	14,528	24,884	35,339	45,795	56,350	66,281	74,936	82,342
<b>Total Expenditures</b>	<b>26,370,942</b>	<b>23,370,137</b>	<b>23,012,424</b>	<b>23,141,843</b>	<b>22,844,143</b>	<b>21,813,108</b>	<b>22,123,483</b>	<b>22,175,542</b>	<b>22,657,520</b>	<b>21,447,635</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(433,247)</b>	<b>203,509</b>	<b>(4,386)</b>	<b>(181,462)</b>	<b>(16,728)</b>	<b>374,475</b>	<b>1,114,722</b>	<b>(556,880)</b>	<b>(2,298,788)</b>	<b>(2,038,914)</b>
<b>Other Financing Sources/(Uses):</b>										
Transfers to Charter Schools	-	-	-	(18,365)	(16,382)	-	-	-	-	-
Cancellation of Prior Year Receivable	-	-	-	-	(151,815)	-	-	-	-	-
Transfers Out	-	-	-	(70,000)	-	(150,000)	(202,000)	(202,000)	(90,237)	(10,000)
Insurance Recovery Related to Impaired Capital Asset	-	-	92,282	-	-	-	-	-	-	-
Bond Proceeds	-	3,132,000	-	-	-	-	-	-	-	-
Capital Lease Proceeds	106,098	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>106,098</b>	<b>3,132,000</b>	<b>92,282</b>	<b>(88,365)</b>	<b>(168,197)</b>	<b>(150,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(90,237)</b>	<b>(10,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (327,149)</b>	<b>\$ 3,335,509</b>	<b>\$ 87,896</b>	<b>\$ (269,827)</b>	<b>\$ (184,925)</b>	<b>\$ 224,475</b>	<b>\$ 912,722</b>	<b>\$ (758,880)</b>	<b>\$ (2,389,025)</b>	<b>\$ (2,048,914)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.8%</b>	<b>1.0%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.7%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	REFUNDS	STUDENT ACTIVITY FEES	TRANSPORTATION FEES	TUITION	MISCELLANEOUS OTHER	TOTAL
2016	\$ 6,951	\$ 18,764	\$ 27,345	\$ -	\$ 1,562,693	\$ 224,288	\$ 1,840,041
2015	10,753	57,503	32,524	-	1,496,167	46,257	1,643,204
2014	9,441	34,864	15,267	-	1,566,297	31,893	1,657,762
2013	13,538	12,756	28,058	3,330	1,613,147	2,589	1,673,418
2012	30,262	-	-	-	1,710,901	111,157	1,852,320
2011	28,425	-	-	-	1,330,571	36,339	1,395,335
2010	31,981	-	-	-	1,237,204	259,858	1,529,043
2009	141,717	-	-	-	1,240,012	311,820	1,693,549
2008	302,494	-	-	-	1,035,186	139,343	1,477,023
2007	345,398	-	-	-	1,223,301	64,857	1,633,556

Source: District records

### **Revenue Capacity Information**

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

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**PAULSBORO SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2016	\$ 4,921,000	\$ 205,603,800	\$ 14,100	\$ 27,709,800	\$ 113,205,300	\$ 8,404,400	\$ 359,858,400	\$ 1,438,112	\$ 361,296,512	1.576	\$ 372,326,549
2015	3,988,500	205,881,500	19,300	27,467,300	115,355,300	8,404,400	361,116,300	1,465,264	362,581,564	1.571	387,272,513
2014	4,329,400	223,713,100	19,300	30,984,100	127,402,300	8,367,700	394,815,900	1,417,859	396,233,759	1.294	409,133,443
*2013	4,774,900	225,189,900	18,800	31,971,100	128,484,600	8,453,500	398,892,800	1,622,710	400,515,510	1.310	446,122,607
2012	3,183,800	141,684,900	19,000	49,472,600	47,463,800	5,894,500	247,718,600	1,140,017	248,858,617	2.121	450,989,485
2011	3,301,000	141,909,600	19,000	49,918,600	48,309,232	5,894,500	249,351,932	1,063,294	250,415,226	1.963	495,092,817
2010	3,555,500	141,840,200	19,000	35,368,100	50,723,400	6,867,500	238,373,700	1,114,797	239,488,497	2.060	467,139,776
2009	3,630,000	141,247,200	19,000	30,963,100	64,690,355	6,767,500	247,317,155	1,161,376	248,478,531	1.974	452,372,213
2008	2,953,400	141,034,600	19,000	58,006,000	39,098,600	6,867,500	247,979,100	1,323,857	249,302,957	1.895	446,699,489
2007	2,803,100	140,390,700	19,000	58,333,600	61,126,500	6,867,500	269,540,400	1,577,825	271,118,225	1.711	399,552,499

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

Reassessment occurs when ordered by the County Board of Taxation

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

\* Reassessment

Source: Tax Duplicate, Borough of Paulsboro & Abstract of Ratables

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

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	PAULSBORO BOROUGH	LOCAL LIBRARY	GLOUCESTER COUNTY	COUNTY OPEN SPACE		
2016	1.576	1.576	1.354	0.034	0.638	0.042	3.644	
2015	1.571	1.571	1.315	0.035	0.657	0.045	3.623	
2014	1.294	1.294	1.294	0.034	0.594	0.042	3.258	
*2013	1.310	1.310	1.272	0.037	0.628	0.046	3.293	
2012	2.120	2.120	1.970	-	0.920	0.070	5.080	
2011	1.960	1.960	2.035	-	1.016	0.082	5.093	
2010	2.060	2.060	2.010	-	0.980	0.080	5.130	
2009	1.970	1.970	2.240	-	0.570	0.060	4.840	
2008	1.900	1.900	1.860	-	0.920	0.070	4.750	
2007	1.711	1.711	1.522	-	0.753	0.059	4.045	

\* Reassessment

Source: Municipal Tax Collector



**PAULSBORO SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2016		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Axeon Refining, LLC	\$ 38,500,000	1	10.66%
Plains Products Terminal, LLC	38,333,400	2	10.61%
Mobil Oil Corporation	30,612,600	3	8.47%
Paulsboro Gardens & Reilly Mtg Grp	4,500,000	4	1.25%
C/O WAWA Senior Book - Corp Acct	2,007,700	5	0.56%
Sunoco, Inc. C/O KE Andrews & Co.	1,880,100	6	0.52%
Dependable Management, LLC	1,500,000	7	0.42%
J&A Properties of NJ, LLC	1,490,000	8	0.41%
Verizon NJ C/O Duff & Phelps	1,438,112	9	0.40%
AV Paulsboro LLC C/P PD Management	1,409,200	10	0.39%
Total	<u>\$ 121,671,112</u>		<u>33.29%</u>

2007

TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
------------------------------	------	---

NOT AVAILABLE

Source: Municipal Tax Assessor

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

CALENDAR YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 5,790,151	\$ 5,790,151	100.00%	-
2015	5,602,592	5,602,592	100.00%	-
2014	5,519,831	5,519,831	100.00%	-
2013	5,285,708	5,285,708	100.00%	-
2012	4,956,904	4,956,904	100.00%	-
2011	4,867,925	4,867,925	100.00%	-
2010	4,996,968	4,996,968	100.00%	-
2009	4,812,073	4,812,073	100.00%	-
2008	4,637,900	4,637,900	100.00%	-
2007	4,637,900	4,637,900	100.00%	-

Source: Municipal Records.

### **Debt Capacity Information**

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

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**PAULSBORO SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT
	GENERAL OBLIGATION BONDS	LOANS PAYABLE	CAPITAL LEASES	ANTICIPATION NOTES (BANs)		
2016	\$ 3,022,000	\$ -	\$ 89,598	\$ -	\$ -	\$ 3,111,598
2015	3,132,000	-	-	-	-	3,132,000
2014	235,000	-	-	-	-	235,000
2013	480,000	30,370	-	-	-	510,370
2012	790,740	-	-	-	-	790,740
2011	1,071,110	-	-	-	-	1,071,110
2010	1,351,480	-	-	-	-	1,351,480
2009	1,636,850	-	-	-	-	1,636,850
2008	1,917,220	-	-	-	-	1,917,220
2007	2,202,590	-	-	-	-	2,202,590

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

**PAULSBORO SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2016	\$ 3,022,000	\$ -	\$ 3,022,000	0.84%	N/A
2015	3,132,000	-	3,132,000	0.86%	522.96
2014	235,000	-	235,000	0.06%	39.10
2013	480,000	-	480,000	0.12%	79.73
2012	790,740	-	790,740	0.32%	130.81
2011	1,071,110	-	1,071,110	0.43%	176.40
2010	1,351,480	-	1,351,480	0.56%	221.74
2009	1,636,850	-	1,636,850	0.66%	268.82
2008	1,917,220	-	1,917,220	0.77%	314.76
2007	2,202,590	-	2,202,590	0.81%	361.44

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016**

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Paulsboro	\$ 6,725,762	100.00%	\$ 6,725,762
County of Gloucester General Obligation Debt	242,588,532	1.45%	<u>3,527,141</u>
Subtotal, Overlapping Debt			10,252,903
Paulsboro School District Direct Debt			<u>3,022,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 13,274,903</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Paulsboro or Gloucester County Board of Taxation.

PAULSBORO SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 15,453,720	\$ 16,409,873	\$ 17,282,194	\$ 18,083,203	\$ 18,377,158	\$ 18,842,344	\$ 17,695,688	\$ 15,560,458	\$ 13,740,872	\$ 12,349,412
Total Net Debt Applicable to Limit	3,111,598	3,132,000	235,000	480,000	790,740	1,071,110	1,351,480	1,636,850	1,917,220	2,202,590
Legal Debt Margin	\$ 12,342,122	\$ 13,277,873	\$ 17,047,194	\$ 17,603,203	\$ 17,586,418	\$ 17,771,234	\$ 16,344,208	\$ 13,923,608	\$ 11,823,652	\$ 10,146,822

Total Net Debt Applicable to the Limit  
as a Percentage of Debt Limit

	20.13%	19.09%	1.36%	2.65%	4.30%	5.68%	7.64%	10.52%	13.95%	17.84%
--	--------	--------	-------	-------	-------	-------	-------	--------	--------	--------

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 368,598,857
2014	382,647,703
2013	407,782,458
	<u>\$ 1,159,029,018</u>
Average Equalized Valuation of Taxable Property	<u>\$ 386,343,006</u>
Debt Limit (4 % of Average Equalization Value)	\$ 15,453,720
Net Bonded School Debt	<u>3,111,598</u>
Legal Debt Margin	<u>\$ 12,342,122</u>

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

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

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### **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School Districts operate and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**PAULSBORO SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2015	5,989	N/A	N/A	9.80%
2014	6,010	280,084,030	46,603	N/A
2013	6,020	271,047,588	45,011	15.50%
2012	6,045	271,047,588	44,392	23.00%
2011	6,072	266,881,354	43,235	22.50%
2010	6,095	254,269,289	41,512	23.10%
2009	6,089	250,087,408	40,991	15.50%
2008	6,091	249,109,718	41,306	15.50%
2007	6,094	237,982,888	39,110	11.10%
2006	6,066	237,982,888	38,031	12.20%

## Source:

(a) Population information provided by US Bureau of the Census; Population Division

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

EXHIBIT J-15 NOT AVAILABLE

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## **Operating Information**

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

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**PAULSBORO SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST SEVEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010
School Staff Members *	160.0	156.0	161.0	166.0	159.0	144.0	142.0
Technology	3.0	2.0	2.0	2.0	3.0	2.0	3.0
School Administration	16.0	18.0	18.0	16.0	17.0	18.0	18.0
Superintendents Office	3.0	3.6	3.0	3.6	3.0	3.6	3.0
Business Administrators Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations & Maintenance	17.0	17.0	16.0	19.0	19.0	20.0	20.0
Transportation	6.0	4.0	5.0	5.0	6.0	6.0	5.0
Food Services	4.0	4.0	9.0	11.0	12.0	12.0	12.0
<b>Total</b>	<b>211.0</b>	<b>206.6</b>	<b>216.0</b>	<b>224.6</b>	<b>221.0</b>	<b>207.6</b>	<b>205.0</b>

Source: School Districts Human Resource Software SPINFO.

\* Includes Teachers, Aides, Librarians, Child Study Team, Nurse, Speech Therapist

PAULSBORO SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2016	1,123	\$ 26,370,942	\$ 23,483	15.90%	117	12	7	9	1,115	1,066	8.42%	95.64%
2015	1,151	23,320,137	20,261	12.99%	116	12	15	8	1,028	954	0.00%	92.80%
2014	1,158	20,764,310	17,931	4.01%	116	12	15	8	1,028	954	-11.53%	92.80%
2013	1,216	20,964,294	17,240	4.30%	116	12	15	8	1,162	1,072	-3.49%	92.25%
2012	1,234	20,396,880	16,529	12.57%	116	12	15	8	1,204	1,162	-1.55%	96.51%
2011	1,301	19,103,761	14,684	3.73%	119	12	15	7	1,223	1,104	-5.41%	90.27%
2010	1,343	19,011,291	14,156	3.09%	125	11	12	9	1,293	1,174	-3.72%	90.80%
2009	1,399	19,210,618	13,732	9.53%	115	14	13	11	1,343	1,297	-2.61%	96.57%
2008	1,431	17,940,172	12,537	3.56%	119	13	13	11	1,379	1,251	-3.63%	90.72%
2007	1,421	17,202,035	12,106	9.97%	120	13	13	11	1,431	1,309	-0.91%	91.47%

Sources: District records

Note: Enrollment based on annual October district count of prior fiscal year

- a. Operating expenditures equal total expenditures less debt service and capital outlay
- b. Teaching staff includes only full-time equivalents of certificated staff
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)



**PAULSBORO SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary Schools:										
Billingsport (1923):										
Square Feet	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863
Capacity (Students)	390	390	390	390	390	390	390	390	390	390
Enrollment	369	330	333	334	347	358	353	367	367	387
Loudenslager (1926):										
Square Feet	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244
Capacity (Students)	367	367	367	367	367	367	367	367	367	367
Enrollment (a)	282	305	315	315	322	302	327	331	331	349
Jr. High School:										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	149	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High School:										
Paulsboro H. S. (1916):										
Square Feet	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863
Capacity (Students)	717	717	717	717	717	717	717	717	717	717
Enrollment	323	366	510	509	547	574	621	701	701	695
Other Buildings:										
Central Administration (1920):										
Square Feet	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551

Number of Buildings at June 30, 2016:

Elementary = 2

High School = 1

Junior High School = 1

Other = 1

Source: District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

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

**PAULSBORO SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

*	PAULSBORO HIGH SCHOOL	BILLINGSPOINT ELEMENTARY SCHOOL	LOUDENSLAGER ELEMENTARY SCHOOL	TOTAL
2016	\$ 153,631	\$ 41,714	\$ 82,998	\$ 278,343
2015	173,753	41,484	68,345	283,582
2014	145,462	36,712	40,266	222,440
2013	143,733	87,883	61,277	292,893
2012	193,144	50,610	55,626	299,380
2011	163,381	57,730	44,156	265,267
2010	156,620	45,886	42,603	245,109
2009	149,364	86,586	80,489	316,439
2008	173,221	47,078	96,140	316,439
2007	226,377	58,012	65,486	349,875

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

Source: District records

**PAULSBORO SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$ 51,813,952	\$ 2,500
Boiler & Machinery	100,000,000	2,500
General Liability	5,000,000	-
Automobile Liability	5,000,000	-
School Board Legal Liability	5,000,000	5,000
Workers' Compensation Including Supplemental	5,000,000	-
Excess Liability	15,000,000	-
Student Accident Insurance (2)	1,000,000	-
 Surety Bonds (3)		
Treasurer	215,000	N/A
Board Secretary	215,000	N/A

(1) School Alliance Insurance Fund (SAIF).

(2) National Union Fire Insurance Company of Pittsburgh, PA through The Maxsin Group, Pennsauken, NJ.

(3) Selective Insurance Company of America

Source: District records

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Paulsboro School District  
County of Gloucester  
Paulsboro, New Jersey 08066

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Paulsboro School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Paulsboro School District's basic financial statements, and have issued our report thereon dated December 1, 2016.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 1, 2016





EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Paulsboro School District  
County of Gloucester  
Paulsboro, New Jersey 08066

**Report on Compliance for Each Major Federal and State Program**

We have audited Paulsboro School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. Paulsboro School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Paulsboro School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that

could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Paulsboro School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and State Program**

In our opinion, Paulsboro School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 1, 2016

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PAULSBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	FEDERAL OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
<b>Enterprise Fund:</b>												
Child Nutrition Cluster:												
National School Lunch Program	10.555	1616INJ304N1099	N/A	7/1/15-6/30/16	\$ 457,338	\$ -	\$ 377,172	\$ (457,338)	\$ -	\$ -	\$ (80,166)	\$ -
National School Lunch Program	10.555	1515INJ304N1099	N/A	7/1/14-6/30/15	453,692	(8,103)	8,103	-	-	-	-	-
National School Lunch Program	10.555	1414INJ304N1099	N/A	7/1/13-6/30/14	349,151	(31,339)	31,339	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	1515INJ304N1099	N/A	7/1/14-6/30/15	9,369	(814)	814	-	-	-	-	-
After School Snack Program	10.555	1616INJ304N1099	N/A	7/1/15-6/30/16	5,169	-	4,522	(5,169)	-	-	(647)	-
After School Snack Program	10.555	1515INJ304N1099	N/A	7/1/14-6/30/15	5,547	(275)	275	-	-	-	-	-
Subtotal						(40,531)	422,225	(462,507)	-	-	(80,813)	-
School Breakfast Program	10.553	1616INJ304N1099	N/A	7/1/15-6/30/16	222,113	-	183,135	(222,113)	-	-	(38,978)	-
School Breakfast Program	10.553	1515INJ304N1099	N/A	7/1/14-6/30/15	226,531	(4,573)	4,573	-	-	-	-	-
School Breakfast Program	10.553	1414INJ304N1099	N/A	7/1/13-6/30/14	160,507	(15,818)	15,818	-	-	-	-	-
Subtotal						(20,391)	203,526	(222,113)	-	-	(38,978)	-
National Summer Lunch Program	10.559	1616INJ304N1099	N/A	7/1/15-6/30/16	16,005	-	16,005	(16,005)	-	-	-	-
Total Child Nutrition Cluster						(60,922)	641,756	(700,625)	-	-	(119,791)	-
Noncash Assistance:												
Food Distribution Program	10.565	1616INJ304N1099	N/A	7/1/15-6/30/16	55,454	-	55,454	(50,152)	-	-	-	5,302
Total Noncash Assistance						-	55,454	(50,152)	-	-	-	5,302
Total U.S. Department of Agriculture						(60,922)	697,210	(750,777)	-	-	(119,791)	5,302
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
<b>General Fund:</b>												
Medical Assistance Program	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	85,348	-	63,931	(85,348)	-	-	(21,417)	-
Total U.S. Department of Health and Human Services						-	63,931	(85,348)	-	-	(21,417)	-

PAULSBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH</b>												
<b>STATE DEPARTMENT OF EDUCATION:</b>												
<b>Special Revenue Fund:</b>												
Special Education Cluster:												
I.D.E.-A. B -Basic	84.027A	S027A150100	IDEA405016	394,994	7/1/15-6/30/16	-	287,574	(360,203)	-	-	(72,629)	-
I.D.E.-A. B -Basic	84.027A	S027A140100	IDEA405015	461,614	9/1/14-6/30/15	(146,101)	146,101	-	-	-	-	-
I.D.E.-A. B -Basic	84.027A	S027A130100	IDEA405014	383,007	9/1/13-8/31/14	(64,166)	64,166	-	-	-	-	-
Local Capacity Grant	84.027A	N/A	N/A	254,000	10/1/04-9/30/05	3,275	-	-	-	-	-	3,275
Subtotal						(206,992)	497,841	(360,203)	-	-	(72,629)	3,275
I.D.E.-A. Preschool	84.173A	S173A150114	IDEA405016	13,161	7/1/15-6/30/16	-	5,876	(9,617)	-	-	(3,741)	-
I.D.E.-A. Preschool	84.173A	S173A140114	IDEA405015	12,809	9/1/14-6/30/15	(12,811)	12,811	-	-	-	-	-
Subtotal						(12,811)	18,687	(9,617)	-	-	(3,741)	-
Total Special Education Cluster						(219,803)	516,528	(369,820)	-	-	(76,370)	3,275
Title I												
Title I	84.010A	S010A150030	NCLB402016	970,846	7/1/15-6/30/16	-	699,274	(866,879)	-	-	(167,605)	-
Title I	84.010A	S010A140030	NCLB402015	685,728	9/1/14-6/30/15	(124,017)	124,017	-	-	-	-	-
Title I	84.010A	S010A130030	NCLB402014	792,868	9/1/13-8/31/14	(23,843)	23,843	-	-	-	-	-
Title I	84.010A	S010A110030	NCLB402012	764,775	9/1/11-8/31/12	(30,806)	30,806	-	-	-	-	-
Subtotal						(178,666)	877,940	(866,879)	-	-	(167,605)	-
Title II - Part A												
Title II - Part A	84.367A	S367A150029	NCLB402014	129,186	7/1/15-6/30/16	-	38,948	(102,790)	-	-	(63,842)	-
Title II - Part A	84.367A	S367A140029	NCLB402012	98,258	9/1/14-6/30/15	(19,189)	19,189	-	-	-	-	-
Subtotal						(19,189)	58,137	(102,790)	-	-	(63,842)	-
Title III - Consortium												
Race To The Top - ARRA	84.365A	S367150030	NCLB402016	1,378	7/1/15-6/30/16	-	1,378	(1,378)	-	-	-	-
Preschool Expansion Grant	84.413A	B13A130008	N/A	47,958	9/1/14-8/31/15	3,174	42,309	(47,958)	-	-	(2,475)	-
Bridging The GAP	84.419B	S419B150060	N/A	355,140	7/1/15-6/30/16	-	355,140	(355,139)	-	(1)	-	-
Technology/Technology	93.110	N/A	N/A	8,000	9/1/14-8/31/15	(8,000)	8,000	-	-	-	-	-
Subtotal	84.048A	S048A150030	PERK4020-04	22,789	7/1/03-6/30/04	1,050	-	-	-	-	-	1,050
Total U.S. Department of Education						(421,434)	1,859,432	(1,743,964)	-	(1)	(310,292)	4,325
Total Expenditures of Federal Awards						\$ (482,356)	\$ 2,620,573	\$ (2,580,089)	\$ -	\$ -	(1) \$ (451,500)	\$ 9,627

PAULSHORO SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENTS/ CANCELLATIONS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DUE TO GRANTOR JUNE 30, 2016	MEMO	
				JUNE 30, 2015	JUNE 30, 2016								BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education</b>														
General Fund:														
State Aid-Public Cluster:														
School Choice Aid	495-034-5120-068	\$ 41,265	7/1/15-6/30/16	-	-	\$ 41,265	\$ (41,265)	-	-	-	-	-	\$ 3,834	\$ (41,265)
Equalization Aid	495-034-5120-078	11,357,502	7/1/15-6/30/16	-	-	11,357,502	(11,357,502)	-	-	-	-	-	1,055,107	(11,357,502)
Security Aid	495-034-5120-084	74,739	7/1/15-6/30/16	-	-	74,739	(74,739)	-	-	-	-	-	6,943	(74,739)
Categorical Special Education Aid	495-034-5120-089	615,970	7/1/15-6/30/16	-	-	615,970	(615,970)	-	-	-	-	-	57,223	(615,970)
Per Pupil Growth Aid	495-034-5120-097	10,345	7/1/15-6/30/16	-	-	10,345	(10,345)	-	-	-	-	-	961	(10,345)
PARCC Readiness Aid	495-034-5120-098	10,345	7/1/15-6/30/16	-	-	10,345	(10,345)	-	-	-	-	-	961	(10,345)
Total State Aid-Public Cluster														
Extraordinary Aid	495-034-5120-473	7,560	7/1/15-6/30/16	-	-	-	(7,560)	-	-	-	(7,560)	-	-	(7,560)
Extraordinary Aid	495-034-5120-473	10,020	7/1/14-6/30/15	(10,020)	-	10,020	-	-	-	-	-	-	-	-
Subtotal				(10,020)	-	10,020	(7,560)	-	-	-	(7,560)	-	-	(7,560)
T.P.A.F. Social Security Aid	495-034-5094-003	652,014	7/1/15-6/30/16	-	-	620,048	(652,014)	-	-	-	(31,966)	-	-	(652,014)
T.P.A.F. Social Security Aid	495-034-5094-003	648,638	7/1/14-6/30/15	(31,835)	-	31,835	-	-	-	-	-	-	-	-
Subtotal				(31,835)	-	651,883	(652,014)	-	-	-	(31,966)	-	-	(652,014)
Transportation Aid	495-034-5120-014	25,418	7/1/15-6/30/16	-	-	25,418	(25,418)	-	-	-	-	-	2,361	(25,418)
Total Cash Assistance				(41,855)	-	12,797,487	(12,795,158)	-	-	-	(39,526)	-	1,127,390	(12,795,158)
Noncash Assistance:														
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	851,149	7/1/15-6/30/16	-	-	851,149	(851,149)	-	-	-	-	-	-	(851,149)
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-001	714,817	7/1/15-6/30/16	-	-	714,817	(714,817)	-	-	-	-	-	-	(714,817)
Total Noncash Assistance				-	-	1,565,966	(1,565,966)	-	-	-	-	-	-	(1,565,966)
Total General Fund				(41,855)	-	14,363,453	(14,361,124)	-	-	-	(39,526)	-	1,127,390	(14,361,124)
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	179,170	7/1/15-6/30/16	-	-	179,170	(179,168)	-	-	(2)	-	-	17,917	(179,168)
Improving Literacy Achievement	N/A	20,000	7/1/13-6/30/14	(14,461)	-	-	-	-	-	-	(14,461)	-	-	-
Non-Public Security	100-034-5120-509	2,250	7/1/15-6/30/16	-	-	2,250	(2,250)	-	-	-	-	-	-	(2,250)
Non-Public Exam Classification	100-034-5120-066	18,923	7/1/15-6/30/16	-	-	18,923	(10,402)	-	-	-	-	8,521	-	(10,402)
Non-Public Nursing	100-034-5120-070	8,100	7/1/15-6/30/16	-	-	8,100	(8,100)	-	-	-	-	-	-	(8,100)
Non-Public Textbook	100-034-5120-064	5,139	7/1/15-6/30/16	-	-	5,139	(5,097)	-	-	-	-	42	-	(5,097)
Non-Public Technology	100-034-5120-373	2,340	7/1/15-6/30/16	-	-	2,340	(2,340)	-	-	-	-	-	-	(2,340)
Non-Public Compensatory Education	100-034-5120-067	38,918	7/1/15-6/30/16	-	-	38,918	(34,263)	-	-	-	-	4,655	-	(34,263)
Non-Public Compensatory Education	100-034-5120-067	36,127	7/1/14-6/30/15	1,433	-	-	-	-	-	-	(1,433)	-	-	-
Subtotal				1,433	-	38,918	(34,263)	-	-	-	-	-	4,655	(34,263)
Non-Public Supplemental Instruction	100-034-5120-066	9,653	7/1/15-6/30/16	-	-	9,653	(8,316)	-	-	-	-	1,337	-	(8,316)
Non-Public Supplemental Instruction	100-034-5120-066	9,000	7/1/14-6/30/15	1,412	-	-	-	-	-	-	(1,412)	-	-	-
Subtotal				1,412	-	9,653	(8,316)	-	-	-	-	1,337	-	(8,316)
Non-Public Home Instruction	100-034-5120-067	-	7/1/15-6/30/16	-	-	-	-	-	-	-	-	-	-	-
Non-Public Home Instruction	100-034-5120-067	-	7/1/14-6/30/15	(4,161)	-	4,161	-	-	-	-	(2,854)	-	-	(2,854)
Subtotal				(4,161)	-	4,161	(2,854)	-	-	-	(2,854)	-	-	(2,854)

PAULSHORO SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENTS/ CANCELLATIONS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DUE TO GRANTOR JUNE 30, 2016	MEMO	
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education (continued):</b>													
Special Revenue Fund (continued):													
Non-Public Speech	100-034-5120-066	15,885	7/1/15-6/30/16	-	15,885	(10,868)	-	-	-	-	5,017	-	(10,868)
Non-Public Speech	100-034-5120-066	13,943	7/1/14-6/30/15	176	-	-	-	(176)	-	-	-	-	-
Subtotal				176	15,885	(10,868)	-	(176)	-	-	5,017	-	(10,868)
Non-Public Transportation	100-034-5120-067	4,130	7/1/15-6/30/16	-	4,130	(4,108)	-	-	-	-	22	-	(4,108)
Non-Public Transportation	100-034-5120-067	5,644	7/1/14-6/30/15	59	-	-	-	(59)	-	-	-	-	-
Subtotal				59	4,130	(4,108)	-	(59)	-	-	22	-	(4,108)
Total Special Revenue Fund				(15,542)	288,669	(267,766)	-	(3,080)	(2)	(17,315)	19,594	17,917	(267,766)
Capital Projects Fund:													
SDA Grant	4020-070-14-1003	1,781,882	7/1/14-completion	(84,102)	-	(1,040,489)	-	-	-	(1,124,591)	-	-	(1,040,489)
SDA Grant	4020-060-14-1002	520,153	7/1/14-completion	(8,774)	-	(126,403)	-	-	-	(135,177)	-	-	(126,403)
SDA Grant	4020-050-14-1001	2,689,435	7/1/14-completion	(13,049)	-	(175,960)	-	-	-	(189,009)	-	-	(175,960)
Total Capital Projects Fund				(105,925)	-	(1,342,852)	-	-	-	(1,448,777)	-	-	(1,342,852)
Enterprise Fund:													
National School Lunch Program - (State Share)	100-010-3360-067	8,165.00	7/1/15-6/30/16	-	6,734	(8,165)	-	-	-	(1,431)	-	-	(8,165)
National School Lunch Program - (State Share)	100-010-3360-067	8,757	7/1/14-6/30/15	(990)	990	-	-	-	-	-	-	-	-
Total Enterprise Fund				(990)	7,724	(8,165)	-	-	-	(1,431)	-	-	(8,165)
Total State Financial Assistance				\$ (164,312)	\$ 14,659,846	\$ (15,979,907)	\$ -	\$ (3,080)	\$ (2)	\$ (1,507,049)	\$ 19,594	\$ 1,145,307	\$ (15,979,907)
Less: Grants Not Subject to Major Program Determination													
On Behalf TPAP Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	851,149	7/1/15-6/30/16		\$	851,149							
On Behalf TPAP Pension Contributions (Non-Budgeted)	100-034-5095-001	714,817	7/1/14-6/30/15			714,817							
Total State Financial Assistance Subject to Major Program Determination					\$	(14,413,941)							



**PAULSBORO SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

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

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

Noncash assistance is reported in the schedule of expenditures of state financial assistance as the value, as determined by the State of New Jersey, of the On-Behalf payments made by the State for Pensions and Post-Retirement Medical Contributions during the year ended June 30, 2016.

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

**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.

**PAULSBORO SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued):  
JUNE 30, 2016**

**3. Relationship to Basic Financial Statements (continued):**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15,751 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Note A 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 are presented as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 85,348	\$ 14,376,875	\$ 14,462,223
Special Revenue Fund	1,743,964	267,766	2,011,730
Capital Projects Fund	-	1,342,852	1,342,852
Enterprise Fund	<u>750,777</u>	<u>8,165</u>	<u>758,942</u>
Total Financial Assistance	<u>\$ 2,580,089</u>	<u>\$ 15,995,658</u>	<u>\$ 18,575,747</u>

**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.

**5. 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, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**Note 6. Federal and State Loans Outstanding**

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

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

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance?	No

**Identification of major programs:**

CFDA Number(s)	FAI Number(s)	Name of Federal Program or Cluster
84.027	S027A150100	Special Education Cluster: IDEA Part B, Basic Regular IDEA Preschool
84.173	S173A150114	
84.010	S010A150030	Title I
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		Yes

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

**Section I – Summary of Auditor’s Results (continued)**

**State Awards**

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

**Identification of major programs:**

<b>State Grant/Project Number(s)</b>	<b>Name of State Program</b>
16-495-034-5120-068	State Aid Public Cluster: School Choice Aid Equalization Aid Security Aid Special Education Aid Per Pupil Growth Aid PARCC Readiness Aid
16-495-034-5120-078	
16-495-034-5120-084	
16-495-034-5120-089	
16-495-034-5120-097	
16-495-034-5120-098	
4020-070-14-1004	SDA Grants: Loudenslager Elementary School – Unbundled Project, Exterior Closure, Plumbing Billingsport Elementary School – Unbundled Project, Exterior Closure, Plumbing Paulsboro High School – Unbundled Project, Exterior Closure, Plumbing
4020-060-14-1002	
4020-050-14-1001	

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

**Section II – Financial Statement Findings**

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

No Current Year Findings

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

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

No Current Year Findings

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511(a)(b)) and New Jersey OMB's Circular Letter 15-08, as applicable.

No Prior Year Findings