

**PENNS GROVE-CARNEYS POINT  
REGIONAL  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

**Penns Grove-Carneys Point Regional Board of Education  
Penns Grove, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

Prepared by  
**Penns Grove-Carneys Point Board of Education  
Finance Department**

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OF THE PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**Administration Building**

**100 Iona Avenue**

**Penns Grove, NJ 08069-2057**

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**Dr. Zenaida Cobian**  
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November 15, 2016

Honorable President and Members  
of the Board of Education  
Penns Grove-Carneys Point Regional School District  
County of Salem  
Penns Grove, N.J. 08069-2057

Dear Board Members:

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

Penns Grove-Carneys Point Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds of the District are included in this report. The Penns Grove-Carneys Point Regional School District Board of Education and all its schools constitute the District's reporting entity.

*We are an Equal Opportunity Employer - F/M*

**General**

The School District, serving Penns Grove and Carneys Point, was formed pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities. The School District is one of “all purpose” in that it was organized for all of the school purposes of the municipalities included within such regional districts.

The School District is geographically conterminous with Penns Grove and Carneys Point, which are located in Salem County in the southwestern part of the State, approximately 10 miles from Wilmington and 30 miles from Philadelphia.

**Facilities**

The School District operates five schools: Lafayette-Pershing Schools (Pre-school through Kindergarten), Field Street School (Grades 1 through 3), Paul W. Carleton (Grades 4 through 5), Penns Grove Middle School (Grades 6 through 8), Penns Grove High School (Grades 9 through 12), and an administrative office building.

**Staff**

The facility for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 206 full-time teachers/professional positions serving a total enrollment of 2,212 students, as of October 14, 2015. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 86 instructional and non-instructional aides, 32 cafeteria workers, 21 full-time secretaries, 33 maintenance/custodial staff, and technology staff.

The following details the changes in student enrollment of the District over the last ten years:

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	2,212	(3.36)%
2014-15	2,289	(2.26)%
2013-14	2,342	1.17%
2012-13	2,315	(3.02)%
2011-12	2,387	0.63%
2010-11	2,372	(2.63)%
2009-10	2,436	(1.18)%
2008-09	2,465	(0.52)%
2007-08	2,478	5.31%
2006-07	2,353	1.69%

## 2. ECONOMIC CONDITION AND OUTLOOK:

Within the District are several large industries which provide tax ratable and jobs to the municipalities. Construction of new housing is expected to result in a slightly increased tax base and School District enrollment.

## 3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

### 1a. District Statement of Priorities

- Maintaining Our School System

Penns Grove-Carneys Point Regional School District is in the process to enhancing the technology infrastructure to improve the wireless connectivity. This should provide the ability to establish better internet connections with the purpose of expanding the on-line offerings to our students. We will be evaluating our curricular offerings and instructional program by performing a curricular audit in order to better align with the student's needs, assessment requirements and college and career preparation.

- Raising Standards and Expanding Opportunities

The acquisition of new programs/resources in the subject areas of English Language Arts, Mathematics, and Science that will be aligned with the 21st Century requirements. Newly acquired programs/resources will continue to incorporate cloud based applications, digital devices, web based textbooks, and libraries. Our Balanced Literacy Program scaffolds learning in reading, phonics, fluency, and vocabulary to access complex information in literacy text while incorporating the writing skills necessary to be successful writers across all content areas. Mathematics incorporates conceptual understanding and procedural fluency with active and personalized instructional lessons using a combination of application activities through small group instruction and web based independent tasks. Web based lessons are used to personalize instruction to address the needs of each learner at their proficiency level. Assessments are built in every level to provide strategic teaching interventions for students below level, at- level and above level. A student-learning plan is developed based on the data obtained from formative and summative assessments.

The Penns Grove High School actively works with the NJDOE RAC team in the school-wide strategies to improve the graduation rate through the School Improvement Plan (SIP). Strategies to increase graduation rate continue to be implemented a variety of resources that include Option II for struggling and advanced students to work in blended learning environments and earning dual credits. Increased offerings in Enrichment Courses have been implemented to expose and expand learning opportunities for College and Careers. With the goal to increase the graduation rate in consultation with the RAC, lab courses are provided for targeted instructional support to students who are two or more grade levels behind in literacy and math with web-based instructional materials to support individualized learning. The teachers have revised and implemented curricula aligned with CCSS in ELA and math with assessments taking place on a 6-8 week cycle resulting in data used to inform instruction. Pearson's My Foundations Lab with Accuplacer has been implemented in the 9-11 English Language Arts and Mathematics Targeted Assistance Classrooms to remediate skill deficiencies. The Penns Grove High School has been facilitating activities to engage the school and community to improve the school climate and the culture.

With the continued support of the Transition Project and the addition of School Based Youth Services, the high school has implemented strategies for students who are at risk of dropping out of school by providing students and families with emotional, behavioral, social, and academic environmental supports.

- Building Professionalism

The leadership team of teachers and administrators continues to receive sustained and ongoing trainings as the continued use of the requirements through Achieve NJ are taking place to ensure fidelity. The leadership team revises evidence documents on a yearly basis to ensure that initiatives for growth of our staff are reflected through the evaluation process. Standards Solutions will provide continued growth and development of English Language Arts requirements as indicated in the Common Core States Standards. The use of Learning Focus strategies will enhance the delivery of instruction. PD360 provides professional development strategies for growth and development of instructional practices, classroom management, and staff collaboration through virtual professional development learning communities. The district continues to provide coaching and mentoring trainings using services from EIRC, Rowan University, Rutgers University, or Salem Community College.

- Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve)

Through the approval of Regular Operating District (ROD) Grants, the Board of Education continues to address the needs of the facilities and transferring funds into the capital reserve funds. We are currently in the second phase of the approved referendum by the communities of Penns Grove and Carneys Point to make our buildings more cost-efficient and energy saving.

- Planning for the Future

Continue to support and expand the Academy of Engineering and Technologies Program in the high school to reflect the input of the Task Force and the Advisory Committee representing parents, staff, students, industry, and colleges. Maintain a review board to revise the Academy's curriculum.

Continue the district's Strategic Planning to develop a three-year plan of district and building level articulation in the areas of Math and Science to reflect the revised NJCCCS. To support the ongoing communication and collaboration on the Common Core Content Standards, OnCourse Curriculum Builder Platform is used to develop, update and revise the K-12 curricular guides. OnCourse SGO Program will provide increased alignment of assessments to curricular goals for benchmarking student progress.

## 2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the Core Curriculum Content Standards in the 2016-2016 school year.

Content Standards

New Programs/Enhancements

1. Math

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Integration of 21st Century Learning with "Cloud Based Applications" has been enhanced for student collaboration and formative assessments. Teaching Strategies Gold has been implemented in Pre-Kindergarten and Kindergarten classroom to provide assessment of authentic learning tasks as part of the NJGROW and NJKEA Early Childhood Initiative from the NJDOE. IXL web-based program has been added to Grades K-5 for digital learning applications. Several classrooms in Grades 1-5 continue to participate in a pilot through Pearson's Envisions Math program to complete a side-by-side comparative analysis of program effectiveness in providing resources that are aligned to the Common Core States Standards. Unit Assessments continue to be revised to include Type 1, 2, and 3 assessments prompts as indicated in the PARCC Performance Level Indicators and released test items. Use of Houghton Mifflin Harcourt Go Math series in Grades K-5 along with Think Central web based instructional tools. Pearson's Digits Math Program will be renewed for grades 6-8. Digits is now using the Realize Platform to allow students access to the program on all electronic devices including smartphones, ipads, laptops and desktop computers. Honors math courses will be added to 7th and 8th grade math course offerings. Additional textbooks will be purchased for the Probability and Statistics courses as students are showing more interest in adding additional math courses to their schedule. Honors Algebra II Trig will continue a course offering. Use of Pearson Digits remediation lessons for progress monitoring in Grades 6-8 Targeted Assistance Classrooms for students who are below grade level. Learn Beyond has been implemented in the Targeted Assistance Labs for grades 9-11 to remediate skill deficiencies. An Applications of Algebra and Geometry Course has been added for the third year math students that will build on the concepts and skills of Algebra I and Geometry. This course is designed to prepare students for college and 21st century skills. An AP web-based support program will be provided through Learn Beyond to simulate virtual real world learning task that are aligned to the new requirements of College Board. Consult with Penn Literacy to provide support through professional development and classroom observation to incorporate literacy skills in math instruction. Participate in a grant with Rowan University to improve the delivery of math instruction and use of best math practices.

2. Science

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Began to unpack Next Generation Science Standards (NGSS) in Grades K-8 and the high school to create new curriculum units of study. Pilot the *Lab Aids Science Program* in grades 6-8 and Biology to enhance current project-based learning, increase cross-curricular articulation and a student-centered approach of instruction. Implementation of Interdisciplinary Units of study in Grades K-5 to provide an inquiry and literacy approach to science while increasing articulation between Language Arts and Social Studies. Implementation of procedures for textbook adoption in Grades K-8. Revised unit assessments in Grades 9-11 to align with the curricular goals. The addition of an Environmental Science course to provide more diversity in high school science offerings. Implementation of the CASE Curriculum for Agricultural Science Program and the implementation of the BioTechnology course.

### 3. Language Arts Literacy

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Teaching Strategies Gold has been implemented in Pre-Kindergarten and Kindergarten classroom to provide assessment of authentic learning tasks as part of the NJGROW and NJKEA Early Childhood Initiative from the NJDOE. The Zaner Bloser handwriting program was piloted in grades 1-3 last year and is being fully implemented in grades K-3 this year. The Zaner Bloser, Strategies for Writer's Program was piloted in grades 6-8 last year and is being fully implemented in those grades and piloted in grades 4 and 5 this year. Spelling Connections was piloted in grades 1-3 last year and the pilot was did not produce the wanted results. Reading Horizons is being piloted in grades 1-3.

Integration of 21st Century learning with "Cloud Based Applications" has been enhanced for student collaboration and formative assessments. Curriculum, units of study and common unit assessments have been created for grades K-12. Staff will continue to receive professional development in creating Research Simulation Task, Literary Analysis, and Pros Constructed Responses from Standards Solutions. The Lexia Learning program has been expanded to grades 1-6 to eliminate gaps in literacy skills. Reading records are used to assess reading progress in grades K-5. The Targeted Assistance Program provides course time in addition to the general education course in grades 6-12 to target skill deficiencies. Learn Beyond has been implemented in the Targeted Assistance Labs for grades 9-11 to remediate skill deficiencies. PARCC ELA classes have been added for students who are unable to score proficient on the PARCC. AP Literature and Language course have been added to provide more opportunities for college and career readiness.

### 4. Social Studies

Curriculum revisions are taking place to align with the NJCCCS for Social Studies including the skills table to reflect the expectations of the Common Core State Standards for English Language Arts & Literacy in History/Social Studies, Science and Technical Subjects.

Common assessments including project-based learning projects are being added/updated within the curriculum. Common grading is being implemented amongst social studies classes. Textbooks were purchased for US History. Students are being required to independently read an informational text in social studies classes. AP Programs will continue to be revised to align with the new requirement of College Board.

### 5. 21st Century Life and Careers

Honors course in English Language Arts and Mathematics along with a College & Careers have been added to the middle school course offerings. The AP program has expanded to include AP Language and Composition. The Agricultural Science Program is aligned to the NJCCCS for Biology and offers students an additional pathway to fulfill credits in Biology.

### 6. Visual and Performing Arts

The Concert band, Jazz Band, and Choir has continues to expand. The Theatre Arts program has been revised to include Playwriting, Introduction to Theatre Arts, Theater Literature History and Culture, and Acting. District-wide curriculum and benchmark assessments have been created with the use of the NJDOE 21 Century Application Documents and Achieve the Core resources to prepare students for 21st Century College and Career Readiness.



7. Comprehensive Health and Physical Education

With the success of the Food and Nutrition Grant from Rutgers University, elementary schools continue to be provided with the opportunity to sample fruits and vegetables under the supervision of the classroom teacher. Health and Physical Education Teachers along with Nurses and Coaches have been trained in the use of External Defibrillators under the requirements of "Janet's Law." Curriculum, units of study, and benchmark assessments have been implemented in alignment with the NJCCCS along with use of Model Curriculum Student Learning Objectives. Elementary Gymnasiums are implementing the use of technology to expand the fitness program to include yoga and other technology supported fitness activities.

8. World Languages

District-wide articulation and coordination goals continue to be implemented to enhance curricular goals. District curricula has been updated with Units of Study, common assessments including project-based learning assessments, common grading, and a HS Spanish pre-assessment to be administered in 8th grade. French II has been added to the course offerings. Bit Dein! II textbooks were purchased for French II. New resources are currently being researched for elementary grades and Spanish 2, 3, and 4 and will be used for the upcoming school year.

9. Technological Literacy

On-line Hybrid courses and blended learning environments have been developed in the Language Arts and Math classrooms through Learn Beyond. Enrichment classrooms will be using blended learning programs to expand course offerings through Spark Education. District wide initiatives have been put in place for seamless integration of technology applications in each content area that align with the requirements of the NJCCCS 8.1 and 8.2. The District has purchased Chromebook Carts, created a Google Domain, and will continue to add more devices as a tool to enhance Technological Literacy. The use of "Cloud-Based Applications" has been upgraded to allow for collaborative learning activities and formative assessment tasks. On-line benchmark assessments are used that model statewide and nationwide standardized assessments.

**4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

**5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

**6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

**7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8. RISK MANAGEMENT:**

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

**9. GENERAL FUND BALANCE:**

General Fund Balance (budgetary basis) of \$4,301,497 as of June 30, 2016, represents a 39.5% increase from June 30, 2015. Of the \$4,301,497, \$841,598 represents the unassigned portion of the District's fund balance and \$1,075,850 has been appropriated for the 2016/2017 school budget in order to maintain a stable tax levy. The remaining is \$2,384,049, which includes excess surplus and other restricted fund balance, represents 55.2% of the June 30, 2016 fund balance. General Fund Budget expenditures totaled \$36,708,804.

**10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**11. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

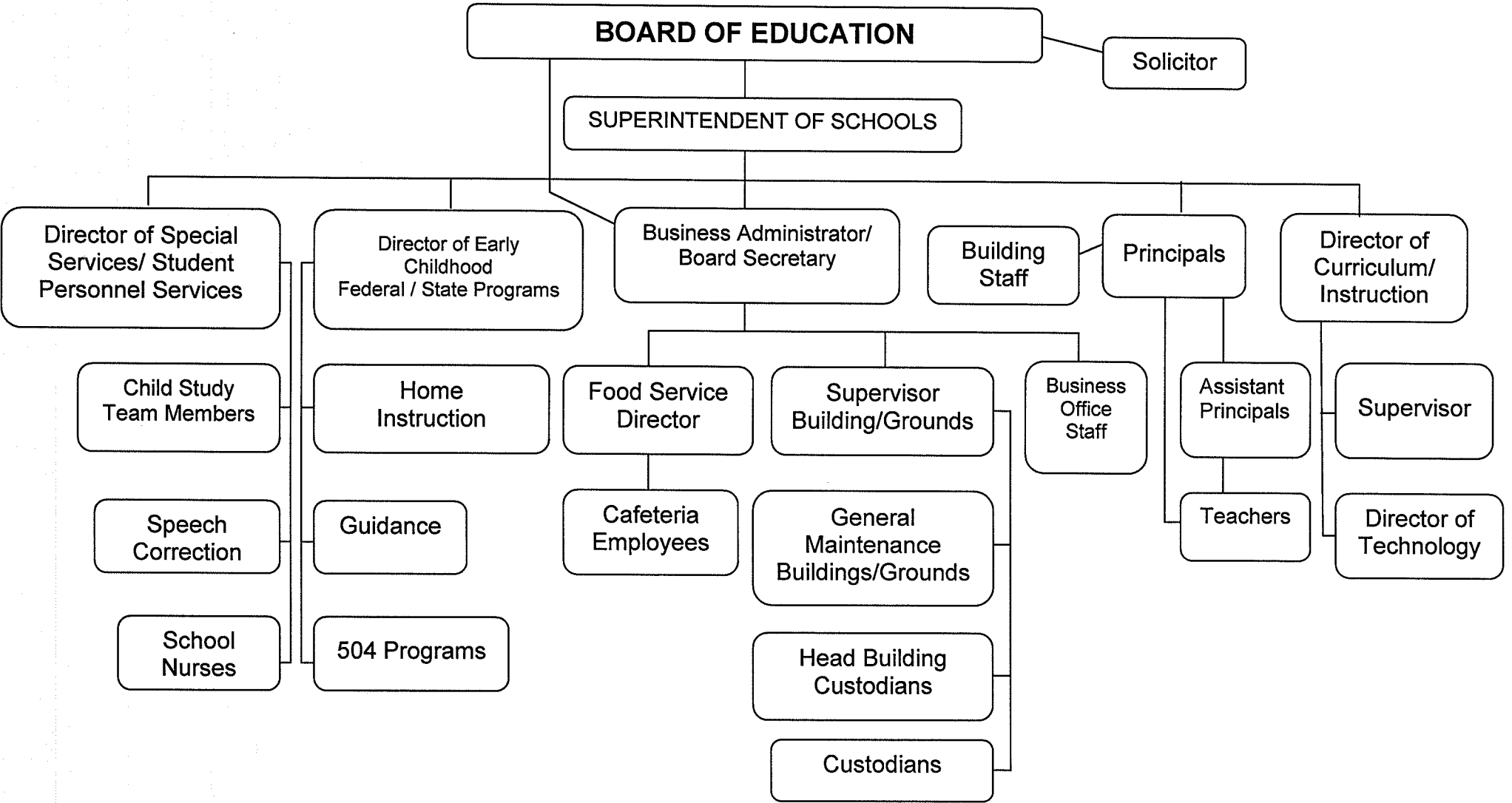
*Dr. Zenaida Cobian*

**Dr. Zenaida Cobian**  
Superintendent of Schools

*Brian Ferguson*

**Brian Ferguson**  
School Business Administrator/  
Board Secretary

# Penns Grove – Carneys Point Regional School District



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b><u>Board Members Name</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>
Vicki Smith	President	2016
Fred Tomarchio	Vice President	2018
Jeanette Harbeson	Board Member	2018
William Luzzo Sr.	Board Member	2017
Orlando Mills	Board Member	2016
Ginger Sackes	Board Member	2018
Irene Scarpaci	Board Member	2016
Marcia Smith	Board Member	2016
Ronald Vogeding	Board Member	2016
		<b><u>Amount of Bond</u></b>
<b><u>Other Officials</u></b>		
Dr. Zenaida Cobian	Superintendent	
Brian E. Ferguson	Business Administrator/ Board Secretary	\$ 275,000
Mark G. Toscano, Esq.	Solicitor	

**PENNS GROVE CARNEYS-POINT REGIONAL BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

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**AUDIT FIRM**

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**FISCAL AGENT**

Depository Trust  
Chase Manhattan Bank N.A.  
55 Water Street  
New York, NY 10041

**OFFICIAL DEPOSITORIES**

Pennsville National Bank  
PO Box 345  
Pennsville, NJ 08070

Fulton Bank of New Jersey  
221 Shell Road  
Carneys Point, NJ 08069

**FINANCIAL ADVISORS**

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, NJ 08505

## **FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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November 15, 2016

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Penn Grove-Carneys Point Regional School District  
County of Salem, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penn Grove-Carneys Point Regional School District in the County of Salem, 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 Penn Grove-Carneys Point Regional School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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



## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, identified 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 Penn Grove-Carneys Point Regional Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and 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 combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and 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 schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 a report dated November 15, 2016 on our consideration of the Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



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

## **REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**PENNS GROVE-CARNEYS REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole. Readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

### **Financial Highlights**

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$7,721,602 (net position).
- The School District's total net position increased by \$3,321,511. This increase is primarily attributable to a large decrease in liabilities, primarily accounts payable.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,829,665, a decrease of \$2,903,130 in comparison with the prior year, mostly attributable to the expenditure of capital projects and the use of surplus. The net decrease in the Capital Project Fund was \$4,075,783, resulting in a balance of \$1,625,859, as of June 30, 2016 for future capital project expenditures. The Debt Service Fund has a fund balance of \$32,768 at June 30, 2016.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was a deficit of \$1,216,613, which is a decrease in the deficit of \$47,870 from that of the prior fiscal year. The decrease is due to several factors and considered positive.
- The District's total bonded debt decreased by \$955,000 as a result of the budgeted debt principal payment.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Penns Grove-Carneys Point Regional School District's basic financial statements. The School District's basic financial statements comprise three components:

- (1) District-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements themselves

District-wide financial statements – These financial statements are designed to provide readers with a broad overview of School District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Penns Grove-Carneys Point Regional School District's assets and liabilities, 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 Penns Grove-Carneys Point Regional School District is improving or deteriorating.

The statement of activities presents information illustrating Penns Grove-Carneys Point Regional School District's net position change 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 (e.g., earned but unused sick leave).

Both of the district-wide financial statements distinguish functions of the Penns Grove-Carneys Point Regional School District that are principally supported by taxes and intergovernmental revenues (governmental activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities)). The governmental activities of the Penns Grove-Carneys Point Regional School District include the education of students in grades K-12 at the Penns Grove-Carneys Point Regional School District's five schools. The business-type activities of the Penns Grove-Carneys Point Regional School District include a Food Service Program and an Academy Program.

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

**Governmental Funds** – Most of the Penns Grove-Carneys Point Regional School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can be readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Penns Grove-Carneys Point Regional School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Penns Grove-Carneys Point Regional School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Penns Grove-Carneys Point Regional School District adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided for both to demonstrate compliance with the budgets.

**Proprietary Funds** – The Penns Grove-Carneys Point Regional School District maintains two different types of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The Penns Grove-Carneys Point Regional School District uses enterprise funds to account for its food service program and its academy program. Proprietary funds provide the same type of information as district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program and the academy program.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Penns Grove-Carneys Point Regional School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the District-wide financial statements.

### **District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, assets exceeded liabilities by \$7,049,092 at the close of the most recent fiscal year.

The largest portion of the Penns Grove-Carneys Point Regional School District's net position reflects its investment in capital assets (i.e., land, buildings, and equipment) less any related debt used to acquire those assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Penns Grove-Carneys Point Regional School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Penns Grove-Carneys Point Regional School District's net position represents resources that are subject to external restrictions on how they may be used.

There was an increase of \$117,297 in overall net position for the Penns Grove-Carneys Point Regional School District's business-type activities. This increase was mainly due to an increase in Food Service Fund expenses.

There was an increase of \$3,204,214 in overall net position for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets \$	4,697,751	\$ 7,193,177	\$ 600,370	\$ 510,822	\$ 5,298,121	\$ 7,703,999
Capital Assets	24,667,700	19,190,641	125,765	104,005	24,793,465	19,294,646
<b>Total Assets</b>	<b>29,365,451</b>	<b>26,383,818</b>	<b>726,135</b>	<b>614,827</b>	<b>30,091,586</b>	<b>26,998,645</b>
Deferred Outflows of Resources	2,638,455	947,111			2,638,455	947,111
Long-Term Liabilities						
Outstanding	22,813,755	21,031,266	11,990	13,255	22,825,745	21,044,521
Other Liabilities	1,887,519	1,746,239	39,628	46,359	1,927,147	1,792,598
<b>Total Liabilities</b>	<b>24,701,274</b>	<b>22,777,505</b>	<b>51,618</b>	<b>59,614</b>	<b>24,752,892</b>	<b>22,837,119</b>
Deferred Inflows of Resources	253,540	708,546			253,540	708,546
Invested in Capital Assets, Net of Related Debt	15,627,700	9,195,641	125,765	104,005	15,753,465	9,299,646
Restricted	4,537,222	7,646,341		0	4,537,222	7,646,341
Unrestricted	(13,115,830)	(12,997,104)	546,745	451,208	(12,569,085)	(12,545,896)
<b>Total Net Position</b>	<b>\$ 7,049,092</b>	<b>\$ 3,844,878</b>	<b>\$ 672,510</b>	<b>\$ 555,213</b>	<b>\$ 7,721,602</b>	<b>\$ 4,400,091</b>

**Governmental Activities** – With regard to the increase in the Penns Grove-Carneys Point Regional School District’s net position from Governmental activities, the key elements of the changes are as follows:

*Property taxes* increased by \$580,113 during the year. This 51.0% increase represents was necessitated by the loss of various federal and state aid.

*General Grant Revenues* increased by \$1,815,805 during the year. The increase is the result of increases in state and federal aid of equal proportions.

The overall \$146,278 increase in expenses was attributable to various increases in expenses, the largest of which was in unallocated benefits.

**Business-type Activities** – Business-type activities increased the Penns Grove-Carneys Point Regional School District’s net position by \$117,297, as a result of additional revenues.

**Financial Analysis of the Government’s Funds**

As stated earlier, the Penns Grove-Carneys Point Regional School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund** – The focus of the Penns Grove-Carneys Point Regional School District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Penns Grove-Carneys Point Regional School District’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

### **Governmental Fund (Cont'd)**

As of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2016 was \$4,301,497, an increase of \$1,217,806 from June 2015.

Of the \$4,301,497, \$548,536 has been assigned and appropriated in the 2016-17 school budget in order to maintain a stable tax levy; \$1,272,355 is restricted as Excess surplus, of which \$302,314 has been appropriated for the 2016-17 school budget; \$459,544 has been assigned for encumbrances, \$1,111,488 is restricted for capital reserve, of which \$225,000 has been assigned and appropriated in the 2016-17 school budget; \$67,976 is restricted as maintenance reserve and \$841,598 is unrestricted and unassigned.

The special revenue fund has a deficit at the end of the current fiscal year in the amount of \$72,248. The deficit was a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The capital projects fund had an unexpended balance of \$12,810,634 at the end of the current year ending June 30, 2016, of which \$11,184,775 represents the unearned portion of NJSDA grant approvals. There were 11 NJSDA grants approved during the 2014-15 school year to support various building renovations throughout the District. .

**Proprietary Funds** – The Penns Grove-Carneys Point Regional School District's proprietary funds provide the same type of information found in the district-wide financial statements, but in more detail.

Unrestricted net position consisted of the following: a positive balance of \$473,521 in the food service program, and a \$73,224 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities. There was also a balance representing Investment in Capital Assets of \$116,727 in the Food Service Fund and \$9,038 in the Academy Program.

### **General Fund Budgetary Highlights**

During the course of the 2016 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$427,900.

The final budgetary basis revenue estimate was \$33,814,173, which was the same as the original budgeted estimate.



**General Fund Budgetary Highlights (Cont'd)**

During fiscal year 2016, the Penns Grove-Carneys Point Regional School District budgeted \$11,948,501 for property taxes (local tax levy) and \$21,983,306 for state aid revenues. The Penns Grove-Carneys Point Regional School District also received \$1,108,632 in reimbursed T.P.A.F. Social Security Aid, \$1,495,707 in Post-Retirement Medical Benefits and \$1,256,133 and T.P.A.F. Pension Contributions.

The final budgetary basis expenditure appropriation estimate was \$35,135,251, which included \$427,900 in prior year encumbrances. The Penns Grove-Carneys Point Regional School Districts expenditures also include the reimbursed T.P.A.F. Social Security Aid, Post-Retirement Medical Benefits and T.P.A.F. Pensions Contributions totaling \$3,860,472.

**Capital Assets and Debt Administration**

**Capital Assets** – The Penns Grove-Carneys Point Regional School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$24,793,465 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of fiscal year 2016, the Penns Grove-Carneys Point Regional had \$42,205,955 invested in land, construction in progress, land improvements, buildings and improvements, and equipment, less accumulated depreciation totaling (\$17,412,490) for net capital assets of \$24,793,465.

Various major capital asset events during the fiscal year funded through both the General Fund and Capital Projects Funds and construction in progress related to the various upgrades throughout the District paid through the Capital Projects Fund. Additional information on the Penns Grove-Carneys Point Regional School District's capital assets can be found in Note 6 to the Financial Statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION  
(NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,280,600	\$ 1,280,600	\$	\$	\$ 1,280,600	\$ 1,280,600
	7,238,230				7,238,230	
Land Improvements	133,281	15,670			133,281	15,670
Building Improvements	15,871,556	16,452,748			15,871,556	16,452,748
Equipment	144,033	124,600	125,765	104,006	269,798	228,606
<b>Total</b>	<b>\$ 24,667,700</b>	<b>\$ 17,873,618</b>	<b>\$ 125,765</b>	<b>\$ 104,006</b>	<b>\$ 24,793,465</b>	<b>\$ 17,977,624</b>

**Long-term Debt** – At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$9,040,000. The entire Penns Grove-Carneys Point Regional School District's bonded debt is governmental as opposed to business-type. The 2016 adopted budget has an appropriation of \$1,195,663, representing the payment of the annual principal and interest. The bonds were to mature on March 1, 2020. See Note 7 to the Financial Statements for more detail.

## **Economic Factors and Next Year's Budget**

For the 2015-16 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 41% of total revenue is from local tax levy, 56% of the School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2016-17 budget was adopted March 2016 based in part on the state education aid the School District anticipated receiving. This aid was based on the States projected enrollment for the District on October 15, 2015. The Penns Grove-Carneys Point Regional School District anticipates a slight decrease in enrollment for the 2016-17 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the Penns Grove-Carneys Point Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brian E. Ferguson, School Business Administrator/Board Secretary at the School Administration Building, 100 Iona Avenue, Penns Grove, New Jersey 08069, or email [bferguson@pennsgrove.k12.nj.us](mailto:bferguson@pennsgrove.k12.nj.us).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,627,255	\$ 490,635	\$ 2,117,890
Receivables, Net	3,070,496	79,084	3,149,580
Inventory		28,644	28,644
Restricted Assets:			
Capital Assets, Net (Note 6)	24,667,700	125,765	24,793,465
<b>Total Assets</b>	<b>29,365,451</b>	<b>724,128</b>	<b>30,089,579</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflow	2,558,665		2,558,665
Deferred Loss on Refunding of Bonds	79,790		79,790
	<b>2,638,455</b>		<b>2,638,455</b>
<b>LIABILITIES</b>			
Accounts Payable	864,603	14,680	879,283
Accrued Interest	77,042		77,042
Unearned Revenue	3,483	24,948	28,431
Net Pension Liability	13,780,972		13,780,972
Noncurrent Liabilities (Note 7):			
Due Within One Year	942,391		942,391
Due Beyond One Year	9,032,783	11,990	9,044,773
<b>Total Liabilities</b>	<b>24,701,274</b>	<b>51,618</b>	<b>24,752,892</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflow	253,540		253,540
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	15,627,700	125,765	15,753,465
Restricted for:			
Debt Service	1,625,859		1,625,859
Capital Reserve	225,000		225,000
Capital Projects	886,488		886,488
Excess Surplus	1,272,355		1,272,355
Other Purposes	527,520		527,520
Unrestricted (Deficit)	(13,115,830)	546,745	(12,569,085)
<b>Total Net Position</b>	<b>\$ 7,049,092</b>	<b>\$ 672,510</b>	<b>\$ 7,721,602</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 11,090,323	\$ 807,675	\$ 2,143,889	\$ (8,138,759)		\$ (8,138,759)
Special Education	3,533,262			(3,533,262)		(3,533,262)
Other Special Instruction	1,157,768			(1,157,768)		(1,157,768)
Other Instruction	414,379			(414,379)		(414,379)
<b>Support Services:</b>						
Tuition	2,192,603			(2,192,603)		(2,192,603)
Student & Instruction Related Services	3,164,590		530,818	(2,633,772)		(2,633,772)
General Administrative Services	965,674			(965,674)		(965,674)
School Administrative Services	1,590,573			(1,590,573)		(1,590,573)
Other Administrative Services	592,553			(592,553)		(592,553)
Plant Operations and Maintenance	3,286,059			(3,286,059)		(3,286,059)
Pupil Transportation	1,904,265			(1,904,265)		(1,904,265)
Unallocated Benefits	15,223,138		2,865,349	(12,357,789)		(12,357,789)
Interest on Long-Term Debt	311,090		504,741	193,651		193,651
<b>Total Governmental Activities</b>	<b>45,426,277</b>	<b>807,675</b>	<b>6,044,797</b>	<b>(38,573,805)</b>		<b>(38,573,805)</b>
<b>Business-Type Activities:</b>						
Food Service	1,257,062	237,628	1,065,415		45,981	45,981
Academy Program	258,933	330,150			71,217	71,217
Internal Service Fund	8,500	8,500				
<b>Total Business-Type Activities</b>	<b>1,524,495</b>	<b>576,278</b>	<b>1,065,415</b>		<b>117,198</b>	<b>117,198</b>
<b>Total Primary Government</b>	<b>\$ 46,950,772</b>	<b>\$ 1,383,953</b>	<b>\$ 7,110,212</b>	<b>(38,573,805)</b>	<b>117,198</b>	<b>(38,456,607)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, Net				17,228,024		17,228,024
Taxes Levied for Debt Service				690,923		690,923
Federal and State Aid Not Restricted				23,631,220		23,631,220
Investment Earnings				10,027	99	10,126
Miscellaneous Income				217,825		217,825
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>41,778,019</b>	<b>99</b>	<b>41,778,118</b>
<b>Change in Net Position</b>				<b>3,204,214</b>	<b>117,297</b>	<b>3,321,511</b>
<b>Net Position — Beginning of Year</b>				<b>3,844,878</b>	<b>555,213</b>	<b>4,400,091</b>
<b>Net Position — End of Year</b>				<b>\$ 7,049,092</b>	<b>\$ 672,510</b>	<b>\$ 7,721,602</b>

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

## **FUND FINANCIAL STATEMENTS**

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

## **GOVERNMENTAL FUNDS**



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,082,332	\$ 80,162	\$ 239,733	\$ 32,768	\$ 1,434,995
Restricted Cash - Capital Reserve	661,488				661,488
Interfund Accounts Receivable	169,742				169,742
Local School District Tax	245,774				245,774
State Aid Receivable	334,631		1,839,056		2,173,687
Federal Aid Receivable	24,680	303,505			328,185
Receivables From Other Governments	322,850				322,850
<b>Total Assets</b>	<b>\$ 2,841,497</b>	<b>\$ 383,667</b>	<b>\$ 2,078,789</b>	<b>\$ 32,768</b>	<b>\$ 5,336,721</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 125,722	\$ 349,330	\$ 389,551	\$	\$ 864,603
Interfund Accounts Payable	469,228	106,363	63,379		638,970
Unearned Revenue	3,261	222			3,483
<b>Total Liabilities</b>	<b>598,211</b>	<b>455,915</b>	<b>452,930</b>		<b>1,507,056</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	886,488				886,488
Maintenance Reserve	67,976				67,976
Excess Surplus	970,041				970,041
Capital Projects Fund			1,625,859		1,625,859
<b>Assigned:</b>					
<b>Capital Reserve:</b>					
Designated for Subsequent Year's Expenditures	225,000				225,000
<b>Excess Surplus:</b>					
Designated for Subsequent Year's Expenditures	302,314				302,314
Year-End Encumbrances	459,544				459,544
Designated for Subsequent Year's Expenditures	548,536				548,536
Unassigned (Deficit)	(1,216,613)	(72,248)		32,768	(1,256,093)
<b>Total Fund Balances (Deficit)</b>	<b>2,243,286</b>	<b>(72,248)</b>	<b>1,625,859</b>	<b>32,768</b>	<b>3,829,665</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,841,497</b>	<b>\$ 383,667</b>	<b>\$ 2,078,789</b>	<b>\$ 32,768</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 \$41,440,349 and the accumulated depreciation is \$16,772,649. (See Note 6).	24,667,700
Deferred Outflow of Resources - Deferred Pension Contribution.	2,558,665
Long Term Net Pension Liability	(13,780,972)
Deferred Inflows of Resources - Pension Actuarial Gains.	(253,540)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7).	(9,975,174)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt.	79,790
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(77,042)
<b>Net Position of governmental activities</b>	<b>\$ 7,049,092</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Tax Levy	\$ 11,257,578			\$ 690,923	\$ 11,948,501
Tuition Charges	807,675				807,675
Transportation Charges	2,826				2,826
Homeless Tuition Reimbursement	185,784				185,784
Interest Earned	8,193		1,834		10,027
Miscellaneous	29,215				29,215
State Sources	25,464,065	736,924	1,903,341	504,741	28,609,071
Federal Sources	109,837	2,213,242			2,323,079
<b>Total Revenues</b>	<b>37,865,173</b>	<b>2,950,166</b>	<b>1,905,175</b>	<b>1,195,664</b>	<b>43,916,178</b>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	8,652,188	2,143,889			10,796,077
Special Education Instruction	3,533,262				3,533,262
Other Special Instruction	1,157,768				1,157,768
Other Instruction	414,379				414,379
Support Services and Undistributed Costs:					
Tuition	2,192,603				2,192,603
Student and Instruction Related Services	2,633,772	530,818			3,164,590
General Administrative Services	908,242				908,242
School Administrative Services	1,590,573				1,590,573
Other Administrative Services	577,449				577,449
Plant Operations and Maintenance	3,024,909				3,024,909
Pupil Transportation	1,904,265				1,904,265
Unallocated Benefits	9,940,861	261,010			10,201,871
Capital Outlay	178,533		5,979,124		6,157,657
Debt Service:					
Principal				955,000	955,000
Interest and Other Charges				240,663	240,663
<b>Total Expenditures</b>	<b>36,708,804</b>	<b>2,935,717</b>	<b>5,979,124</b>	<b>1,195,663</b>	<b>46,819,308</b>
Excess (Deficiency) of Revenues over Expenditures	1,156,369	14,449	(4,073,949)	1	(2,903,130)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interest Earned Transferred from Capital Reserve	1,834		(1,834)		
<b>Total Other Financing Sources and Uses</b>	<b>1,834</b>		<b>(1,834)</b>		
<b>Net Changes in Fund Balances</b>	<b>1,158,203</b>	<b>14,449</b>	<b>(4,075,783)</b>	<b>1</b>	<b>(2,903,130)</b>
Fund Balance — Beginning of Year	1,085,083	(86,697)	5,701,642	32,767	6,732,795
<b>Fund Balance — End of Year</b>	<b>\$ 2,243,286</b>	<b>\$ (72,248)</b>	<b>\$ 1,625,859</b>	<b>\$ 32,768</b>	<b>\$ 3,829,665</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL 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** \$ (2,903,130)

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

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

Depreciation Expense	\$	(627,932)	
Capital Outlays		6,104,991	
		5,477,059	

In the Statement of Activities, pension contributions are reported in governmental funds as expenditures. However, in the statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension charges during the period.

(382,888)

Repayment of Bond 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.

Bond Principal Redeemed 955,000

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

1,793

In the Statement of Activities, Amortization of the Deferred Amount on Debt Refunding is expensed, regardless of when the Debt was Refunded.

(19,554)

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

75,934

**Change in Net Position of Governmental Activities** **\$ 3,204,214**

## **PROPRIETARY FUNDS**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Totals</b>
	<b>Food Service</b>	<b>Academy Program</b>	<b>Internal Service Fund</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 21,407	\$	\$	\$ 21,407
Accounts Receivable:				
State	864			864
Federal	70,190			70,190
Other	8,030			8,030
Interfund Accounts Receivable	396,004	73,224		469,228
Inventories	28,644			28,644
<b>Total Current Assets</b>	<b>525,139</b>	<b>73,224</b>		<b>598,363</b>
Noncurrent Assets:				
Furniture, Machinery & Equipment	735,488	30,118		765,606
Less: Accumulated Depreciation	(618,761)	(21,080)		(639,841)
<b>Total Noncurrent Assets</b>	<b>116,727</b>	<b>9,038</b>		<b>125,765</b>
<b>Total Assets</b>	<b>641,866</b>	<b>82,262</b>		<b>724,128</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	14,680			14,680
Unearned Revenue	24,948			24,948
<b>Total Current Liabilities</b>	<b>39,628</b>			<b>39,628</b>
Noncurrent Liabilities:				
Compensated Absences	11,990			11,990
<b>Total Liabilities</b>	<b>51,618</b>			<b>51,618</b>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	116,727	9,038		125,765
Unrestricted	473,521	73,224		546,745
<b>Total Net Position</b>	<b>\$ 590,248</b>	<b>\$ 82,262</b>	<b>\$</b>	<b>\$ 672,510</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities- Enterprise Fund			Totals
	Food Service	Academy Program	Internal Service Fund	
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 102,434	\$	\$	\$ 102,434
Daily Sales - Non-Reimbursable Programs	121,688			121,688
Special Functions	10,073			10,073
Miscellaneous	3,433			3,433
Academy Tuition		330,150		330,150
Food Service Director Services			8,500	8,500
<b>Total Operating Revenues</b>	<b>237,628</b>	<b>330,150</b>	<b>8,500</b>	<b>576,278</b>
<b>OPERATING EXPENSES:</b>				
Salaries	559,549	164,625	8,500	732,674
Employee Benefits	83,605	76,315		159,920
Purchased Property Services	24,113			24,113
General Supplies	34,477	2,010		36,487
Depreciation	16,200	2,007		18,207
Transportation		256		256
Tuition		13,720		13,720
Miscellaneous	8,788			8,788
Cost of Sales	472,705			472,705
Cost of Sales - Non-Program Food	57,625			57,625
<b>Total Operating Expenses</b>	<b>1,257,062</b>	<b>258,933</b>	<b>8,500</b>	<b>1,466,870</b>
Operating Income (Loss)	(1,019,434)	71,217	-	(890,592)
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
State Sources:				
State School Lunch Program	13,396			13,396
Federal Sources:				
National School Breakfast Program	178,885			178,885
National School Lunch Program	696,658			696,658
National Snack Program	13,374			13,374
Food Distribution Program	107,982			107,982
Fruit and Vegetable Grant	44,876			44,876
NSLP Equipment Assistance Grant	10,244			10,244
Interest and Investment Revenue	99			99
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,065,514</b>			<b>1,065,514</b>
Net Change in Position	46,080	71,217		174,922
Net Position — Beginning of Year	544,168	11,045		555,213
Net Position — Ending of Year	\$ 590,248	\$ 82,262	\$ -	\$ 730,135

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 237,628	\$ 330,150	\$ 8,500	\$ 576,278
Payments to Employees	(559,549)	(164,625)	(8,500)	(732,674)
Payments for Employee Benefits	(83,605)	(76,315)		(159,920)
Payments to Suppliers	(551,048)	(89,210)		(640,258)
Net Cash Provided by (used for) Operating Activities	(956,574)	-	-	(956,574)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
State Sources	13,396			13,396
Federal Sources	944,037			944,037
Local Sources				
Net Cash Provided by (used for) Non-Capital Financing Activities	957,433			957,433
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Earned on Investments	99			99
Net Cash Provided by (used for) Investing Activities	99			99
Net Increase (Decrease) in Cash and Cash Equivalents Balances — Beginning of Year	958			958
Balances — End of Year	20,449			20,449
	\$ 21,407	\$ -	\$ -	\$ 21,407
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (1,019,434)	\$ 71,217		\$ (948,217)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	16,200			16,200
Food Distribution Program	107,982			107,982
(Increase)/Decrease in Accounts Receivable	4,207			4,207
(Increase)/Decrease in Inventory	668			668
(Increase)/Decrease in Interfund Receivable	(18,234)			(18,234)
(Increase)/Decrease in Fixed Assets	(39,967)			(39,967)
Increase/(Decrease) in Interfund Payable		(73,224)		
Increase/(Decrease) in Accounts Payable	(16,494)			(16,494)
Increase/(Decrease) in Compensated Absences Payable	(1,265)			
Increase/(Decrease) in Unearned Revenue	9,763			
Total Adjustments	62,860	(73,224)		70,856
Net Cash Provided by (used for) Operating Activities	\$ (956,574)	\$ (2,007)		\$ (877,361)

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

## **FIDUCIARY FUNDS**



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2016**

	Trust Funds		Agency Funds	
	School Uniform Trust	Unemployment Compensation Trust	Student Activity	Payroll
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,440	\$ 177,404	\$ 64,996	\$ 397,046
Total Assets	\$ 2,440	\$ 177,404	\$ 64,996	\$ 397,046
<b>LIABILITIES</b>				
Accounts Payable	\$	\$ 2,296	\$	\$
Payable to Student Groups			64,996	
Payroll Deductions and Withholdings				314,692
Employee Section 125 Plan				82,354
Total Liabilities		2,296	\$ 64,996	\$ 397,046
<b>NET POSITION:</b>				
Held in Trust for:				
School Uniform Trust	\$ 2,440			
Unemployment Claims and Other Purposes		\$ 175,108		

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Contributions:			
Employee Deductions	\$	\$ 50,104	\$ 50,104
Other	600		50,704
Total Contributions	600	50,104	100,808
Investment Earnings:			
Interest		293	293
Net Investment Earnings		293	293
Total Additions	600	50,397	101,101
<b>DEDUCTIONS:</b>			
Uniforms	659		659
Unemployment Claims		81,840	81,840
Total Deductions	659	81,840	82,499
Change in Net Position	(59)	(31,443)	18,602
Net Position — Beginning of Year	2,499	206,551	209,050
Net Position — End of Year	\$ 2,440	\$ 175,108	\$ 177,548

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** – The Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) is a Type II district located in the County of Salem, 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 School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2016 of 2,212.

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

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

**Basis of Presentation** – The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described in this note. The School District’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District’s governmental activities and for the business-type activities of the School District.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Government-wide Financial Statements (Cont'd)**

Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** – During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds.

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those which 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.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Government-wide Financial Statements (Cont'd)**

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations:

1. That are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School Districts enterprise fund is:

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

**Academy Program** – This fund accounts for the financial transactions related to providing academic and technical needs for high school students

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Proprietary Funds (Cont'd)**

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

Equipment	15 Years
Vehicles	4-6 Years

**Internal Service Funds** - The Internal Service Fund is used by management to charge the necessary expenses to provide consultant services to the Food Services Program for Oldmans Township School District. The assets and liabilities of the combine service funds are included in business-type activities in the Statement of Net Position.

**Fiduciary Funds** - Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, Accounting and Financial Reporting for Certain External Investment Pools. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds; an unemployment trust fund, a uniform fund, a student activity fund, and payroll fund.

**Measurement Focus** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. For the fund financial statements, all government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing sources) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end. Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the state of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used for the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Preschool Education Aid*, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets/Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue and debt service funds and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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:23A-16.2(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:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 I-3 includes all amendments to the adopted budget, if any.

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

**Encumbrances** – Under encumbrances accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as Unearned Revenues at fiscal year end.



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Encumbrances (Cont'd)**

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

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

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

N.J.S.A. 17:9-41 et. seq. establishes requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in the 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

**Tuition Receivable** – Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable** – Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Inventories** – Inventories are value at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in the governmental fund financial statements is recorded as expenditures when consumed rather than when purchased.

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

**Prepaid Expenses** – Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Prepaid Expenses (Cont'd)**

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

**Deferred Expenditures** – Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

**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 School District and that are due within one year. These amounts are eliminated in the governmental-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

**Capital Assets** – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure.

Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<b><u>Description</u></b>	<b><u>Governmental Activities Estimated Lives</u></b>	<b><u>Business-Type Activities Estimated Lives</u></b>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Compensated Absences** – Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

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

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

**Net Position** – Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both are restricted and unrestricted Net Position is available.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Balances (Cont'd)**

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

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

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

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

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

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

**Operating and Non-Operating Revenues and Expenses** – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of federal and state grant funding and interest income earned on various interest-bearing accounts. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Bond and Lease Acquisition Costs**

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year amount of unamortized debt issue cost has been restated, in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2016.

**A. New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB No. 80 - Blending Requirements for Certain Component Units - an Amendment of GASB 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 is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 80, did not impact the financial statements of the School District.
- GASB No. 79 - *Certain External Investment Pools and Pool Participants*: This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 79, did not impact the financial statements of the School District.
- GASB 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 issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 78, did not impact the financial statements of the School District.
- GASB No. 77, *Tax Abatement Disclosures*: This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 77, did not impact the financial statements of the School District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. New Accounting Standards (Cont'd)**

The School District has adopted the following GASB statements:

- GASB No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*: The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 76, did not impact the financial statements of the School District.
- GASB 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*: The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments 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 with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 73, did not impact the financial statements of the School District.
- GASB No. 72 - *Fair Value Measurement and Application*: This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72, did not impact the financial statements of the School District.

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

- GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of GASB 82, did not impact the financial statements of the School District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. New Accounting Standards (Cont'd)**

- GASB 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements.
- GASB No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- GASB No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans: The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 74 on the School District's financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2016, the School District's bank balance of \$3,065,876 custodial credit risk as follows:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
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**NOTE 2. CASH AND CASH EQUIVALENTS (CONT'D)**

**Custodial Credit Risk Related to Deposits (Cont'd)**

Insured by Depository Insurance	\$	415,226
Collateralized under GUDPA		<u>2,650,650</u>
Total	\$	<u><u>3,065,876</u></u>

**NOTE 3. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District inclusion of \$100.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance July 1, 2015	\$	758,198
Increased by: Contribution		450,000
Interest Income		3,290
Decreased by Appropriation for Capital Outlay		(100,000)
Decreased by: Transfer to the Capital Projects Fund		<u>          </u>
Ending balance June 30, 2016		<u><u>\$1,111,488</u></u>

The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's LRFP.



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
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**NOTE 4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2016 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate are as follows:

	General Fund	Special Revenue Fund	Capital Projects Funds	Proprietary Funds
<b>Receivables:</b>				
Intergovernmental	\$927,735	\$303,505	\$1,839,056	\$71,054
Other				8,030
Total	<u>\$927,735</u>	<u>\$303,505</u>	<u>\$1,839,056</u>	<u>\$79,084</u>

**NOTE 5. INVENTORY**

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 25,235
Supplies	<u>3,409</u>
	<u>\$ 28,644</u>

At June 30, 2016, there was an ending inventory of \$28,644 in the Food Service Fund, of which \$20,792 was federal commodities.

**NOTE 6. OPERATING LEASES**

At June 30, 2016, the School District paid off the remaining balance of \$99,297 for lease agreements in effect for copiers and mail machines from prior years. In the 2015-16 year, the District entered into new lease agreements for copiers and mail machines as follows:

Fiscal Year	
<u>Ending June 30,</u>	<u>Principal</u>
2017	\$ 116,048
2018	116,048
2019	116,048
2020	<u>30,198</u>
Total	<u>378,342</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7. CAPITAL ASSETS**

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

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2016</u>
<b>Governmental Activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,280,600	\$	\$	\$ 1,280,600
Construction in Progress	1,259,106	5,979,124		7,238,230
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,539,706</b>	<b>5,979,124</b>		<b>8,518,830</b>
Land improvements	1,511,394			1,511,394
Building and building improvements	28,689,516	82,290		28,771,806
Furniture and equipment	2,594,742	43,577		2,638,319
<b>Totals Capital Assets Being Depreciated</b>	<b>32,795,652</b>	<b>125,867</b>		<b>32,921,519</b>
Less accumulated depreciation:				
Land improvements	(1,375,272)	(2,841)		(1,378,113)
Building and improvements	(12,299,303)	(600,947)		(12,900,250)
Equipment	(2,470,142)	(24,144)		(2,494,286)
<b>Total Accumulated Depreciation</b>	<b>(16,144,717)</b>	<b>(627,932)</b>		<b>(16,772,649)</b>
<b>Government Activities Capital Assets, Net</b>	<b>\$ 19,190,641</b>	<b>\$ 5,477,059</b>	<b>\$</b>	<b>\$ 24,667,700</b>
				<b>To A-1</b>
<b>Business-type Activities:</b>				
Equipment	\$ 725,639	\$ 39,967	\$	\$ 765,606
Less: Accumulated Depreciation	(621,634)	(18,207)		(639,841)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 104,005</b>	<b>\$ 21,760</b>	<b>\$</b>	<b>\$ 125,765</b>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 294,246
Administrative Support	57,432
Business Services	15,104
Operations/Maintenance	261,150
<b>Total Depreciation Expense</b>	<b>\$ 627,932</b>

**NOTE 8. AMORTIZATION OF DEBT REFUNDING COST**

The School District has elected to implement GASB Statement No. 65 during the year under audit and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2015-16 School Year, \$19,554 was amortized, resulting in a balance in Deferred Outflows of Resources of \$79,790, as of June 30, 2016.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. LONG TERM OBLIGATIONS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2016</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 9,995,000	\$	\$ 955,000	\$ 9,040,000	\$ 930,000
Compensated Absences	1,011,108		75,934	935,174	12,391
Governmental Activity Long Term Liability	<u>11,006,108</u>		<u>1,030,934</u>	<u>9,975,174</u>	<u>942,391</u>
<b>Business-Type Activities</b>					
Compensated Absences Payable	\$ 13,255	\$	\$ (1,265)	\$ 11,990	\$

As of June 30, 2016, there exists a balance of outstanding principal in the 2003 issue, the refunded 2005 issue and the series 2015 bond issues totaling \$9,040,000. Combined Principal and interest due on the two serial bond issues outstanding as of June 30, 2016 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 930,000	\$ 296,779	\$ 1,226,779
2018	935,000	265,279	1,200,279
2019	950,000	232,624	1,182,624
2020	945,000	198,224	1,143,224
2021	360,000	163,424	523,424
2022	360,000	152,624	512,624
2023	360,000	141,824	501,824
2024	360,000	131,024	491,024
2025	360,000	120,224	480,224
2026	360,000	109,424	469,424
2027	360,000	98,624	458,624
2028	360,000	87,824	447,824
2029	360,000	77,024	437,024
2030	360,000	66,224	426,224
2031	360,000	55,424	415,424
2032	330,000	43,724	373,724
2033	330,000	33,000	363,000
2034	330,000	22,274	352,274
2035	330,000	11,550	341,550
	<u>\$ 9,040,000</u>	<u>\$ 2,307,118</u>	<u>\$ 11,347,118</u>

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

On April 7, 2003, the School District issued \$4,465,000.00 general obligation bonds at interest rates varying from 2.00% to 3.40% for various construction and renovation projects. The final maturity of these bonds was December 15, 2015. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9. LONG TERM OBLIGATIONS (CONT'D)**

On November 13, 2014 the School District issued \$3,810,000.00 refunding school bonds at interest rates varying from 1.00% to 2.00% to extinguish previous bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000.00. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2016 is \$3,040,000.

On February 18, 2015, the School District issued \$6,000,000.00 refunding school bonds at interest rates varying from 2.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2016 is \$6,000,000.

**Bonds Authorized But Not Issued** – As of June 30, 2016, the Board had no bonds authorized but not issued.

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

**NOTE 10. PENSION PLANS**

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

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

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

For the year ended June 30, 2016, the District recognized pension expense of \$5,970,446 and revenue of \$5,970,446 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 10. PENSION PLANS (CONT'D)**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, which equal the required contribution for each fiscal year, were as follows:

<b>Public Employees Retirement System</b>					
<b>Fiscal Year</b>	<b>Normal Contribution</b>	<b>Accrued Liability</b>	<b>Total Liability</b>	<b>Funded by State</b>	<b>Paid by District</b>
2016	\$ 89,353	\$ 411,619	\$ 500,972	\$ N/A	\$ 500,972

**Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - 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.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A.43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for TPAF and PERS:

**Tier Definition**

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment on or after June 28, 2011

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 10. PENSION PLANS (CONT'D)**

**Vesting and Benefit Provisions (Cont'd)**

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, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. 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. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

**Trend Information for TPAF (Paid on-behalf of the School District)**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$ 2,751,840	100	% \$ N/A
6/30/15	2,164,195	100	N/A
6/30/14	1,837,126	100	N/A

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$1,256,133 to the TPAF for pension contributions and \$1,495,707 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the School District \$1,108,632 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 10. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Contributions to the pension plan from the School District were \$527,795 for the fiscal year ended June 30, 2016. Employee contributions were \$299,950 for the fiscal year ended June 30, 2016.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$13,780,972 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School District's proportion was .061391%, which represents a .0014% increase from the prior year.

For the fiscal year ended June 30, 2016, the School District recognized \$953,021 in the government-wide financial statements, for pension expense for PERS.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 10. PENSION PLANS (CONT'D)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System** - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 328,766	\$
Changes of assumptions	1,479,966	
Net difference between projected and actual earnings on pension plan investments		221,572
Changes in proportion and differences between District contributions and proportionate share of contributions	222,138	31,968
District contributions subsequent to the measurement date	527,795	
<b>Total</b>	<b>\$ 2,558,665</b>	<b>\$ 253,540</b>

\$527,795 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016. 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	PERS
2017	\$ 316,589
2018	316,589
2019	316,589
2020	316,589
2021	316,589
Thereafter	194,385
<b>Total</b>	<b>\$ 1,777,330</b>

Collective Balances at June 30, 2015 and 2016 are as follows:

	Actuarial Valuation Date	
	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability	\$ 46,170,131,656	\$ 38,849,838,953
District's Proportion	0.0613906567%	0.0599921946%



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 10. PENSION PLANS (CONT'D)**

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>TPAF</u>
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Valuation Date	July 1, 2014	July 1, 2014
Interest Rate	7.90%	7.90%
Salary Scale (Based on Age):		
2012-2021	2.15% - 4.40%	Varies based
Thereafter	3.15% - 5.40%	on Experience
Inflation	3.04%	2.50%

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were based on Scale AA. Preretirement 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. Postretirement 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.

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 10. PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

Asset Class	PERS		TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%	5.00%	0.53%
U.S. Treasuries	1.75%	1.64%	1.75%	1.39%
Investment Grade Credit	10.00%	1.79%	13.50%	2.72%
Mortgages	2.10%	1.62%	2.10%	2.54%
High Yield Bonds	2.00%	4.03%	2.00%	4.57%
Inflation-Indexed Bonds	1.50%	3.25%	1.50%	1.47%
Broad US Equities	27.25%	8.52%	27.25%	5.63%
Developed Foreign Equities	12.00%	6.88%	12.00%	6.22%
Emerging Market Equities	6.40%	10.00%	6.40%	8.46%
Private Equity	9.25%	12.41%	9.25%	9.15%
Hedge Funds/Absolute Return	12.00%	4.72%	12.00%	14.57%
Real Estate (Property)	2.00%	6.83%	4.25%	3.97%
Commodities	1.00%	5.32%	1.00%	3.58%
Timber	n/a	n/a	1.00%	4.61%
Farmland	n/a	n/a	1.00%	4.61%
Global Debt ex US	3.50%	-0.40%	n/a	n/a
Real Estate (REITS)	4.25%	5.12%	n/a	n/a
<b>Total</b>	<b>100%</b>		<b>100%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS 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. 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 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 10. PENSION PLANS (CONT'D)**

**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2016 calculated using a discount rate of 4.90% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.9%)	Current Discount (4.9%)	1% Increase (5.9%)
District's proportionate share of the net pension liability	\$ 17,128,062	\$ 13,780,972	\$ 10,974,796

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTE 11. POST RETIREMENT BENEFITS**

P.L. 1987, c.884 of 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 employment medical benefits through the TPSF 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 the 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 12. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey of \$1,256,133 for TPAF normal costs, \$1,495,707 for TPAF post-retirement costs and \$1,108,632 for reimbursed TPAF Social Security costs.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 13. RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance** – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30</u>	<u>Interest</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 293	\$	\$ 50,104	\$ 81,840	\$ 175,108
2015	332			19,075	206,551
2014	335		38,222	48,397	225,294

**Joint Insurance Pool** – The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The Fund provides the School District with the following coverage:

- Property (Including Inland Marine and Automobile Physical Damage)
- Boiler and Machinery
- Educator’s Legal Liability
- Crime
- Pollution Legal Liability
- General and Automotive Liability
- Workers’ Compensation

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund’s actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund’s claim, loss retention, or administrative accounts to assure the payment of the Fund’s obligations. As a participant in the Tri-County JIF, the reflective share of the combined fund balance or deficit is reported to the District each year, of which this amount is not reported in the Financial Statements of the District.

**NOTE 14. DEFERRED COMPENSATION**

The School District offers a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the employer, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14. DEFERRED COMPENSATION (CONT'D)**

The below 403(b) service providers have been authorized by the School District:

Ameriprise Financial Services, Inc.  
AXA Equitable Life Insurance Company  
Fidelity Investments  
ING Life Insurance and Annuity Company  
Lincoln Investment Planning, Inc.  
MetLife

**NOTE 15. COMPENSATED ABSENCES**

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

All School District employees are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. All School District employees except non-instructional aides are entitled to three personal days which may be carried forward and accumulated to be paid at retirement. Vacation days not used during the year may not be accumulated and carried forward.

Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, the liability for compensated absences in the governmental and proprietary fund types was \$935,174 and \$11,190, respectively.

**NOTE 16. ARBITRAGE REBATE**

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The School District issued refunded bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is May 31, 2008 (the final maturity of the bonds) or earlier, the redemption date of the last outstanding bond. The School District also issued refunding bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is February 28, 2010 (the final maturity bonds) or if earlier, the redemption date of the last outstanding bond.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 17. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2016.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 169,742	\$ 469,228
Special Revenue		106,363
Capital Projects		63,379
Proprietary	469,228	
	<u>\$ 638,970</u>	<u>\$ 638,970</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

**NOTE 18. DEFICIT FUND BALANCES**

The School District has an unassigned deficit of \$1,216,613 in the general fund and a deficit of \$72,248 in the special revenue fund, as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue for budget purposes only in the current school budget year. The statute provides legal authority for school districts to recognize the revenue in a current school budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other governmental recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payment. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District's general fund deficit is less than the June state aid payments received in July, 2016 and the School District's special revenue fund deficit in the GAAP funds statements of \$72,248 is the same as the June state aid payments received in July, 2016.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 18. DEFICIT FUND BALANCES (CONT'D)**

**NONSPENDABLE**

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2016.

**RESTRICTED**

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund –**

**For Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budget fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$1,272,355, of which \$302,314 was assigned for utilization in the 2016-17 budget and \$970,041 will be utilized in the 2017-18 budget.

**For Capital Reserve Account** – As of June 30, 2016, the balance in the capital reserve account is \$1,111,488, of which \$225,000 was assigned for utilization in the 2016-17 budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). The maximum amount of Capital Reserve is \$25,757,944.

**For Maintenance Reserve Account** – As of June 30, 2016, the balance in the maintenance reserve account is \$67,976. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A 18:7G-9) as amended by P.L. 2004, c. 73 (S1710). The maximum allowable reserve balance is \$2,445,906.

**Capital Projects Fund** – As of June 30, 2016, the restricted fund balance amount was \$1,625,859. Budgets of district projects were approved and funded during the previous year in part by the School Development Authority in the amount of \$13,509,588, Bond Proceeds of \$6,000,000 and \$600,000 from the Capital Reserve account.

**Debt Service Fund** – In accordance with N.J.S.A. 18A:7F-41(c) (2), the School District has a Debt fund balance in the amount of \$32,768, which is unassigned as of June 30, 2016.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 18. DEFICIT FUND BALANCES (CONT'D)**

**ASSIGNED**

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund –**

**For Subsequent Year's Expenditures** – The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016 \$548,536.

**Other Purposes - Committed** As of June 30, 2016, the School District had \$459,544 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** – As of June 30, 2016, the fund balance of the general fund was \$2,243,286, which includes an unassigned deficit of \$1,216,613. There was the result of the delay in the payment of state aid of \$2,058,211 until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid in the payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance does not alone indicate that the School District is facing financial difficulties.

**Special Revenue Fund** – As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$72,248, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$72,248 is the same as the last state aid payment.

**NOTE 19: LITIGATION**

The School District is a defendant in a legal proceeding that is currently awaiting a court hearing. The Board's insurance carrier is defending the claim. In addition, the Board is still aware of three Notice of Tort Claims and the outcome, or exposure to the Board, is still either unknown or potential losses, if any, would not be material to the financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

# **BUDGETARY COMPARISON SCHEDULES**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 11,257,578		\$ 11,257,578	\$ 11,257,578	
Tuition - Summer School	4,500		4,500	4,750	250
Tuition from LEAS within the State	900,000		900,000	802,925	(97,075)
Transportation Fees from Other LEAS				2,826	2,826
Transportation Fees from Individuals	28,000		28,000		(28,000)
Homeless Tuition Reimbursement				185,784	185,784
Interest on Investments				4,903	4,903
Interest on Investments - Capital Reserve				3,290	3,290
Rent	5,500		5,500	7,400	1,900
Miscellaneous	50,000		50,000	21,815	(28,185)
<b>Total - Local Sources</b>	<b>12,245,578</b>		<b>12,245,578</b>	<b>12,291,271</b>	<b>45,693</b>
State Sources:					
Categorical Special Education	1,172,562		1,172,562	1,172,562	
Equalization Aid	19,728,590		19,728,590	19,728,590	
Categorical Security Aid	281,855		281,855	281,855	
Categorical Transportation Aid	103,538		103,538	103,538	
PARCC Readiness Aid	21,010		21,010	21,010	
Per Pupil Growth Aid	21,010		21,010	21,010	
Extraordinary Aid	150,000		150,000	297,583	147,583
Reimbursement of Nonpublic School Transportation Costs				8,381	8,381
Family Crisis Transportation Aid				28,667	28,667
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,495,707	1,495,707
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				1,256,133	1,256,133
Reimbursed TPAF Social Security (Non-Budgeted)				1,108,632	1,108,632
<b>Total - State Sources</b>	<b>21,478,565</b>		<b>21,478,565</b>	<b>25,523,668</b>	<b>4,045,103</b>
Federal Sources:					
Medical Assistance Program	90,030		90,030	109,837	19,807
<b>Total - Federal Sources</b>	<b>90,030</b>		<b>90,030</b>	<b>109,837</b>	<b>19,807</b>
<b>Total Revenues</b>	<b>33,814,173</b>		<b>33,814,173</b>	<b>37,924,776</b>	<b>4,110,603</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool	64,625		64,625	59,283	5,342
Kindergarten	740,177		740,177	734,009	6,168
Grades 1-5	2,894,733	(44,902)	2,849,831	2,819,107	30,724
Grades 6-8	1,885,653	(236,431)	1,649,222	1,558,812	90,410
Grades 9-12	2,482,121	(73,450)	2,408,671	2,255,399	153,272
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000	(10,929)	39,071	36,186	2,885
Purchased Professional - Educational Services	40,000	7,788	47,788	47,788	
Other Purchased Services (400-500 series)	2,500	(1,249)	1,251	111	1,140
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	172,780	(30,175)	142,605	138,411	4,194
Purchased Professional - Educational Services	486,152	(21,480)	464,672	388,394	76,278
Other Purchased Services (400-500 Series)	185,225	(21,527)	163,698	145,503	18,195
General Supplies	312,205	192,745	504,950	395,730	109,220
Textbooks	78,444	(307)	78,137	70,157	7,980
Other Objects	8,200	(2,184)	6,016	3,298	2,718
<b>Total Regular Programs</b>	<b>9,402,815</b>	<b>(242,101)</b>	<b>9,160,714</b>	<b>8,652,188</b>	<b>508,526</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,120,477	(115,541)	1,004,936	1,004,436	500
Other Salaries for Instruction	100,997	16,100	117,097	117,097	
General Supplies	10,000	5,086	15,086	5,713	9,373
<b>Total Learning and/or Language Disabilities</b>	<b>1,231,474</b>	<b>(94,355)</b>	<b>1,137,119</b>	<b>1,127,246</b>	<b>9,873</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<b>Multiple Disabilities:</b>					
Salaries of Teachers	\$ 726,801	\$ 102,359	\$ 829,160	\$ 829,160	\$
Other Salaries for Instruction	339,403	(17,359)	322,044	318,304	3,740
Purchased Professional Educational Services	5,000	3,626	8,626	7,803	823
General Supplies	16,101	(569)	15,532	14,007	1,525
<b>Total Multiple Disabilities</b>	<b>1,087,305</b>	<b>88,057</b>	<b>1,175,362</b>	<b>1,169,274</b>	<b>6,088</b>
<b>Special Education - Instruction:</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,037,269	(98,830)	938,439	938,438	1
Other Salaries for Instruction	61,649	(1,319)	60,330	53,550	6,780
General Supplies	27,500	36,049	63,549	56,054	7,495
Textbooks	2,700	(2,700)			
<b>Total Resource Room/Resource Center</b>	<b>1,129,118</b>	<b>(66,800)</b>	<b>1,062,318</b>	<b>1,048,042</b>	<b>14,276</b>
<b>Special Education - Instruction:</b>					
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	151,218	(543)	150,675	149,844	831
Other Salaries for Instruction	39,906	(7,099)	32,807	29,809	2,998
General Supplies	3,490	7,609	11,099	9,047	2,052
<b>Total Preschool Disabilities - Instruction - Part -Time</b>	<b>194,614</b>	<b>(33)</b>	<b>194,581</b>	<b>188,700</b>	<b>5,881</b>
<b>Home Instruction:</b>					
Purchased Professional-Educational Services					
<b>Total Home Instruction</b>					
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,642,511</b>	<b>(73,131)</b>	<b>3,569,380</b>	<b>3,533,262</b>	<b>36,118</b>
<b>Basic Skills / Remedial - Instruction:</b>					
Salaries of Teachers	436,328	(59,531)	376,797	372,553	4,244
Other Salaries for Instruction	38,914	(469)	38,445	35,810	2,635
<b>Total Basic Skills / Remedial - Instruction</b>	<b>475,242</b>	<b>(60,000)</b>	<b>415,242</b>	<b>408,363</b>	<b>6,879</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	594,498	141	594,639	594,282	357
Other Salaries for Instruction	184,997	(22,872)	162,125	151,145	10,980
Purchased Professional - Educational Services	4,000	59	4,059	3,978	81
<b>Total Bilingual Education - Instruction</b>	<b>783,495</b>	<b>(22,672)</b>	<b>760,823</b>	<b>749,405</b>	<b>11,418</b>
<b>School Sponsored Co-curricular Activities - Instruction</b>					
Salaries	66,016	2,070	68,086	66,723	1,363
Supplies and Materials	4,600	(798)	3,802	3,710	92
Other Objects	5,000	7,472	12,472	11,992	480
<b>Total School Sponsored Co-curricular Activities - Instruction</b>	<b>75,616</b>	<b>8,744</b>	<b>84,360</b>	<b>82,425</b>	<b>1,935</b>
<b>School Sponsored Athletics - Instruction</b>					
Salaries	194,697	6,957	201,654	198,766	2,888
Purchased Services (300-500 Series)	78,750	(18,361)	60,389	60,079	310
Supplies and Materials	40,650	16,729	57,379	51,926	5,453
Other Objects	17,500	(8,218)	9,282	8,861	421
<b>Total School Sponsored Athletics - Instruction</b>	<b>331,597</b>	<b>(2,893)</b>	<b>328,704</b>	<b>319,632</b>	<b>9,072</b>
<b>Summer School - Instruction</b>					
Salaries of Teachers	13,886	1,190	15,076	12,322	2,754
Purchased Professional & Technical Services	5,000	(1,003)	3,997		3,997
<b>Total Summer School - Instruction</b>	<b>18,886</b>	<b>187</b>	<b>19,073</b>	<b>12,322</b>	<b>6,751</b>
<b>Total Instruction</b>	<b>14,730,162</b>	<b>(391,866)</b>	<b>14,338,296</b>	<b>13,757,597</b>	<b>580,699</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Current Expense (Cont'd)</b>					
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	\$ 61,955	\$ 58,628	\$ 120,583	\$ 113,977	\$ 6,606
Tuition to Other LEAs Within the State - Special	59,779	(2,821)	56,958	53,201	3,757
Tuition to County Voc School Dist - Regular	260,000	30,429	290,429	232,678	57,751
Tuition to CSSD & Regional Day Schools	916,666	8,859	925,525	905,978	19,547
Tuition to Private Schools for the Disabled - Within State	551,109	22,537	573,646	569,404	4,242
Tuition to Priv Schools for the Disabled & Oth LEAs-Spl, O/S St	216,578	(2,449)	214,129	214,129	
Tuition - State Facilities	103,236		103,236	103,236	
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,169,323</b>	<b>115,183</b>	<b>2,284,506</b>	<b>2,192,603</b>	<b>91,903</b>
<b>Undistributed Expenditures - Attendance &amp; Social Work:</b>					
Salaries	25,302		25,302	25,175	127
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>25,302</b>		<b>25,302</b>	<b>25,175</b>	<b>127</b>
<b>Undistributed Expenditures - Health Services</b>					
Salaries	289,644	(29,600)	260,044	259,046	998
Purchased Professional and Technical Services	195,500	(15,991)	179,509	172,871	6,638
Other Purchased Services (400-500 series)	1,000		1,000		1,000
Supplies and Materials	12,741	1,026	13,767	12,099	1,668
<b>Total Undistributed Expenditures - Health Services</b>	<b>498,885</b>	<b>(44,565)</b>	<b>454,320</b>	<b>444,016</b>	<b>10,304</b>
<b>Undistributed Expenditures - Speech, OT, PT &amp; Related Services:</b>					
Salaries	124,014	(8,427)	115,587	111,901	3,686
Purchased Professional - Educational Services	98,750	27,137	125,887	106,185	19,702
Supplies and Materials	291	(291)			
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Related Services</b>	<b>223,055</b>	<b>18,419</b>	<b>241,474</b>	<b>218,086</b>	<b>23,388</b>
<b>Undistributed Expenditures - Guidance</b>					
Salaries of Other Professional Staff	536,706	(19,326)	517,380	517,379	1
Salaries of Secretarial and Clerical Assistants	88,260	(674)	87,586	84,336	3,250
Purchased Professional - Educational Services	700		700		700
Other Purchased Professional and Technical Services	29,150	(200)	28,950	28,038	912
Supplies and Materials	10,113	6,337	16,450	14,456	1,994
<b>Total Undistributed Expenditures - Guidance</b>	<b>664,929</b>	<b>(13,863)</b>	<b>651,066</b>	<b>644,209</b>	<b>6,857</b>
<b>Undistributed Expenditures - Child Study Teams</b>					
Salaries of Other Professional Staff	455,539	(75,500)	380,039	379,968	71
Salaries of Secretarial and Clerical Assistants	50,870	300	51,170	51,022	148
Purchased Professional- Educational Services	45,000	62,287	107,287	104,948	2,339
Other Purchased Professional and Technical Services	10,000	18,111	28,111	24,571	3,540
Misc Purchased Services (400-500 Series Other than Resid Costs)	9,360	(5,000)	4,360	368	3,992
Supplies and Materials	11,640	2,059	13,699	10,220	3,479
Other Objects	5,000		5,000	4,911	89
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>587,409</b>	<b>2,257</b>	<b>589,666</b>	<b>576,008</b>	<b>13,658</b>
<b>Undistributed Expenditures - Improvement of Instruction Services:</b>					
Salaries of Supervisor of Instruction	251,304	4,000	255,304	254,670	634
Salaries of Other Professional Staff	37,538	(1,328)	36,210	11,506	24,704
Salaries of Secretarial and Clerical Assistants	56,468	1,000	57,468	56,252	1,216
Supplies and Materials	6,000	2,464	8,464	4,409	4,055
Other Objects	2,000	99	2,099	1,584	515
<b>Total Undistributed Expenditures - Improvement of Instruction Serv.</b>	<b>353,310</b>	<b>6,235</b>	<b>359,545</b>	<b>328,421</b>	<b>31,124</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Current Expense (Cont'd)</b>					
<b>Undistributed Expenditures - Educational Media Services/ School Library:</b>					
Salaries	\$ 275,593	\$ (27,176)	\$ 248,417	\$ 243,711	\$ 4,706
Salaries of Technology Coordinators	76,919	(825)	76,094	74,414	1,680
Purchased Professional and Technical Services	1,326		1,326	1,326	
Other Purchased Services (400-500 series)	16,215	(3,448)	12,767	11,130	1,637
Supplies and Materials	30,531	(4,318)	26,213	16,924	9,289
<b>Total Undistributed Expenditures - Educational Media Services/ School Library:</b>	<b>400,584</b>	<b>(35,767)</b>	<b>364,817</b>	<b>347,505</b>	<b>17,312</b>
<b>Undistributed Expenditures - Instructional Staff Training Services</b>					
Purchased Professional - Educational Services	29,000	(3,622)	25,378	19,151	6,227
Other Purchased Services (400-500 series)	49,000	12,652	61,652	31,201	30,451
<b>Total Undistributed Expenditures - Instructional Staff Training Serv:</b>	<b>78,000</b>	<b>9,030</b>	<b>87,030</b>	<b>50,352</b>	<b>36,678</b>
<b>Undistributed Expenditures - Support Services - General Administration:</b>					
Salaries	200,566	555	201,121	201,121	
Legal Services	95,000	(315)	94,685	68,698	25,987
Audit Fees	25,000	39,114	64,114	64,114	
Architectural/Engineering Services	70,000	(62,406)	7,594	6,614	980
Other Purchased Professional Services	20,000	66,332	86,332	79,331	7,001
Purchased Technical Services	2,000	1,041	3,041	3,041	
Communications/Telephone	122,850	(26,535)	96,315	85,252	11,063
BOE Other Purchased Services	10,000	(710)	9,290	6,748	2,542
Other Purchased Services	399,117	(6,072)	393,045	371,780	21,265
General Supplies	12,500	(2,850)	9,650	7,242	2,408
Miscellaneous Expenditures	1,000		1,000	611	389
BOE Membership Dues and Fees	14,500	(700)	13,800	13,690	110
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>972,533</b>	<b>7,454</b>	<b>979,987</b>	<b>908,242</b>	<b>71,745</b>
<b>Undistributed Expenditures - Support Service - School Administration:</b>					
Salaries of Principals/Assistant Principals	958,334	32,279	990,613	986,901	3,712
Salaries of Other Professional Staff	102,984	(450)	102,534	102,534	
Salaries of Secretarial and Clerical Assistants	497,535	(6,000)	491,535	464,281	27,254
Purchased Professional and Technical Services	12,000	(35)	11,965	1,600	10,365
Other Purchased Services (400-500 Series)	2,367	(1,085)	1,282	258	1,024
Supplies and Materials	41,724	(3,124)	38,600	29,990	8,610
Other Objects	4,500	974	5,474	5,009	465
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>1,619,444</b>	<b>22,559</b>	<b>1,642,003</b>	<b>1,590,573</b>	<b>51,430</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	365,778	4,505	370,283	368,242	2,041
Purchased Technical Services	30,000	19,952	49,952	29,285	20,667
Supplies and Materials	4,500	(1,342)	3,158	2,658	500
Other Objects	2,550	(978)	1,572	1,551	21
<b>Total Undistributed Expenditures - Central Services</b>	<b>402,828</b>	<b>22,137</b>	<b>424,965</b>	<b>401,736</b>	<b>23,229</b>
<b>Undistributed Expenditures - Administrative Information Technology</b>					
Salaries	178,716	(1,073)	177,643	175,713	1,930
Purchased Professional Services	500		500		500
<b>Total Undistributed Expenditures - Administrative Information Tech.</b>	<b>179,216</b>	<b>(1,073)</b>	<b>178,143</b>	<b>175,713</b>	<b>2,430</b>
<b>Undistributed Expenditures - Req. Maint. for School Facilities</b>					
Cleaning, Repair, and Maintenance Services	225,000	7,432	232,432	155,170	77,262
General Supplies	120,000	6,274	126,274	85,476	40,798
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>345,000</b>	<b>13,706</b>	<b>358,706</b>	<b>240,646</b>	<b>118,060</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<b>Current Expense (Cont'd)</b>					
<b>Undistributed Expenditures - Custodial Services:</b>					
Salaries	\$ 1,490,166	\$ (37,867)	\$ 1,452,299	\$ 1,417,217	\$ 35,082
Salaries of Non-Instructional Aides	201,015		201,015	169,011	32,004
Purchased Professional and Technical Services	1,500		1,500		1,500
Cleaning, Repair and Maintenance Services	13,800	28,058	41,858	31,741	10,117
Other Purchased Property Services	98,000	1,073	99,073	71,275	27,798
Insurance	124,604	1	124,605	124,605	
General Supplies	138,500	8,862	147,362	109,058	38,304
Energy (Natural Gas)	253,000	559	253,559	126,458	127,101
Energy (Electricity)	435,000	50,154	485,154	441,126	44,028
Energy (Gasoline)	16,000		16,000	6,583	9,417
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>2,771,585</b>	<b>50,840</b>	<b>2,822,425</b>	<b>2,497,074</b>	<b>325,351</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds</b>					
Salaries	165,365	700	166,065	157,327	8,738
Cleaning, Repair and Maintenance Services	35,000	(9,438)	25,562	10,947	14,615
General Supplies	12,000	12,859	24,859	23,149	1,710
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>212,365</b>	<b>4,121</b>	<b>216,486</b>	<b>191,423</b>	<b>25,063</b>
<b>Undistributed Expenditures - Security</b>					
Salaries	94,719	(50)	94,669	94,172	497
Purchased Professional and Technical Services		5,000	5,000	1,080	3,920
Cleaning, Repair and Maintenance Services	25,000	(20,000)	5,000		5,000
General Supplies	12,000	15,514	27,514	514	27,000
<b>Total Undistributed Expenditures - Security</b>	<b>131,719</b>	<b>464</b>	<b>132,183</b>	<b>95,766</b>	<b>36,417</b>
<b>Undistributed Expenditures - Student Transportation Services</b>					
Salaries - Between Home and School - Regular	56,280	439	56,719	56,719	
Management Fee - ESC Transportation Program	2,728	(196)	2,532	2,532	
Other Purchased Professional and Technical Services	3,060	961	4,021	4,021	
Contracted Services - (Between Home and School) - Vendors	825,672	31,603	857,275	840,953	16,322
Contracted Services - (Other than Bet Home & School) - Vendors	84,000	1,375	85,375	81,043	4,332
Contracted Services (Between Home and School) - Joint Agreements	67,743	(54,241)	13,502	13,502	
Contracted Services (Special Education Students) - Vendors	602,734	(131,359)	471,375	470,886	489
Contracted Services (Reg Education Students) - ESC's	60,770	22,790	83,560	83,560	
Contracted Services (Spec Education Students) - ESC's	193,590	123,331	316,921	313,169	3,752
Contracted Services - Aid in Lieu Payments - Non Pub School	17,680	4,674	22,354	22,100	254
Contracted Services - Aid in Lieu Payments - Choice Schl	14,144	2,042	16,186	14,026	2,160
Transportation Supplies		1,755	1,755	1,754	1
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>1,928,401</b>	<b>3,174</b>	<b>1,931,575</b>	<b>1,904,265</b>	<b>27,310</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	435,000	(944)	434,056	427,539	6,517
Other Retirement Contributions - PERS	510,203	19,944	530,147	530,146	1
Workmen's Compensation	302,806		302,806	302,805	1
Health Benefits	4,429,900	463,930	4,893,830	4,278,502	615,328
Tuition Reimbursement	107,000	3,960	110,960	65,768	45,192
Other Employee Benefits	469,139	100,000	569,139	475,629	93,510
<b>Total Unallocated Benefits</b>	<b>6,254,048</b>	<b>586,890</b>	<b>6,840,938</b>	<b>6,080,389</b>	<b>760,549</b>
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,495,707	(1,495,707)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				1,256,133	(1,256,133)
Reimbursed TPAF Social Security (Non-Budgeted)				1,108,632	(1,108,632)
<b>Total On-Behalf Contributions</b>				<b>3,860,472</b>	<b>(3,860,472)</b>
<b>Total Undistributed Expenditures</b>	<b>19,817,936</b>	<b>767,201</b>	<b>20,585,137</b>	<b>22,772,674</b>	<b>(2,187,537)</b>
<b>Total Current Expense</b>	<b>34,548,098</b>	<b>375,335</b>	<b>34,923,433</b>	<b>36,530,271</b>	<b>(1,606,838)</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<b>Capital Outlay</b>					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Interest Deposit on Capital Reserve					
<b>Equipment:</b>					
Preschool Disabilities -Part-Time		2,850	2,850	2,160	690
Grades 1-5	6,587		6,587	6,036	551
School Sponsored and Other Instructional Programs		5,850	5,850	5,816	34
<b>Undistributed Expenditures:</b>					
Custodial Services		27,340	27,340	10,940	16,400
Care and Upkeep of Grounds		12,900	12,900	12,875	25
Special Schools - (All Programs)		5,749	5,749	5,749	
<b>Total Equipment</b>	6,587	54,689	61,276	43,576	17,700
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	100,000	(2,124)	97,876	82,291	15,585
Other Objects - Debt Service Assessment	52,666		52,666	52,666	
<b>Total Facilities Acquisition and Construction Services</b>	152,666	(2,124)	150,542	134,957	15,585
<b>Total Capital Outlay</b>	159,253	52,565	211,818	178,533	33,285
<b>Total Expenditures</b>	34,707,351	427,900	35,135,251	36,708,804	(1,573,553)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(893,178)	(427,900)	(1,321,078)	1,215,972	2,537,050
<b>OTHER FINANCING SOURCES (USES):</b>					
<b>Operating Transfers (Out) :</b>					
Interest Earned Transferred from Capital Project Fund				1,834	1,834
<b>Total Other Financing Sources (Uses):</b>				1,834	1,834
<b>Net Change in Fund Balances</b>	(893,178)	(427,900)	(1,321,078)	1,217,806	2,538,884
Fund Balances - Beginning of Year	3,083,691		3,083,691	3,083,691	
Fund Balances - End of Year	\$ 2,190,513	\$ (427,900)	\$ 1,762,613	\$ 4,301,497	\$ 2,538,884
<b>Recapitulation:</b>					
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve				\$ 886,488	
Maintenance Reserve				67,976	
Excess Surplus				970,041	
<b>Assigned Fund Balance:</b>					
Capital Reserve - Designated For Subsequent Year's Expenditures				225,000	
Year-End Encumbrances				459,544	
Excess Surplus Designated For Subsequent Year's Expenditures				302,314	
Designated For Subsequent Year's Expenditures				548,536	
Unassigned				841,598	
				4,301,497	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment Not Recognized on GAAP Basis				(2,058,211)	
				\$ 2,243,286	



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
<b>State Sources:</b>					
Early Childhood	\$ 722,475	\$	\$ 722,475	\$ 722,475	\$
<b>Total - State Sources</b>	<b>722,475</b>		<b>722,475</b>	<b>722,475</b>	
<b>Federal Sources:</b>					
Title I	1,439,963	(66,834)	1,373,129	1,373,129	
Title II	139,173	14,752	153,925	153,925	
Title III	48,355	9,857	58,212	58,212	
I.D.E.A., Part B	521,150	85,475	606,625	606,625	
I.D.E.A., Part B. Preschool Incentive	20,266	1,085	21,351	21,351	
Perkins Vocational	11,865	(11,865)			
<b>Total - Federal Sources</b>	<b>2,180,772</b>	<b>32,470</b>	<b>2,213,242</b>	<b>2,213,242</b>	
<b>Total Revenues</b>	<b>2,903,247</b>	<b>32,470</b>	<b>2,935,717</b>	<b>2,935,717</b>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,018,261	67,602	1,085,863	1,085,863	
Other Salaries for Instruction	292,647	22,030	314,677	314,677	
Purchased Professional and Technical Services	68,557	(68,557)			
Other Purchased Services (400-500 Series)	1,743	(1,743)			
Tuition	541,416	65,209	606,625	606,625	
General Supplies	143,241	(6,716)	136,525	136,525	
Textbooks	270	(270)			
Other Objects	3,900	(3,701)	199	199	
Miscellaneous Expenditures	270	(270)			
<b>Total Instruction</b>	<b>2,070,305</b>	<b>73,584</b>	<b>2,143,889</b>	<b>2,143,889</b>	
<b>Support Services:</b>					
Salaries - Extra Comp	9,000	(9,000)			
Salaries of Principals, Assistant Principals and Program Directors	49,521		49,521	49,521	
Salaries of Other Professional Staff	99,984	5,590	105,574	105,574	
Salaries of Secretarial and Clerical Assistants	44,301		73,077	73,077	
Other Salaries	43,979		285,090	285,090	
Personal Services - Employee Benefits	28,345	140,739	169,084	169,084	
Medical Benefits	213,853	(121,927)	91,926	91,926	
Other Employee Benefits	146,484	(146,484)			
Purchased Professional - Educational Services	157,075	(157,075)			
Contracted Services - Transportation Other than Between Home and School	1,377	(179)	1,198	1,198	
Travel	2,160	688	2,848	2,848	
Other Purchased Services (400-500 Series)	8,370	5,140	13,510	13,510	
General Supplies	7,200	(7,200)			
Miscellaneous Expenditures	21,293	(21,293)			
<b>Total Support Services</b>	<b>832,942</b>	<b>(311,001)</b>	<b>791,828</b>	<b>791,828</b>	
<b>Total Expenditures</b>	<b>2,903,247</b>	<b>(237,417)</b>	<b>2,935,717</b>	<b>2,935,717</b>	
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>		<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>					
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	<b>[C-1]</b>	\$ 37,924,776	<b>[C-2]</b>	\$	2,935,717
<b>Difference - Budget to GAAP:</b>					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,998,608			86,697
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		<u>(2,058,211)</u>			<u>(72,248)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	<u>\$ 37,865,173</u>	<b>[B-2]</b>	\$	<u>2,950,166</u>
<b>Uses/Outflows of Resources:</b>					
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	<b>[C-1]</b>	\$ 36,708,804	<b>[C-2]</b>	\$	2,935,717
<b>Differences - Budget to GAAP;</b>					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<b>[B-2]</b>	<u>\$ 36,708,804</u>	<b>[B-2]</b>	\$	<u>2,935,717</u>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedules of Required Supplementary Information Part III

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

Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.061391%	0.059992%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,780,972	\$ 11,232,180
District's Covered-Employee Payroll	\$ 4,248,578	\$ 4,139,246
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	324.37%	271.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%

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

SCHEDULE L-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 527,795	\$ 494,567
Contributions in Relation to the Contractually Required Contribution	<u>(527,795)</u>	<u>(494,567)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 District's Covered-Employee Payroll	 \$ 4,248,578	 \$ 4,139,246
Contributions as a Percentage of Covered-Employee Payroll	12.42%	11.95%

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**Schedules of Required Supplementary Information**

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

**Teachers Pension Plan**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.154707%	0.164519%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 97,781,586	\$ 87,929,793
District's Covered-Employee Payroll	\$ 15,423,386	\$ 15,866,952
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	633.98%	554.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Teachers' Pension Plan

The School District was not required to make any contributions towards TPAF.

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.



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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
Pension Schedules**

For the Fiscal Year Ended June 30, 2016

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

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

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

**Public Employees' Retirement System (PERS)**

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

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

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

	<b>N.C.L.B.</b>		<b>Total Carried Forward</b>
	<b>Title I Part A</b>	<b>Title II A-Training</b>	
	<b>2015-2016</b>	<b>2015-2016</b>	
<b>REVENUES:</b>			
Federal Sources	\$ 1,373,129	\$ 153,925	\$ 1,527,054
State Sources			
Other			
<b>Total Revenues</b>	<b>\$ 1,373,129</b>	<b>\$ 153,925</b>	<b>\$ 1,527,054</b>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 596,704	\$ 107,034	\$ 703,738
Other Salaries for Instruction	129,336		129,336
General Supplies	117,633		117,633
Other Objects	199		199
<b>Total Instruction</b>	<b>843,872</b>	<b>107,034</b>	<b>950,906</b>
<b>Support Services:</b>			
Salaries of Other Professional Staff	68,037		68,037
Personal Services - Employee Benefits		26,694	26,694
Medical Benefits	211,104	20,197	231,301
Other Employee Benefits	166,802		166,802
Purchased Professional - Technical Services	65,990		65,990
Other Purchased Services (400-500)	1,198		1,198
Supplies	2,848		2,848
Miscellaneous Expenditures	13,278		13,278
<b>Total Support Services</b>	<b>529,257</b>	<b>46,891</b>	<b>576,148</b>
<b>Total Expenditures</b>	<b>1,373,129</b>	<b>153,925</b>	<b>1,527,054</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

	Total Brought Forward	N.C.L.B.	I.D.E.A. Part B	Total Carried Forward
		Title III	Basic	
	2015-2016	2015-2016	2015-2016	
<b>REVENUES:</b>				
Federal sources	\$ 1,527,054	\$ 58,212	\$ 606,625	\$ 2,191,891
State Sources				
Local Sources				
<b>Total Revenues</b>	<b>1,527,054</b>	<b>58,212</b>	<b>606,625</b>	<b>2,191,891</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	703,738			703,738
Other Salaries for Instruction	129,336	27,196		156,532
Tuition			606,625	606,625
General Supplies	117,633	18,892		136,525
Other Objects	199			199
<b>Total Instruction</b>	<b>950,906</b>	<b>46,088</b>	<b>606,625</b>	<b>1,603,619</b>
<b>Support Services:</b>				
Salaries of Other Professional Staff	68,037			68,037
Personal Services - Employee Benefits	26,694	2,082		28,776
Medical Benefits	231,301	9,810		241,111
Other Employee Benefits	166,802			166,802
Purchased Professional - Technical Services	65,990			65,990
Other Purchased Services (400-500 Series)	1,198			1,198
General Supplies	2,848			2,848
Miscellaneous Expenditures	13,278	232		13,510
<b>Total Support Services</b>	<b>576,148</b>	<b>12,124</b>		<b>588,272</b>
<b>Total Expenditures</b>	<b>1,527,054</b>	<b>58,212</b>	<b>606,625</b>	<b>2,191,891</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

	Total Brought Forward	I.D.E.A.	Preschool Education Aid	Total	
		Part B Preschool 2015-2016		2016	2015
<b>REVENUES:</b>					
Federal sources	\$ 2,191,891	\$ 21,351		\$ 2,213,242	\$ 2,229,745
State sources			\$ 722,475	722,475	874,784
Other					2,013
<b>Total Revenues</b>	<b>2,191,891</b>	<b>21,351</b>	<b>722,475</b>	<b>2,935,717</b>	<b>3,106,542</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	703,738		382,125	1,085,863	1,054,016
Other Salaries for Instruction	156,532	19,069	139,076	314,677	351,629
Purchased Professional and Technical Services					5,969
Other Purchased Services (400-500 Series)					2,050
Tuition	606,625			606,625	583,931
General Supplies	136,525			136,525	182,508
Other Objects	199			199	2,958
<b>Total Instruction</b>	<b>1,603,619</b>	<b>19,069</b>	<b>521,201</b>	<b>2,143,889</b>	<b>2,183,061</b>
<b>Support Services:</b>					
Salaries of Principals, Assistant Principals, and Program Directors			49,521	49,521	49,852
Salaries of Other Professional Staff	68,037		37,537	105,574	101,048
Salaries of Secretarial and Clerical Assistants	28,776		44,301	73,077	49,433
Other Salaries	241,111		43,979	285,090	43,893
Personal Services - Employee Benefits	166,802	2,282		169,084	29,048
Medical Benefits	65,990		25,936	91,926	361,494
Other Employee Benefits					142,543
Purchased Professional - Technical Services					37,068
Purchased Professional - Educational Services					86,595
Contracted Services - Transportation Other Than Between Home and School	1,198			1,198	939
Travel	2,848			2,848	492
Other Purchased Services (400-500 Series)	13,510			13,510	3,196
General Supplies					4,387
Miscellaneous Expenditures					13,493
<b>Total Support Services</b>	<b>588,272</b>	<b>2,282</b>	<b>201,274</b>	<b>791,828</b>	<b>923,481</b>
<b>Total Expenditures</b>	<b>2,191,891</b>	<b>21,351</b>	<b>722,475</b>	<b>2,935,717</b>	<b>3,106,542</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**District-Wide Total**

	Budgeted	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 382,125	\$ 382,125	\$
Other Salaries for Instruction	139,076	139,076	
<b>Total Instruction</b>	521,201	521,201	
<b>Support Services:</b>			
Salaries of Principals	49,521	49,521	
Salaries of Other Professional Staff	37,537	37,537	
Salaries of Secretarial/Clerical Assistants	44,301	44,301	
Other Salaries	43,979	43,979	
Other Employee Benefits	25,936	25,936	
<b>Total Support Services</b>	201,274	201,274	
<b>Total Expenditures</b>	\$ 722,475	\$ 722,475	\$

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 722,475	(1)
Add: Actual ECPA Carryover (June 30, 2015)		(2)
Add: Budgeted Transfer from the General Fund 2015-16		(3)
Total Preschool Education Aid Funds Available for 2015-2016 Budget	722,475	(4)
Less: 2015-2016 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	(722,475)	(5)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016		(6)
Add: June 30, 2016 Unexpended Preschool Education Aid		(7)
Less: 2015-16 Commissioner-approved Transfer to the General Fund		(8)
2015-16 Carryover - Preschool Education Aid/Preschool Programs		(9)
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17		(10)



## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DOE Project Number	Issue/Project Title	Date	Appropriations	Adjusted/ Cancelled	Expenditures to Date		Unexpended Balance 6/30/16	Memo Only		
					Prior Year	Current Year		Encumbrances	Available Balance	
4070-50-10-1004	Science Lab & Auditorium Upgrade at Penns Grove High School		\$ 3,000,000	\$ (203,404)	\$ 2,796,596	\$	\$	\$		
	Parking Lot Improvements at the Lafayette-Pershing School			62,124	57,948		4,176		4,176	
N/A	Site Expansion at Lafayette-Pershing Elementary School	4/13/15	291,189				291,189		291,189	
4070-050-14-1001	Penns Grove HS HVAC	4/13/15	2,646,100		10,624	94,230	2,541,246		2,541,246	
4070-050-14-1002	Penns Grove HS Renovation	4/13/15	4,755,760		780,179	2,922,516	1,053,065		1,053,065	
4070-080-14-1003	Paul W. Carleton ES Renovation	4/13/15	508,400		12,511	78,891	416,998		416,998	
4070-080-14-1004	Paul W. Carleton HVAC	4/13/15	1,036,200		4,149	34,154	997,897		997,897	
4070-090-14-1005	Field Street ES HVAC	4/13/15	1,453,100		5,764	31,643	1,415,693		1,415,693	
4070-090-14-1006	Field Street ES Renovation	4/13/15	1,437,590		65,640	1,095,976	275,974		275,974	
4070-100-14-1007	Lafayette-Pershing ES Roof; Ext Doors	4/13/15	684,950		177,401	361,448	146,101		146,101	
4070-105-14-1008	Penns Grove MS Renovation	4/13/15	7,125,999		202,581	1,360,250	5,563,168		5,563,168	
4070-105-14-1009	Penns Grove MS Roof	4/13/15	14,500				14,500		14,500	
4070-105-14-1010	Penns Grove MS HVAC	4/13/15	64,900		64,900					
4070-105-14-1011	Penns Grove MS HVAC - Admin Off	4/13/15	90,900		257	16	90,627		90,627	
					<u>\$ 23,109,588</u>	<u>\$ (141,280)</u>	<u>\$ 4,178,550</u>	<u>\$ 5,979,124</u>	<u>\$ 12,810,634</u>	<u>\$ 12,810,634</u>
Unearned SDA Grant Fund Balance							\$ 11,184,775	1,625,859		
							<u>\$ 12,810,634</u>			

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Revenues and Other Financing  
Sources**

State Sources - SDA Grant	\$	
Bond Proceeds		
Transfer from Capital Reserve		
Interest Income		1,834
Total Revenues		<u>1,834</u>

**Expenditures and Other Financing  
Uses**

Other Professional and Technical Services	\$	440,647
Construction Services		5,538,477
Total Expenditures		<u>5,979,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers		(5,977,290)
Transfer of Interest Income to General Fund		(1,834)
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>(5,979,124)</u>
Fund Balance - Beginning		<u>18,789,758</u>
Fund Balance - Ending	\$	<u><u>12,810,634</u></u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Maintenance Reserve	\$ 224	\$ 224	\$ 224	\$ 224
Transferred from Other Projects by Authorizing Resolution	9,466		9,466	9,466
Transfer from Capital Reserve	775,000		775,000	775,000
State Sources - SDA Grant	2,008,082		2,008,082	2,008,082
Bond Proceeds & Transfers	8,000		8,000	8,000
<b>Total Revenues</b>	<b>2,800,772</b>		<b>2,800,772</b>	<b>2,800,772</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	203,789		203,789	203,789
Construction Services	2,549,808		2,549,808	2,491,860
General Supplies	7,009		7,009	7,009
Equipment Purchases	6,971		6,971	6,971
Other Costs	29,019		29,019	91,143
<b>Total Expenditures</b>	<b>2,796,596</b>		<b>2,796,596</b>	<b>2,800,772</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 4,176</b>	<b>\$</b>	<b>\$ 4,176</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-050-10-1004
Grant Date	4/5/12
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	(199,228)
Revised Authorized Cost	2,800,772
Percentage Decrease over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/15/2012
Revised Target Completion Date	N/A

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HVAC UPGRADES AT PENNS GROVE HIGH SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,803,764	\$	\$ 1,803,764	\$ 1,803,764
Bond Proceeds & Transfers	842,336		842,336	842,336
<b>Total Revenues</b>	<b>2,646,100</b>		<b>2,646,100</b>	<b>2,646,100</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	6,454	94,230	100,684	275,500
Construction Services	4,170		4,170	2,136,000
Other Costs				234,600
<b>Total Expenditures</b>	<b>10,624</b>	<b>94,230</b>	<b>104,854</b>	<b>2,646,100</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 2,635,476</b>	<b>\$ (94,230)</b>	<b>\$ 2,541,246</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-050-14-1001
SDA Project Number	4070-050-14-G2NH
Grant Date	4/13/15
Original Authorization Cost	\$2,646,100
Additional Authorized Cost	
Revised Authorized Cost	2,646,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	4%
Original Target Completion Date	9/2016
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATIONS AT PENNS GROVE HIGH SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 3,241,854	\$	\$ 3,241,854	\$ 3,241,854
Bond Proceeds & Transfers	1,513,906		1,513,906	1,513,906
<b>Total Revenues</b>	<b>4,755,760</b>		<b>4,755,760</b>	<b>4,755,760</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	11,600	109,150	120,750	520,900
Construction Services	768,579	2,813,366	3,581,945	3,793,560
Other Costs				441,300
<b>Total Expenditures</b>	<b>780,179</b>	<b>2,922,516</b>	<b>3,702,695</b>	<b>4,755,760</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,975,581	\$ (2,922,516)	\$ 1,053,065	\$ -

**Additional project information:**

DOE Project Number	4070-050-14-1002
SDA Project Number	4070-050-14-G2JL
Grant Date	4/13/15
Original Authorization Cost	\$4,755,760
Additional Authorized Cost	
Revised Authorized Cost	4,755,760
Percentage Decrease over Original Authorized Cost	
Percentage Completion	78%
Original Target Completion Date	9/2017
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATION OF SECURITY COMMUNICATIONS, EXTERIOR DOOR AND FRAMES,**  
**AND REST ROOMS AT PENNS GROVE HIGH SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 346,561	\$	\$ 346,561	\$ 346,561
Bond Proceeds & Transfers	161,839		161,839	161,839
<b>Total Revenues</b>	<b>508,400</b>		<b>508,400</b>	<b>508,400</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	1,241	10,087	11,328	121,550
Construction Services	11,270	68,804	80,074	284,000
Other Costs				102,850
<b>Total Expenditures</b>	<b>12,511</b>	<b>78,891</b>	<b>91,402</b>	<b>508,400</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 495,889</b>	<b>\$ (78,891)</b>	<b>\$ 416,998</b>	<b>\$ -</b>

**Additional project information:**

Doe Project Number	4070-080-14-1003
SDA Project Number	4070-080-14-G2JM
Grant Date	4/13/15
Original Authorization Cost	\$508,400
Additional Authorized Cost	
Revised Authorized Cost	508,400
Percentage Decrease over Original Authorized Cost	
Percentage Completion	18%
Original Target Completion Date	9/2016
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HVAC UPGRADES AT PAUL W. CARLETON ELEMENTARY SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 706,345	\$	\$ 706,345	\$ 706,345
Bond Proceeds & Transfers	329,855		329,855	329,855
<b>Total Revenues</b>	<b>1,036,200</b>		<b>1,036,200</b>	<b>1,036,200</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	2,529	34,154	36,683	108,300
Construction Services	1,620		1,620	836,000
Other Costs				91,900
<b>Total Expenditures</b>	<b>4,149</b>	<b>34,154</b>	<b>38,303</b>	<b>1,036,200</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 1,032,051</b>	<b>\$ (34,154)</b>	<b>\$ 997,897</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-080-14-1004
SDA Project Number	4070-080-14-G2NI
Grant Date	4/13/15
Original Authorized Cost	\$1,036,200
Additional Authorized Cost	
Revised Authorized Cost	1,036,200
Percentage Decrease over Original Authorized Cost	
Percentage Completion	4%
Original Target Completion Date	9/2016
Revised Target Completion Date	



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HVAC UPGRADES AT FIELD STREET ELEMENTARY SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 990,533	\$	\$ 990,533	\$ 990,533
Bond Proceeds & Transfers	462,567		462,567	462,567
<b>Total Revenues</b>	<b>1,453,100</b>		<b>1,453,100</b>	<b>1,453,100</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	3,544	31,643	35,187	152,200
Construction Services	2,220		2,220	1,172,000
Other Costs				128,900
<b>Total Expenditures</b>	<b>5,764</b>	<b>31,643</b>	<b>37,407</b>	<b>1,453,100</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 1,447,336</b>	<b>\$ (31,643)</b>	<b>\$ 1,415,693</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-090-14-1005
SDA Project Number	4070-090-14-G2NJ
Grant Date	4/13/15
Original Authorization Cost	\$1,453,100
Additional Authorized Cost	
Revised Authorized Cost	1,453,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	3%
Original Target Completion Date	9/2017
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATIONS AT FIELD STREET ELEMENTARY SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 979,961	\$	\$ 979,961	\$ 979,961
Bond Proceeds & Transfers	457,629		457,629	457,629
<b>Total Revenues</b>	<b>1,437,590</b>		<b>1,437,590</b>	<b>1,437,590</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	3,506	15,809	19,315	166,500
Construction Services	62,134	1,080,167	1,142,301	1,133,310
Other Costs				137,780
<b>Total Expenditures</b>	<b>65,640</b>	<b>1,095,976</b>	<b>1,161,616</b>	<b>1,437,590</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 1,371,950</b>	<b>\$ (1,095,976)</b>	<b>\$ 275,974</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-090-14-1006
SDA Project Number	4070-090-14-G3JN
Grant Date	4/13/15
Original Authorization Cost	\$1,437,590
Additional Authorized Cost	
Revised Authorized Cost	1,437,590
Percentage Decrease over Original Authorized Cost	
Percentage Completion	81%
Original Target Completion Date	9/2016
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATION OF ROOF AND EXTERIOR DOORS AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 466,909	\$	\$ 466,909	\$ 466,909
Bond Proceeds & Transfers	218,041		218,041	218,041
<b>Total Revenues</b>	<b>684,950</b>		<b>684,950</b>	<b>684,950</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	1,670	13,536	15,206	71,700
Construction Services	175,731	347,912	523,643	552,500
Other Costs				60,750
<b>Total Expenditures</b>	<b>177,401</b>	<b>361,448</b>	<b>538,849</b>	<b>684,950</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 507,549</b>	<b>\$ (361,448)</b>	<b>\$ 146,101</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-100-14-1007
SDA Project Number	4070-100-14-G2NK
Grant Date	4/13/15
Original Authorization Cost	\$684,950
Additional Authorized Cost	
Revised Authorized Cost	684,950
Percentage Decrease over Original Authorized Cost	
Percentage Completion	79%
Original Target Completion Date	9/2016
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**RENOVATIONS AT PENNS GROVE MIDDLE SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 4,857,573	\$	\$ 4,857,573	\$ 4,857,573
Transfer from Capital Reserve	254,599		254,599	254,599
Bond Proceeds & Transfers	2,013,827		2,013,827	2,013,827
<b>Total Revenues</b>	<b>7,125,999</b>		<b>7,125,999</b>	<b>7,125,999</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	15,429	132,038	147,467	794,600
Construction Services	187,152	1,228,212	1,415,364	5,658,100
Other Costs				673,299
<b>Total Expenditures</b>	<b>202,581</b>	<b>1,360,250</b>	<b>1,562,831</b>	<b>7,125,999</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,923,418	\$ (1,360,250)	\$ 5,563,168	\$ -

**Additional project information:**

DOE Project Number	4070-105-14-1008
SDA Project Number	4070-105-14-G3JO
Grant Date	4/13/15
Original Authorization Cost	\$7,125,999
Additional Authorized Cost	
Revised Authorized Cost	7,125,999
Percentage Decrease over Original Authorized Cost	
Percentage Completion	22%
Original Target Completion Date	9/2017
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**PARTIAL ROOF REPLACEMENT AT PENNS GROVE MIDDLE SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 9,884	\$	\$ 9,884	\$ 9,884
Transfer from Capital Reserve	4,616		4,616	4,616
<b>Total Revenues</b>	<b>14,500</b>		<b>14,500</b>	<b>14,500</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services				3,500
Construction Services				10,000
Other Costs				1,000
<b>Total Expenditures</b>				<b>14,500</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 14,500</b>	<b>\$</b>	<b>\$ 14,500</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-105-14-1009
SDA Project Number	4070-105-14-G2NL
Grant Date	4/13/15
Original Authorization Cost	\$14,500
Additional Authorized Cost	
Revised Authorized Cost	14,500
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HVAC UPGRADES AT PENNS GROVE MIDDLE SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 44,240	\$	\$ 44,240	\$ 44,240
Transfer from Capital Reserve	20,660		20,660	20,660
<b>Total Revenues</b>	<b>64,900</b>		<b>64,900</b>	<b>64,900</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services				10,400
Construction Services	64,900		64,900	50,000
Other Costs				4,500
<b>Total Expenditures</b>	<b>64,900</b>		<b>64,900</b>	<b>64,900</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

**Additional project information:**

DOE Project Number	4070-105-14-1010
SDA Project Number	4070-105-14-G2NM
Grant Date	4/13/15
Original Authorization Cost	\$64,900
Additional Authorized Cost	
Revised Authorized Cost	64,900
Percentage Decrease over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/2015
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**HVAC UPGRADES- ADMINISTRATIVE OFFICES AT PENNS GROVE MIDDLE SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 61,964	\$	\$ 61,964	\$ 61,964
Transfer from Capital Reserve	28,936		28,936	28,936
<b>Total Revenues</b>	<b>90,900</b>		<b>90,900</b>	<b>90,900</b>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services				13,400
Construction Services	257	16	273	70,000
Other Costs				7,500
<b>Total Expenditures</b>	<b>257</b>	<b>16</b>	<b>273</b>	<b>90,900</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 90,643</b>	<b>\$ (16)</b>	<b>\$ 90,627</b>	<b>\$ -</b>

**Additional project information:**

DOE Project Number	4070-105-14-1011
SDA Project Number	4070-105-14-G3JP
Grant Date	4/13/15
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	
Revised Authorized Cost	90,900
Percentage Decrease over Original Authorized Cost	
Percentage Completion	0.3%
Original Target Completion Date	9/2017
Revised Target Completion Date	

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 291,189	\$	\$ 291,189	\$ 291,189
Total Revenues	291,189		291,189	291,189
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services				
Construction Services				291,189
Total Expenditures				291,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 291,189	\$	\$ 291,189	\$ -
<b>Additional project information:</b>				
Original Authorization Cost	\$291,189			
Additional Authorized Cost				
Revised Authorized Cost	291,189			
Percentage Decrease over Original Authorized Cost	N/A			
Percentage Completion	0%			
Original Target Completion Date	6/30/2016			
Revised Target Completion Date				



## **PROPRIETARY FUND DETAIL STATEMENTS**

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

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

**School Age Child Care Fund** – This fund provides for the operation of school child supervision.

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2016**  
**(with comparative totals for June 30, 2015)**

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals 2016</u>	<u>2015</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 21,407	\$	\$ 21,407	\$ 20,449
Accounts Receivable:				
State	864		864	1,517
Federal	70,190		70,190	80,949
Other	8,030		8,030	825
Interfund Accounts Receivable	396,004	73,224	469,228	377,770
Inventories	28,644		28,644	29,312
<b>Total Current Assets</b>	<b>525,139</b>	<b>73,224</b>	<b>598,363</b>	<b>510,822</b>
Non Current Assets:				
Furniture, Machinery and Equipment	735,488	30,118	765,606	725,639
Less: Accumulated Depreciation	(618,761)	(21,080)	(639,841)	(621,634)
<b>Total Non Current Assets</b>	<b>116,727</b>	<b>9,038</b>	<b>125,765</b>	<b>104,005</b>
<b>Total Assets</b>	<b>\$ 641,866</b>	<b>\$ 82,262</b>	<b>\$ 724,128</b>	<b>\$ 614,827</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Compensated Absences Payable	\$ 11,990	\$	\$ 11,990	\$ 13,255
Accounts Payable	14,680		14,680	31,174
Unearned Revenue	24,948		24,948	15,185
<b>Total Current Liabilities</b>	<b>51,618</b>		<b>51,618</b>	<b>59,614</b>
Non-Current Liabilities:				
Compensated Absences				
<b>Total Liabilities</b>	<b>51,618</b>		<b>51,618</b>	<b>59,614</b>
<b>NET POSITION</b>				
Investment in Capital Assets Net of Related Debt	116,727	9,038	125,765	104,005
Unrestricted	473,521	73,224	546,745	451,208
<b>Total Net Position</b>	<b>\$ 590,248</b>	<b>\$ 82,262</b>	<b>\$ 672,510</b>	<b>\$ 555,213</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(with comparative totals for June 30, 2015)**

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 102,434	\$	\$ 102,434	\$ 115,046
Total Daily Sales-Reimbursable Programs	102,434		102,434	115,046
Daily Sales Non-Reimbursable Programs	121,688		121,688	123,776
Special Functions	10,073		10,073	10,647
Miscellaneous	3,433		3,433	6,030
Academy Tuition		330,150	330,150	130,606
Total Operating Revenue	237,628	330,150	567,778	386,105
<b>OPERATING EXPENSES:</b>				
Salaries	559,549	164,625	724,174	642,756
Employee Benefits	83,605	76,315	159,920	73,089
Employee Property Services	24,113		24,113	20,013
General Supplies	34,477	2,010	36,487	37,577
Depreciation	16,200	2,007	18,207	17,624
Transportation		256	256	7,163
Tuition		13,720	13,720	16,378
Miscellaneous	8,788		8,788	11,475
Cost of Sales	530,330		530,330	527,779
Total Operating Expenses	1,257,062	258,933	1,515,995	1,353,854
Operating Loss	(1,019,434)	71,217	(948,217)	(967,749)
<b>Non-Operating Revenues (Expenses):</b>				
State Sources:				
State School Lunch Program	13,396		13,396	14,936
Federal Sources:				
National School Breakfast Program	178,885		178,885	172,121
National School Lunch Program	696,658		696,658	726,496
National Snack Program	13,374		13,374	14,457
Fruit and Vegetable Grant	44,876		44,876	16,465
Food Distribution Program	107,982		107,982	92,861
NSLP Equipment Assistance Grant	10,244		10,244	10,250
Breakfast Program Expansion Grant				9,798
Local Grant:				
Salem Health and Wellness Foundation				5,000
Interest and Investment Revenue	99		99	88
Total Non-Operating Revenues (Expenses)	1,065,514		1,065,514	1,062,472
Change in Net Position	46,080	71,217	117,297	94,723
Total Net Position-July 1	544,168	11,045	555,213	460,490
Total Net Position-June 30	\$ 590,248	\$ 82,262	\$ 672,510	\$ 555,213

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(with comparative totals for June 30, 2015)**

	<u>Food</u>	<u>Academy</u>	<u>Totals</u>	
	<u>Service</u>	<u>Program</u>	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 237,628	\$ 330,150	\$ 567,778	\$ 386,105
Payments to Employees	(559,549)	(164,625)	(724,174)	(642,756)
Payments for Employee Benefits	(83,605)	(76,315)	(159,920)	(73,089)
Payments to Suppliers	(551,048)	(89,210)	(640,258)	(621,782)
Net Cash Provided by (Used for) Operating Activities	(956,574)		(956,574)	(951,522)
Cash Flows from Non-Capital Financing Activities:				
State Sources	13,396		13,396	14,936
Federal Sources	944,037		944,037	949,587
Local Sources				5,000
Total Cash Provided by Non-Capital Financing Activities	957,433		957,433	969,523
Net Increase Before Investing Activities	859		859	18,001
Cash Flows from Investing Activities:				
Interest on Investments	99		99	88
Net Cash Provided by Investing Activities	99		99	88
Net Increase/(Decrease) in Cash and Cash Equivalents	958		958	18,089
Cash and Cash Equivalents, July 1	20,449		20,449	2,360
Cash and Cash Equivalents, June 30	\$ 21,407	\$	\$ 21,407	\$ 20,449
Operating Income (Loss)	\$ (1,019,434)	\$ 71,217	\$ (948,217)	\$ (967,749)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	16,200	2,007	18,207	17,624
Federal Commodities Food Distribution	107,982		107,982	92,861
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	4,207		4,207	(12,995)
(Increase)/Decrease in Inventory	668		668	(12,638)
(Increase)/Decrease in Interfund Receivable	(18,234)	(73,224)	(91,458)	(92,838)
(Increase)/Decrease in Fixed Assets	(39,967)		(39,967)	(17,501)
Increase/(Decrease) in Interfund Payable				
Increase/(Decrease) in Accounts Payable	(16,494)		(16,494)	31,016
Increase/(Decrease) in Compensated Absences Payable	(1,265)		(1,265)	445
Increase/(Decrease) in Unearned Revenue	9,763		9,763	10,253
Total Adjustments	62,860	(71,217)	(8,357)	16,227
Net Cash Used by Operating Activities	\$ (956,574)	\$	\$ (956,574)	\$ (951,522)

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Food Service Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Food Service Director Services	\$ 8,500
Total Operating Revenue	<u>8,500</u>
OPERATING EXPENSES:	
Salaries	<u>8,500</u>
Total Operating Expenses	<u>8,500</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	<u>\$</u>

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

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

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

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**  
 (with comparative totals for June 30, 2015)

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents Due from General Fund	\$ 2,440	\$ 177,404	\$ 64,996	\$ 397,046	\$ 641,886	\$ 721,868 1,077
<b>Total Assets</b>	<b>\$ 2,440</b>	<b>\$ 177,404</b>	<b>\$ 64,996</b>	<b>\$ 397,046</b>	<b>\$ 641,886</b>	<b>\$ 722,945</b>
<b>LIABILITIES, RESERVES AND FUND BALANCES:</b>						
Liabilities:						
Accounts Payable	\$	\$ 2,296	\$	\$	\$ 2,296	\$ 2,296
Due to Student Groups			64,996		64,996	68,859
Payroll Deductions and Withholdings				314,692	314,692	349,673
Employee Sec 125 Plan				82,354	82,354	75,836
Due to General Fund						17,231
<b>Total Liabilities</b>		<b>2,296</b>	<b>64,996</b>	<b>397,046</b>	<b>464,338</b>	<b>513,895</b>
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	2,440	175,108			177,548	209,050
<b>Total Net Position</b>	<b>2,440</b>	<b>175,108</b>			<b>177,548</b>	<b>209,050</b>
<b>Total Liabilities, Reserves and Net Position</b>	<b>\$ 2,440</b>	<b>\$ 177,404</b>	<b>\$ 64,996</b>	<b>\$ 397,046</b>	<b>\$ 641,886</b>	<b>\$ 722,945</b>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
<b>ADDITIONS:</b>			
<b>Contributions:</b>			
Employee Deductions	\$ 600	\$ 50,104	\$ 50,104
Other			600
	<hr/>	<hr/>	<hr/>
Total Contributions	600	50,104	50,704
<b>Investment Earnings:</b>			
Interest		293	293
	<hr/>	<hr/>	<hr/>
Total Additions	600	50,397	50,997
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS:</b>			
Uniforms	659		659
Unemployment Claims		81,840	81,840
	<hr/>	<hr/>	<hr/>
Total Deductions	659	81,840	82,499
	<hr/>	<hr/>	<hr/>
Change in Net Position	(59)	(31,443)	(31,502)
Net Position - July 1	2,499	206,551	209,050
	<hr/>	<hr/>	<hr/>
Net Position - June 30	\$ 2,440	\$ 175,108	\$ 177,548
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STUDENT ACTIVITY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
CARLETON SCHOOL	\$ 5,719	\$ 10,407	\$ 7,294	\$ 8,832
Total Carleton School	<u>5,719</u>	<u>10,407</u>	<u>7,294</u>	<u>8,832</u>
MIDDLE SCHOOL				
General Account	13,348	25,275	36,163	2,460
Total Middle School	<u>13,348</u>	<u>25,275</u>	<u>36,163</u>	<u>2,460</u>
HIGH SCHOOL				
General Account	49,468	194,224	191,001	52,691
Future Farmers of America	324	5,930	5,241	1,013
Petty Cash		938	938	
Total High School	<u>49,792</u>	<u>201,092</u>	<u>197,180</u>	<u>53,704</u>
Total All Schools	<u>\$ 68,859</u>	<u>\$ 236,774</u>	<u>\$ 240,637</u>	<u>\$ 64,996</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 442,740	\$ 23,093,497	\$ 23,139,191	\$ 397,046
Total Assets	<u>\$ 442,740</u>	<u>\$ 23,093,497</u>	<u>\$ 23,139,191</u>	<u>\$ 397,046</u>
<b>LIABILITIES:</b>				
Interfund Payable	\$ 17,231	\$	\$ 17,231	\$
Payroll Deductions and Withholdings	349,673	11,306,365	11,341,346	314,692
Employee Sec 125 Plan	75,836	6,518		82,354
Net Payroll		11,780,614	11,780,614	
Total Liabilities	<u>\$ 442,740</u>	<u>\$ 23,093,497</u>	<u>\$ 23,139,191</u>	<u>\$ 397,046</u>

## **LONG-TERM DEBT SCHEDULES**

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**LONG TERM DEBT**  
**STATEMENT OF SERIAL BONDS**  
**JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2003	6/9/03	\$ 4,465,000			3.400%	\$ 210,000	\$	\$ 210,000	\$
Refunding School Bonds, Series 2015	11/13/14	3,810,000	3/1/17	\$ 750,000	1.000%	3,785,000		745,000	3,040,000
			3/1/18	755,000	2.000%				
			3/1/19	770,000	2.000%				
			3/1/20	765,000	2.000%				
Improvements and Renovations to Penns Grove High School, Middle School, Paul Carlton Elementary School, Field St. Elementary School, Lafayette-Pershing Elementary School, Necessary Furniture, Equip. Site Work & Land Acquisition	2/18/15	6,000,000	3/1/17-20	180,000	2.000%	6,000,000			6,000,000
			3/1/21-31	360,000	3.000%				
			3/1/32-35	330,000	3.250%				
						<u>\$ 9,995,000</u>	<u>\$</u>	<u>\$ 955,000</u>	<u>\$ 9,040,000</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 690,923		\$ 690,923	\$ 690,923	
State Sources:					
Debt Service Aid Type II	504,741		504,741	504,741	
<b>Total Revenues</b>	<u>1,195,664</u>		<u>1,195,664</u>	<u>1,195,664</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	240,664		240,664	240,663	1
Redemption of Principal	955,000		955,000	955,000	
<b>Total expenditures</b>	<u>1,195,664</u>		<u>1,195,664</u>	<u>1,195,663</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				1	1
<b>Other Financing Sources:</b>					
Operating Transfers In:					
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b>				1	1
<b>Fund Balance, July 1</b>	<u>32,767</u>		<u>32,767</u>	<u>32,767</u>	
<b>Fund Balance, June 30</b>	<u>\$ 32,767</u>		<u>\$ 32,767</u>	<u>\$ 32,768</u>	<u>\$ 1</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Undesignated Fund Balance	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 32,768</u>	<u>\$ 1</u>

## **STATISTICAL SECTION**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 15,627,700	\$ 9,195,641	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473	\$ 9,833,365	\$ 9,063,530	\$ 6,153,613	\$ 5,466,736	\$ 4,905,721
Restricted	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294
Unrestricted (Deficit)	(13,115,830)	(12,997,104)	(1,883,674)	(1,576,577)	(1,569,361)	(1,879,345)	(2,497,600)	(2,099,580)	(919,416)	(159,319)
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,049,092</b>	<b>\$ 3,844,878</b>	<b>\$ 13,819,000</b>	<b>\$ 13,478,824</b>	<b>\$ 13,451,270</b>	<b>\$ 10,907,566</b>	<b>\$ 10,311,367</b>	<b>\$ 7,603,398</b>	<b>\$ 6,313,930</b>	<b>\$ 5,516,696</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 125,765	\$ 104,005	\$ 104,128	\$ 119,590	\$ 135,615	\$ 122,865	\$ 139,845	\$ 128,735	\$ 120,764	\$ 146,908
Restricted										
Unrestricted	546,745	451,208	356,362	279,788	251,543	349,715	394,749	363,562	390,584	239,941
<b>Total Business-Type Activities Net Position</b>	<b>\$ 672,510</b>	<b>\$ 555,213</b>	<b>\$ 460,490</b>	<b>\$ 399,378</b>	<b>\$ 387,158</b>	<b>\$ 472,580</b>	<b>\$ 534,594</b>	<b>\$ 492,297</b>	<b>\$ 511,348</b>	<b>\$ 386,849</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 15,753,465	\$ 9,299,646	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088	\$ 9,956,230	\$ 9,203,375	\$ 6,282,348	\$ 5,587,500	\$ 5,052,629
Restricted	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294
Unrestricted (Deficit)	(12,569,085)	(12,545,896)	(1,527,312)	(1,296,789)	(1,317,818)	(1,529,630)	(2,102,851)	(1,736,018)	(528,832)	80,622
<b>Total District-Wide Net Position</b>	<b>\$ 7,721,602</b>	<b>\$ 4,400,091</b>	<b>\$ 14,279,490</b>	<b>\$ 13,878,202</b>	<b>\$ 13,838,428</b>	<b>\$ 11,380,146</b>	<b>\$ 10,845,961</b>	<b>\$ 8,095,695</b>	<b>\$ 6,825,278</b>	<b>\$ 5,903,545</b>

Source: CAFR Schedule A-1

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

Fiscal Year Ending June 30,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 11,090,323	11,790,222	11,848,422	11,559,741	11,826,681	11,790,076	13,172,703	11,697,895	11,966,132	11,075,905
Special Education	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518
Other Special Instruction	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261
Other Instruction	414,379	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410
Support Services										
Tuition	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826
Student and Instruction Related Services	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839
General Administrative Services	965,674	949,095	838,268	993,548						
School Administrative Services	1,590,573	1,528,796	1,530,355	1,400,520	1,549,345	1,548,441	1,679,595	1,595,764	1,416,545	1,353,850
Other Administrative Services	592,553	585,251	571,040	576,493	1,473,381	1,438,909	1,417,393	1,468,983	1,383,040	1,362,480
Plant Operations and Maintenance	3,286,059	3,411,630	3,383,562	3,897,524	3,355,922	2,828,113	3,086,329	2,910,473	3,277,642	2,770,970
Pupil Transportation	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,055
Unallocated Benefits	15,223,138	13,632,801	9,503,065	9,147,425	8,082,765	7,941,614	6,900,907	7,295,474	8,227,428	7,800,478
Amortization of Debt Issuance Cost					71,109	77,394	83,407	85,053	87,322	90,202
Interest on Long-Term Debt	311,090	334,042	298,628	298,791	259,043	284,533	308,407	338,093	373,968	413,013
<b>Total Governmental Activities Expenses</b>	<b>45,426,277</b>	<b>44,233,372</b>	<b>39,881,608</b>	<b>39,593,752</b>	<b>38,583,796</b>	<b>37,620,272</b>	<b>38,010,338</b>	<b>35,499,230</b>	<b>35,666,234</b>	<b>33,257,807</b>
<b>Business-Type Activities</b>										
Food Service	1,257,062	1,218,000	1,152,487	1,206,552	1,169,776	1,126,629	1,168,399	1,159,740	1,089,620	1,022,560
Academy Program	258,933	135,854	199,081	173,333	201,065	223,064	193,070	185,508	89,831	93,304
Internal Service Fund	8,500	8,250	8,800	7,500	7,500	5,000				
Latchkey Program										477
<b>Total Business-Type Activities Expense</b>	<b>1,524,495</b>	<b>1,362,104</b>	<b>1,360,368</b>	<b>1,387,385</b>	<b>1,378,341</b>	<b>1,354,693</b>	<b>1,361,469</b>	<b>1,345,248</b>	<b>1,179,451</b>	<b>1,116,341</b>
<b>Total District Expenses</b>	<b>\$ 46,950,772</b>	<b>45,595,476</b>	<b>41,241,976</b>	<b>40,981,137</b>	<b>39,962,137</b>	<b>38,974,965</b>	<b>39,371,807</b>	<b>36,844,478</b>	<b>36,845,685</b>	<b>34,374,148</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services - Instruction (Tuition)	\$ 807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,604	1,581,229	1,213,440	1,618,302	1,529,494
Operating Grants and Contributions	6,044,797	6,105,854	6,491,654	6,689,485	6,238,796	6,002,990	7,485,268	6,335,059	9,821,627	9,191,247
<b>Total Governmental Activities Prog Revenues</b>	<b>6,852,472</b>	<b>6,939,223</b>	<b>7,645,584</b>	<b>8,007,943</b>	<b>7,491,439</b>	<b>7,709,594</b>	<b>9,066,497</b>	<b>7,548,499</b>	<b>11,439,929</b>	<b>10,720,741</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Service	237,628	250,251	270,222	300,936	284,110	299,594	319,768	354,253	384,566	359,652
Academy Program	330,150	135,854	186,707	181,693	165,309	171,035	175,135	136,750	153,375	90,158
Internal Service Fund	8,500	8,250	8,800	7,500	7,500	5,000				
Latchkey Program										
Operating Grants and Contributions	1,065,415	1,062,384	955,653	909,382	835,864	816,887	908,659	833,777	765,715	667,367
<b>Total Business-Type Activities Prog Revenues</b>	<b>1,641,693</b>	<b>1,456,739</b>	<b>1,421,382</b>	<b>1,399,511</b>	<b>1,292,783</b>	<b>1,292,516</b>	<b>1,403,562</b>	<b>1,324,780</b>	<b>1,303,656</b>	<b>1,117,177</b>
<b>Total District Program Revenues</b>	<b>\$ 8,494,165</b>	<b>8,395,962</b>	<b>9,066,966</b>	<b>9,407,454</b>	<b>8,784,222</b>	<b>9,002,110</b>	<b>10,470,059</b>	<b>8,873,279</b>	<b>12,743,585</b>	<b>11,837,918</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ 38,573,805	37,294,149	32,236,024	31,585,809	31,092,357	29,910,678	28,943,841	27,950,731	24,226,305	22,537,066
<b>Business-Type Activities</b>	(117,198)	(94,635)	(61,014)	(12,126)	85,558	62,177	(42,093)	20,468	(124,205)	(836)
<b>Total District-Wide Net Expense</b>	<b>\$ 38,456,607</b>	<b>37,199,514</b>	<b>32,175,010</b>	<b>31,573,683</b>	<b>31,177,915</b>	<b>29,972,855</b>	<b>28,901,748</b>	<b>27,971,199</b>	<b>24,102,100</b>	<b>22,536,230</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, Net	\$ 17,228,024	10,818,459	10,368,642	10,002,588	9,491,035	9,380,255	9,019,476	9,289,494	9,229,034	9,120,821
Taxes Levied for Debt Service	690,923	549,929	550,349	551,884	552,912	555,419	455,930	468,193	643,920	693,288
Federal and State Aid Unrestricted	23,631,220	26,905,535	21,546,619	21,283,731	23,807,981	20,471,743	22,121,688	19,355,414	14,417,410	13,579,628
Federal and State Aid Restricted-Cancellation					(300,244)					(73,018)
Loss on Disposal of Asset						(20,983)				(13,875)
Miscellaneous Income	227,852	104,316	110,590	44,540	84,377	120,442	54,715	127,099	231,693	258,938
Lease Purchase Proceeds									500,000	
Transfers									1,482	(6,462)
Other Financing Uses				(199,228)						
<b>Total Governmental Activities</b>	<b>41,778,019</b>	<b>38,378,239</b>	<b>32,576,200</b>	<b>31,683,515</b>	<b>33,636,061</b>	<b>30,506,876</b>	<b>31,651,809</b>	<b>29,240,200</b>	<b>25,023,539</b>	<b>23,559,320</b>
<b>Business-Type Activities</b>										
Investment Earnings	99	88	98	94	136	163	204	1,417	1,776	2,410
Transfer									(1,482)	6,462
<b>Total Business-Type Activities</b>	<b>99</b>	<b>88</b>	<b>98</b>	<b>94</b>	<b>136</b>	<b>163</b>	<b>204</b>	<b>1,417</b>	<b>294</b>	<b>8,872</b>
<b>Total District-Wide</b>	<b>\$ 41,778,118</b>	<b>38,378,327</b>	<b>32,576,298</b>	<b>31,683,609</b>	<b>33,636,197</b>	<b>30,507,039</b>	<b>31,652,013</b>	<b>29,241,617</b>	<b>25,023,833</b>	<b>23,568,192</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	\$ 3,204,214	1,084,090	340,176	97,706	2,543,704	596,198	2,707,968	1,289,469	797,234	1,022,254
<b>Business-Type Activities</b>	117,297	94,723	61,112	12,220	(85,422)	(62,014)	42,297	(19,051)	124,499	9,708
<b>Total District-Wide</b>	<b>\$ 3,321,511</b>	<b>1,178,813</b>	<b>401,288</b>	<b>109,926</b>	<b>2,458,282</b>	<b>534,184</b>	<b>2,750,265</b>	<b>1,270,418</b>	<b>921,733</b>	<b>1,031,962</b>

Source: CAFR Schedule A-2



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 2,451,819	\$ 1,516,799	\$ 1,609,717	\$ 1,519,305	\$	\$	\$	\$	\$	\$
Assigned	1,008,080	832,767	1,083,781	1,564,402	1,144,455	916,405				
Unassigned (Deficit)	(1,216,613)	(1,264,483)	(1,284,628)	(1,368,260)	(1,217,034)	(1,266,588)				
Reserved							3,396,047	3,591,334	1,789,282	953,490
Unreserved					1,498,817	2,069,613	(1,317,082)	(810,362)	597,045	1,191,309
<b>Total General Fund</b>	<b>\$ 2,243,286</b>	<b>\$ 1,085,083</b>	<b>\$ 1,408,870</b>	<b>\$ 1,715,447</b>	<b>\$ 1,498,817</b>	<b>\$ 2,069,613</b>	<b>\$ 2,078,965</b>	<b>\$ 2,780,972</b>	<b>\$ 2,386,327</b>	<b>\$ 2,144,799</b>
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund (Deficit)	\$ (72,248)	\$ (86,697)	\$ (86,697)	\$ (79,059)	\$ (78,660)	\$ (74,232)	\$ (74,412)	\$ (71,996)	\$ (168,930)	\$ (137,930)
Capital Projects Fund	1,625,859	5,701,642	62,124	62,124	535,196	626,408	451,965	42,976	72,058	26,215
Debt Service Fund	32,768	32,767						8,749	8,750	31,898
<b>Total All Other Governmental Funds</b>	<b>\$ 1,586,379</b>	<b>\$ 5,647,712</b>	<b>\$ (24,573)</b>	<b>\$ (16,935)</b>	<b>\$ 456,536</b>	<b>\$ 552,176</b>	<b>\$ 377,553</b>	<b>\$ (20,271)</b>	<b>\$ (88,122)</b>	<b>\$ (79,817)</b>

Source: CAFR Schedule B-1

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Tax Levy	\$ 11,948,501	\$ 11,368,388	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947	\$ 9,935,674	\$ 9,475,406	\$ 9,757,687	\$ 9,872,954	\$ 9,814,109
Tuition Charges	807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,605	1,581,229	1,213,440	1,618,302	1,529,494
Transportation Charges	2,826	13,818	16,692	13,785						
Miscellaneous	225,026	90,498	93,898	30,755	84,377	120,442	54,715	127,099	231,693	258,939
Lease Purchase Proceeds									500,000	
Local Sources								45	5,955	
State Sources	28,609,071	26,689,945	25,854,384	25,936,114	27,024,603	23,888,904	22,241,078	23,321,436	21,998,476	20,739,392
Federal Sources	2,323,079	2,426,400	2,183,889	2,037,102	3,022,174	2,585,829	7,365,877	2,368,993	2,234,606	2,031,483
<b>Total Revenues</b>	<b>43,916,178</b>	<b>41,422,418</b>	<b>40,221,784</b>	<b>39,890,686</b>	<b>41,427,744</b>	<b>38,237,454</b>	<b>40,718,305</b>	<b>36,788,700</b>	<b>36,461,986</b>	<b>34,373,417</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	10,796,077	11,487,364	11,544,931	11,256,915	11,520,712	11,485,476	12,873,203	11,398,565	11,663,798	10,769,727
Special Education Instruction	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518
Other Special Instruction	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261
Other Instruction	414,379	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410
<b>Undistributed Expenditures</b>										
<b>Support Services</b>										
Tuition	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826
Student and Instruction Related Services	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839
General Administrative Services	908,242	892,094	781,045	934,781						
School Administrative Services	1,590,573	1,528,796	1,530,355	1,400,520	1,533,970	1,533,066	1,664,220	1,580,389	1,401,170	1,338,475
Other Administrative Services	577,449	570,147	555,755	561,368	1,411,309	1,379,743	1,355,078	1,404,367	1,316,304	1,294,873
Plant Operations and Maintenance	3,024,909	3,156,324	3,153,643	2,936,380	3,102,427	2,987,832	3,055,618	2,836,767	2,647,060	2,650,061
Pupil Transportation	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,056
Unallocated Employee Benefits	10,201,871	9,696,957	9,507,464	9,275,689	8,094,578	7,606,954	6,901,727	7,345,784	8,220,737	7,803,551
Capital Outlay	6,157,657	1,717,805	498,068	730,941	2,826,394	651,899	2,746,225	579,957	496,882	73,487
<b>Debt Service</b>										
Principal	955,000	900,000	845,000	820,000	795,000	775,000	750,000	725,000	1,165,000	1,125,000
Interest and Other Charges	240,663	122,898	211,470	239,416	266,391	291,204	314,823	347,879	383,654	422,174
<b>Total Expenditures</b>	<b>46,819,308</b>	<b>42,073,920</b>	<b>40,535,999</b>	<b>39,875,720</b>	<b>41,516,331</b>	<b>38,422,366</b>	<b>41,022,491</b>	<b>36,326,203</b>	<b>36,228,762</b>	<b>33,868,258</b>
<b>Excess (Deficiency) of Revenues</b>										
<b>Over (Under) Expenditures</b>	<b>(2,903,130)</b>	<b>(651,502)</b>	<b>(314,215)</b>	<b>14,966</b>	<b>(88,587)</b>	<b>(184,912)</b>	<b>(304,184)</b>	<b>462,495</b>	<b>233,224</b>	<b>505,160</b>
<b>Other Financing Sources (Uses)</b>										
Refunding Bond Proceeds		6,000,000								
Transfers Out										(6,462)
Cancellation of State Aid				(199,228)	(300,244)					(73,018)
<b>Total Other Financing Sources (Uses)</b>		<b>6,000,000</b>		<b>(199,228)</b>	<b>(300,244)</b>					<b>(79,480)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,903,130)</b>	<b>\$ 5,348,498</b>	<b>\$ (314,215)</b>	<b>\$ (184,262)</b>	<b>\$ (388,831)</b>	<b>\$ (184,912)</b>	<b>\$ (304,184)</b>	<b>\$ 462,495</b>	<b>\$ 233,224</b>	<b>\$ 425,680</b>
<b>Debt Service as a Percentage of</b>										
<b>Noncapital Expenditures</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>3.0%</b>	<b>4.3%</b>	<b>4.6%</b>

Source: CAFR Schedule B-2

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Refunds of Prior Year Expenses	\$ 13,855	\$ 20,246	\$ 23,021	\$ 2,579	\$ 839	\$ 62,609	\$ 9,054	\$ 54,971	\$ 14,552	\$ 2,836
Prior Year Tuition		39,029								
Transportation Fee from Other LEAs	2,826	13,818	16,692	13,785	1,495	1,546	3,750		4,488	
Interest on Investments	8,193	6,164	5,105	6,943	9,573	9,831	14,673	45,458	190,064	185,008
Miscellaneous	478	319	41,020	1,834	25,356	22,282	13,023	10,320	645	27,071
Sale of Obsolete Equipment										250
Athletic Department Ticket Sales	7,482	13,872	15,445	12,049	10,264	10,779		9,350	10,334	9,274
Facility Use			1,200	1,050		8,150	9,715	3,000	2,000	17,000
Building Rentals	7,400	7,039	7,120	6,300	36,850	5,250	4,500	4,000	9,610	17,500
	<u>\$ 40,234</u>	<u>\$ 100,487</u>	<u>\$ 109,603</u>	<u>\$ 44,540</u>	<u>\$ 84,377</u>	<u>\$ 120,447</u>	<u>\$ 54,715</u>	<u>\$ 127,099</u>	<u>\$ 231,693</u>	<u>\$ 258,939</u>

Source: District Records

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

**Borough of Penns Grove**

Fiscal Year Ended June 30,	Assessed Value								Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment							
2016	\$ 3,654,400	\$ 131,674,400	\$	\$	\$ 32,760,400	\$	\$ 3,599,400	\$ 171,688,600	\$	\$ 171,688,600	\$ 62,849,200	\$ 142,314,821	\$ 1.280	
2015	3,656,300	133,711,300			34,805,100		3,682,500	175,855,200		175,855,200	61,758,800	153,129,299	1.212	
2014	3,617,500	134,416,600			33,885,400		3,682,500	175,602,000		175,602,000	62,718,600	167,636,422	1.226	
2013	3,497,900	135,369,000			34,908,200		3,682,500	177,457,600		177,457,600	62,202,200	173,865,114	1.213	
2012	3,495,400	135,711,800			34,581,200		3,682,500	177,470,900	1,728,950	179,199,850	62,111,700	177,669,170	1.189	
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181	
2010	3,486,700	135,709,400			34,895,900		3,682,500	177,774,500	1,789,417	179,563,917	62,908,800	177,774,500	1.149	
2009 (3)	3,526,900	135,673,300			34,852,200		3,682,500	177,734,900	1,742,997	179,477,897	62,957,500	183,762,449	1.187	
2008	2,494,200	71,006,200			15,073,100		2,173,300	90,746,800	1,032,879	91,779,679	30,060,500	170,937,269	2.364	
2007	2,520,300	70,678,900			15,001,100		2,173,300	90,373,600	1,136,915	91,510,515	30,201,600	150,733,841	2.335	

**Township of Carney's Point**

Fiscal Year Ended June 30,	Assessed Value								Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment							
2016	\$ 21,466,200	\$ 410,069,400	\$ 12,732,100	\$ 2,005,300	\$ 120,308,900	\$ 105,033,200	\$ 26,206,500	\$ 697,821,600	\$ 800,300	\$ 698,621,900	\$ 121,457,400	\$ 598,782,907	\$ 1.411	
2015	26,041,800	433,158,000	12,856,900	1,919,200	125,204,100	105,509,500	26,206,500	730,896,000	809,372	731,705,372	136,716,800	704,755,689	1.300	
2014	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	757,545,200	796,031	758,341,231	120,401,800	684,322,638	1.233	
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	119,968,400	706,895,759	1.177	
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	121,122,900	694,349,524	1.127	
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089	
2010	28,240,000	421,999,000	13,490,000	2,035,800	124,644,500	103,067,900	26,206,500	719,683,700	1,412,193	721,138,092	121,648,100	719,683,700	1.060	
2009 (3)	28,552,500	421,710,900	14,021,100	2,033,400	126,309,400	89,083,800	26,206,500	707,917,600	1,411,270	709,328,870	137,691,600	704,186,993	1.064	
2008	11,406,300	208,526,550	6,850,700	1,926,820	67,754,400	42,911,200	13,550,900	352,926,870	753,563	353,680,433	83,484,528	627,267,537	2.177	
2007	9,919,400	202,364,425			64,767,810		15,198,000	292,249,635	804,024	345,609,329	80,062,628	527,728,400	2.215	

- (1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- (2) Tax Rates are per \$100.00 of Assessed Valuation
- (3) Revaluation of Real Property

Source: District records Tax list summary & Municipal Tax Assessor

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(Unaudited)*

**Borough of Penns Grove**

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	Salem County	Municipal Open Space	
2016	\$ 1.206	\$ 0.074	\$ 1.280	\$ 1.753	\$ 0.862	\$	\$ 3.895
2015	1.153	0.059	1.212	1.648	0.871		3.731
2014	1.164	0.062	1.226	1.600	0.864		3.690
2013	1.150	0.063	1.213	1.512	0.946		3.671
2012	1.124	0.065	1.189	1.450	0.940		3.579
2011	1.115	0.066	1.181	1.420	0.920		3.521
2010	1.095	0.054	1.149	1.340	0.870		3.359
2009	1.130	0.057	1.187	1.130	0.900		3.217
2008	2.210	0.154	2.364	2.120	1.730		6.214
2007	2.170	0.165	2.335	1.800	1.550		5.685

**Township of Carney's Point**

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Carneys Point	Salem County	Municipal Open Space	
2016	\$ 1.329	\$ 0.082	\$ 1.411	\$ 0.484	\$ 0.933	\$ 0.001	\$ 2.829
2015	1.237	0.063	1.300	0.435	0.961	0.001	2.697
2014	1.171	0.062	1.233	0.413	0.907		2.553
2013	1.115	0.062	1.177	0.392	0.936	0.001	2.506
2012	1.067	0.060	1.127	0.380	0.920		2.427
2011	1.029	0.060	1.089	0.380	0.860		2.329
2010	1.010	0.050	1.060	0.356	0.817		2.233
2009	1.012	0.052	1.064	0.356	0.880		2.300
2008	2.035	0.142	2.177	0.660	1.640		4.477
2007	2.058	0.157	2.215	0.570	1.460		4.245

Source: District Records and Municipal Tax Collector

**Note:**

1 NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**Borough of Penns Grove**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Incollingo's Penns Grove Properties	\$ 2,609,000	1	1.49%			
NJEC Associates & Walgreens	2,313,500	2	1.32%			
Rite Aid of New Jersey	2,000,000	3	1.14%			
Seaboard Landing, LLC	1,800,000	4	1.03%			
Spirit Master Funding VII LLC	1,618,600	5	0.92%			
Realty INC	1,271,800	6	0.72%		N/A	
99 Regional LLC	1,165,800	7	0.66%			
Salem Day Care Realty, LLC	1,012,000	8	0.58%			
JAZ Assets, LLC	1,000,600	9	0.14%			
Bell Atlantic	863,500	10	0.49%			
<b>Total</b>	<b>\$ 15,654,800</b>		<b>8.48%</b>	<b>\$ -</b>		<b>0.00%</b>

**Township of Carney's Point**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chambers Cogeneration Ltd. Partnership	\$ 52,000,000	1	7.14%			
Chemours Co. Fc, LLC	25,000,000	2	3.43%			
McLane New Jersey	20,965,600	3	2.88%			
PHI Service Co	19,028,600	4	2.61%			
Delaware River & Bay Authorities	12,778,100	5	1.75%			
RBA Association LLC	10,368,600	6	1.42%		N/A	
Sandy Ridge Apartments	8,108,200	7	1.11%			
Southgate Realy	7,126,000	8	0.98%			
CFJ Properties	6,500,000	9	0.89%			
Merion Gardens Assisted Living Co	4,961,800	10	0.68%			
<b>Total</b>	<b>\$ 166,836,900</b>		<b>15.77%</b>	<b>\$ -</b>		<b>0.00%</b>

Source: Municipal Tax Assessor

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

**Borough of Penns Grove**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>% of Levy</b>	
2016	\$ 2,150,167	\$ 1,904,393	88.57%	\$ 245,774
2015	2,130,951	1,880,739	88.26%	250,212
2014	2,076,826	1,437,025	69.19%	639,801
2013	2,152,277	1,655,511	76.92%	496,766
2012	2,114,023	1,624,776	76.86%	489,247
2011	2,111,317	1,644,098	77.87%	267,219
2010	2,013,928	1,794,056	89.08%	219,872
2009	2,130,567	1,621,524	76.11%	509,043
2008	2,170,349	1,343,863	61.92%	826,486
2007	2,137,024	1,637,693	76.63%	499,331

**Township of Carney's Point**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>% of Levy</b>	
2016	\$ 9,802,772	\$ 9,802,772	100%	\$
2015	9,511,374	9,511,374	100%	
2014	8,291,816	8,291,816	100%	
2013	8,568,357	8,568,357	100%	
2012	7,929,924	7,929,924	100%	
2011	7,824,357	7,824,357	100%	
2010	7,461,478	7,461,478	100%	
2009	7,627,120	7,627,120	100%	
2008	7,702,605	7,702,602	100%	3
2007	7,677,085	7,677,082	100%	3

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>2</sup>		Per Capita <sup>3</sup>
	General Obligation Bonds <sup>1</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income <sup>2</sup>		Per Capita <sup>3</sup>		
2016	\$ 9,040,000	\$	\$	\$	\$ 9,040,000	1.63%	\$ 43,711		
2015	9,995,000				9,995,000	1.81%	43,279		
2014	4,795,000				4,795,000	0.90%	42,850		
2013	5,640,000				5,640,000	1.06%	41,262		
2012	6,460,000				6,460,000	0.61%	40,817		
2011	7,255,000		9,040,000		16,295,000	0.55%	40,818		
2010	8,030,000	325,000			8,355,000	0.48%	39,460		
2009	8,780,000	422,505			9,202,505	0.42%	38,815		
2008	9,505,000	505,250			10,010,250	0.39%	38,892		
2007	10,670,000	13,948			10,683,948	0.34%	36,610		

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

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

- 1 District Records
- 2 Personal income has been estimated based upon the municipal population per capita
- 3 Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2016	\$ 9,040,000	\$	\$ 9,040,000	1.05%	\$ 700
2015	9,995,000		9,995,000	1.17%	781
2014	4,795,000		4,795,000	0.56%	372
2013	5,640,000		5,640,000	0.64%	436
2012	6,460,000		6,460,000	0.71%	494
2011	7,255,000		7,255,000	0.80%	553
2010	8,030,000		8,030,000	0.89%	610
2009	8,780,000		8,780,000	0.99%	693
2008	9,505,000		9,505,000	2.13%	751
2007	10,670,000		10,670,000	2.44%	846

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

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

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2016**  
*(Unaudited)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Penns Grove Borough	\$ 1,798,181	100%	\$ 1,798,181
Carneys Point Township	3,682,509	100%	3,682,509
<b>Other debt</b>			
County of Salem - Township's Share	40,394,432	14.804%	5,980,164
Subtotal, Overlapping Debt			11,460,854
<b>Penns Grove-Carneys Point School District Direct Debt</b>			9,040,000
<b>Total Direct and Overlapping Debt</b>			<b>\$ 20,500,854</b>

**Sources:** Penns Grove-Carneys Point Finance Officer and Salem County Finance Office

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

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

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
<b>Municipal Debt: (1)</b>			
Penns Grove-Carneys Point Regional School District	\$ 9,040,000	\$ 9,040,000	\$ -
Borough of Penns Grove	1,798,181		1,798,181
Township of Carneys Point	3,734,819	52,310	3,682,509
	<u>14,573,000</u>	<u>9,092,310</u>	<u>5,480,690</u>
<b>Overlapping Debt Apportioned to the Municipality</b>			
<b>County Of Salem: (2)</b>			
Borough of Penns Grove (4)	1,535,629	399,028	1,136,600
Township of Carneys Point (4)	6,461,085	1,678,892	4,782,192
<b>Salem County Improvement Authority/Utilities Authority (2)</b>			
Borough of Penns Grove (4)	2,235,396	2,235,396	
Township of Carneys Point (4)	190,604	190,604	
	<u>10,422,713</u>	<u>4,503,921</u>	<u>5,918,792</u>
	<u>\$ 24,995,713</u>	<u>\$ 13,596,231</u>	<u>\$ 11,399,482</u>

**Sources:**

- (1) 2015 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2015 Equalized Value, which is 13.38% and 2.91%, respectively. The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,599,511	\$ 34,238,463	\$ 33,907,190	\$ 32,688,613	\$ 30,414,680	\$ 27,233,333	\$ 24,119,919
Total Net Debt Applicable to Limit	<u>9,040,000</u>	<u>9,995,000</u>	<u>4,795,000</u>	<u>5,640,000</u>	<u>6,460,000</u>	<u>7,255,000</u>	<u>8,030,000</u>	<u>8,780,000</u>	<u>9,505,000</u>	<u>10,670,000</u>
Legal Debt Margin	<u>\$ 25,519,511</u>	<u>\$ 24,564,511</u>	<u>\$ 29,764,511</u>	<u>\$ 28,959,511</u>	<u>\$ 27,778,463</u>	<u>\$ 26,652,190</u>	<u>\$ 24,658,613</u>	<u>\$ 21,634,680</u>	<u>\$ 17,728,333</u>	<u>\$ 13,449,919</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.16%	28.92%	13.87%	16.30%	18.87%	21.40%	24.57%	28.87%	34.90%	44.24%

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<u>Year</u>	<u>Population</u> <sup>1</sup>	<u>Personal Income (thousands of dollars)</u> <sup>2</sup>	<u>Per Capita Personal Income</u> <sup>3</sup>	<u>Unemployment Rate</u> <sup>4</sup>	
				<u>Borough of Penns Grove</u>	<u>Township of Carneys Point</u>
2016	** 12,919	\$ 564,702,157	\$ 43,711	7.5%	9.8%
2015	12,791	553,575,294	43,279	7.5%	9.8%
2014	12,891	552,379,350	42,850	11.3%	8.6%
2013	12,938	533,847,756	41,262	13.2%	10.6%
2012	13,073	533,600,641	40,817	26.3%	14.9%
2011	13,110	535,123,980	40,818	26.9%	15.4%
2010	13,167	519,569,820	39,460	25.6%	14.5%
2009	12,667	491,669,605	38,815	16.1%	8.7%
2008	12,659	492,333,828	38,892	13.0%	5.4%
2007	12,616	461,871,760	36,610	13.0%	5.4%

**Source:**

<sup>1</sup>Population information provided by the NJ Dept of Labor and Workforce Development

<sup>2</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>3</sup> Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014

<sup>4</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\*\* Estimate

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(Unaudited)*

**Borough of Penns Grove**

	<u>2016</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

**Not Available**

**Township of Carney's Point**

	<u>2016</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

**Not Available**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b><u>Function/Program</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Instruction										
Regular	147	149	160	157	155	144	150	163	165	168
Special Education	41	42	41	45	46	48	42	46	45	43
Other Special Education	30	27	31	29	30	6	6	6	6	7
Other Instruction	33	32	32	30	33	80	80	58	58	51
Support Services:										
Student & Instruction Related Services	21	21	21	20	18	12	13	13	13	13
General Administrative Services	10	9	9	9	9	9	9	9	9	9
School Administrative Services	22	23	23	24	22	21	23	23	22	22
Business Administrative Services	5	5	5	5	5	5	5	5	5	5
Plant Operations and Maintenance	46	54	41	41	41	35	34	35	35	37
Pupil Transportation	1	1	1	1	1	1		1	1	1
Food Service	34	30	36	33	31	31	33	36	36	37
<b>Total</b>	<b>390</b>	<b>393</b>	<b>400</b>	<b>394</b>	<b>391</b>	<b>392</b>	<b>395</b>	<b>395</b>	<b>395</b>	<b>393</b>

**Source:** District Personnel Records

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2016	2,212	\$ 36,530,271	\$ 16,515	4.35%	206	1 : 13.2	1 : 12.1	1 : 10.8	1 : 9.1	1 : 9.8	2,206.3	2,058.5	-3.54%	93.30%
2015	2,289	36,226,675	15,826	2.93%	212	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,287.3	2,122.2	-2.31%	92.78%
2014	2,342	36,011,810	15,377	0.73%	220	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	221	1 : 14.2	1 : 10.8	1 : 11.1	1 : 8.8	1 : 8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	228	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,258.7	2,120.7	-4.02%	93.89%
2011	2,372	33,456,848	14,105	5.56%	238	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,375.4	2,209.6	-3.22%	93.02%
2010	2,436	32,549,622	13,362	5.71%	229	1 : 13.6	1 : 10.8	1 : 11.1	1 : 8.6	1 : 9.4	2,449.8	2,283.0	-0.91%	93.19%
2009	2,465	31,156,616	12,640	9.53%	231	1 : 15.0	1 : 11.6	1 : 11.6	1 : 8.8	1 : 9.8	2,496.4	2,304.0	-1.47%	92.29%
2008	2,478	28,594,859	11,539	-0.07%	222	1 : 14.6	1 : 12.8	1 : 9.4	1 : 9.5	1 : 10.9	2,496.4	2,338.4	3.40%	93.67%
2007	2,353	27,170,201	11,547	5.35%	213	1 : 15.7	1 : 11.3	1 : 9.4	1 : 9.8	1 : 9.5	2,428.8	2,261.5	3.33%	93.11%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October District count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

**EXHIBIT J-18**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	350	350	393	375	370	369	353	359	387	337
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	66,481
Capacity (students)	489	489	489	489	489	489	489	489	489	506
Enrollment	547	547	552	513	511	556	551	559	538	531
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	55,515
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	312	312	313	347	334	334	356	371	345	326
<b><u>Middle School</u></b>										
Penns Grove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	485	485	500	475	499	519	510	492	498	508
<b><u>High School</u></b>										
Penns Grove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	544	544	564	515	546	594	665	684	687	656
<b><u>Other</u></b>										
Administration Building (2000)										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2016

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

Source: District records, ASSA

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



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**LAST TEN FISCAL YEARS**  
**Unaudited**

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

<b>School Facilities</b>	<b>Gross Square Footage</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Penns Grove High School	166,000	\$ 95,285	\$ 99,482	\$ 72,038	\$ 71,404	\$ 122,078	\$ 116,262	\$ 192,057	\$ 79,002	\$ 100,741	\$ 93,596
Penns Grove Middle School	85,540	39,016	97,369	55,072	51,927	76,144	23,044	50,562	39,135	33,030	64,017
Paul W. Carleton School	53,115	37,958	34,679	30,633	17,804	53,584	46,116	27,386	22,294	27,077	17,645
Field Street School	67,901	35,080	30,521	120,897	41,541	55,353	31,817	49,570	29,694	39,120	37,791
Lafayette-Pershing School	47,470	25,932	24,385	41,598	26,822	46,138	20,149	45,298	21,382	19,963	30,331
<b>Total School Facilities</b>		<b>233,271</b>	<b>286,436</b>	<b>320,238</b>	<b>209,498</b>	<b>353,297</b>	<b>237,388</b>	<b>364,873</b>	<b>191,507</b>	<b>219,931</b>	<b>243,380</b>
Other Facilities	7,850	7,375	8,908	5,227	9,314	7,352	4,460	10,330	4,876	4,217	41,018
<b>Grand Total</b>		<b>\$ 240,646</b>	<b>\$ 295,344</b>	<b>\$ 325,465</b>	<b>\$ 218,812</b>	<b>\$ 360,649</b>	<b>\$ 241,848</b>	<b>\$ 375,203</b>	<b>\$ 196,383</b>	<b>\$ 224,148</b>	<b>\$ 284,398</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2016**  
*Unaudited*

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
Limits of Liability	150,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible	500	
Perils Included	"All Risk"	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limits of Liability	125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		1,000
Crime		
Limits of Liability	500,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		500
General and Automobile Liability		
Limits of Liability	15,000,000	
GCSSDJIF Self Insured Retention (SIR)	250,000	
Member District Deductible		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Educator's Legal Liability		
Limit of Liability	15,000,000	
GCSSDJIF Self Insured Retention	100,000	
Member District Deductible		None
Pollution Legal Liability		
Limit of Liability	3,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000
Cyber Liability		
Limits of Liability	1,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000

Source: District Records

# **SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Penns Grove-Carneys Point Regional School District  
County of Salem, New Jersey 08079

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, 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 Board of Education of the Penns Grove-Carneys Point Regional's basic financial statements and have issued our report thereon dated November 15, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Penns Grove-Carneys Point Regional Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance 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 and are described in the accompanying schedule of findings and questioned costs as items labeled finding 2016-1.

### **Penns Grove-Carneys Point Regional Board of Education's Response to Findings**

Penns Grove-Carneys Point Regional Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant

No. 915

November 15, 2016

# NIGHTLINGER, COLAVITA & VOLPA

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES REQUIRED BY UNIFORM ADMINISTRATIVE REQUIREMENTS,  
COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS  
(UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Penns Grove-Carneys Point Regional School District  
County of Salem, New Jersey 08079

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

We have audited the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, 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 Penns Grove-Carneys Point Regional School District's major federal and state programs for the fiscal year ended June 30, 2016. The Penns Grove-Carneys Point Regional Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Penns Grove-Carneys Point Regional Board of Education's major federal and state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, *Department of Education, State of New Jersey, 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey Treasury Circular OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Penns Grove-Carneys Point Regional Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Program**

In our opinion, the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

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

Management of the Penns Grove-Carneys Point Regional School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Penns Grove-Carneys Point Regional Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance in accordance with Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Penns Grove-Carneys Point Regional School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did identify one deficiency in internal control over compliance that we consider to be significant deficiency, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated November 15, 2016 and as described in the accompanying schedule of findings and questioned costs, label Finding 2016-1. However, material weaknesses may exist that have not been identified.

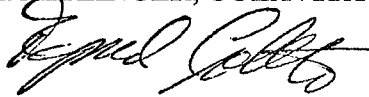
Penns Grove-Carneys Point Regional Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Penns Grove-Carneys Point Regional Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance and New Jersey Treasury Circular OMB 15-08.

This report is intended solely for the information and use of the audit committee, management, the Penns Grove-Carneys Point Regional Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2016



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2015			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures	Adj.	June 30, 2016	
						Accounts Receivable	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue
<b>General Fund</b>															
U.S. Department of Education:															
Passed-through State Department of Education															
Medical Assistance Program	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	\$ 109,837	\$	\$	\$	\$ 85,157	\$ (109,837)	\$	\$ (109,837)	\$	\$ (24,680)	\$
Medical Assistance Program	93.778	1605NJ5MAP	N/A	7/1/14-6/30/15	91,891	(74,645)			74,645						
<b>Total General Fund</b>						<b>(74,645)</b>			<b>159,802</b>	<b>(109,837)</b>		<b>(109,837)</b>		<b>(24,680)</b>	
<b>Special Revenue Fund:</b>															
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010A	S010A150030	NCLB407016	7/1/15-6/30/16	1,458,473				1,111,733	(1,373,129)		(1,373,129)		(261,396)	
Title I - Part A	84.010A	S010A150030	NCLB407015	7/1/14-6/30/15	1,599,961	(159,150)			159,150						
Title II A	84.367A	S367A150029	NCLB407016	7/1/15-6/30/16	153,925				123,388	(153,925)		(153,925)		(30,537)	
Title II A	84.367A	S367A150029	NCLB407015	7/1/14-6/30/15	154,438	(23,848)			23,848						
Title III	84.365A	S365A150030	NCLB407016	7/1/15-6/30/16	58,212				47,978	(58,212)		(58,212)		(10,234)	
Title III	84.365A	S365A150030	NCLB407015	7/1/14-6/30/15	53,727	(1,753)			1,753						
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA407016	7/1/15-6/30/16	606,625				606,625	(606,625)		(606,625)			
I.D.E.A. Preschool Incentive	84.173	H173A150114	IDEA407016	7/1/15-6/30/16	21,351				20,013	(21,351)		(21,351)		(1,338)	
Race to the Top (Phase 3)	84.413A	B413A120008	RTT3407015	9/1/11-11/30/15	105,836	(2,269)			2,269						
Carl D. Perkins	84.048A	V048A140030	PERK407014	7/1/14-6/30/15	13,957	(6,961)			6,961						
<b>Total U.S. Department of Education</b>						<b>(193,981)</b>			<b>2,103,718</b>	<b>(2,213,242)</b>		<b>(2,213,242)</b>		<b>(303,505)</b>	
<b>Enterprise Fund</b>															
U.S. Dept. of Agriculture Passed-through State Dept. of Education:															
Child Nutrition Cluster:															
Cash Assistance:															
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	696,658				651,329	(696,658)		(696,658)		(45,329)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/1/14-6/30/15	726,496	(54,975)			54,975						
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	178,885				166,104	(178,885)		(178,885)		(12,781)	
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/14-6/30/15	172,121	(14,550)			14,550						
National School Snack Program	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	13,374				12,680	(13,374)		(13,374)		(694)	
National School Snack Program	10.555	16161NJ304N1099	N/A	7/1/14-6/30/15	14,457	(972)			972						
Fresh Fruits and Vegetables	10.582	16161NJ304L1603	N/A	7/1/15-6/30/16	44,876				33,490	(44,876)		(44,876)		(11,386)	
Fresh Fruits and Vegetables	10.582	16161NJ304L1603	N/A	7/1/14-6/30/15	16,465	(2,174)			2,174						
NSLP Equipment Assistance Grant	10.579	15151NJ354N8103	N/A	7/1/15-6/30/16	10,244				10,244	(10,244)		(10,244)			
NSLP Equipment Assistance Grant	10.579	15151NJ354N8103	N/A	7/1/14-6/30/15	10,250	(4,373)			4,373						
Breakfast Program Expansion Grant	10.579	15151NJ354N8103	N/A	7/1/14-6/30/15	9,798	(3,905)			1,961				1,944		
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	N/A	7/1/15-6/30/16	113,589				113,589	(92,797)		(92,797)			20,792
Food Distribution Program	10.565	Unknown	N/A	7/1/14-6/30/15	103,114				15,185	(15,185)		(15,185)			
<b>Total U.S. Department of Agriculture</b>						<b>(80,949)</b>	<b>15,185</b>		<b>1,066,441</b>	<b>(1,052,019)</b>		<b>(1,052,019)</b>	<b>1,944</b>	<b>(70,190)</b>	<b>20,792</b>
<b>Total Federal Financial Awards</b>						<b>\$ (349,575)</b>	<b>\$ 15,185</b>	<b>\$</b>	<b>\$ 3,329,961</b>	<b>\$ (3,375,098)</b>	<b>\$</b>	<b>\$ (3,375,098)</b>	<b>\$ 1,944</b>	<b>\$ (398,375)</b>	<b>\$ 20,792</b>

See accompanying notes to schedules of financial assistance  
These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2015			Budgetary Expenditures	June 30, 2016		MEMO	
				(Accounts Receivable)	Unearned Revenue	Cash Received		(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>											
<b>General Fund - Current Expense:</b>											
Special Education Categorical Aid	16-495-034-5120-089	\$ 1,172,562	7/1/15 to 6/30/16	\$	\$	\$ 1,059,410	\$ (1,172,562)	\$ (113,152)	\$	*(113,152)	\$ 1,172,562
Special Education Categorical Aid	15-495-034-5120-089	1,172,562	7/1/14 to 6/30/15	(109,876)		109,876					
Equalization Aid	16-495-034-5120-078	19,728,590	7/1/15 to 6/30/16			17,824,775	(19,728,590)	(1,903,815)		*(1,903,815)	19,728,590
Equalization Aid	15-495-034-5120-078	19,728,590	7/1/14 to 6/30/15	(1,848,681)		1,848,681					
Security Aid	16-495-034-5120-084	281,855	7/1/15 to 6/30/16			254,656	(281,855)	(27,199)		*(27,199)	281,855
Security Aid	15-495-034-5120-084	281,855	7/1/14 to 6/30/15	(26,411)		26,411					
Transportation Aid	16-495-034-5120-014	103,538	7/1/15 to 6/30/16			93,547	(103,538)	(9,991)		*(9,991)	103,538
Transportation Aid	15-495-034-5120-014	103,538	7/1/14 to 6/30/15	(9,702)		9,702					
PARCC Readiness Aid	16-495-034-5120-098	21,010	7/1/15 to 6/30/16			18,983	(21,010)	(2,027)		*(2,027)	21,010
PARCC Readiness Aid	15-495-034-5120-098	21,010	7/1/14 to 6/30/15	(1,969)		1,969					
Per Pupil Growth Aid	16-495-034-5120-097	21,010	7/1/15 to 6/30/16			18,983	(21,010)	(2,027)		*(2,027)	21,010
Per Pupil Growth Aid	15-495-034-5120-097	21,010	7/1/14 to 6/30/15	(1,969)		1,969					
Extraordinary Special Education Aid	16-495-034-5120-473	297,583	7/1/15 to 6/30/16				(297,583)	(297,583)		*	297,583
Extraordinary Special Education Aid	15-495-034-5120-473	264,068	7/1/14 to 6/30/15	(264,068)		264,068					
Nonpublic Transportation aid	16-495-034-5120-014	8,381	7/1/15 to 6/30/16				(8,381)	(8,381)		*	8,381
Nonpublic Transportation aid	15-495-034-5120-014	3,406	7/1/14 to 6/30/15	(3,406)		3,406					
Family Crisis Transportation Aid	16-495-034-5120-100	28,667	7/1/15 to 6/30/16				(28,667)	(28,667)		*	28,667
Homeless Tuition Reimbursement											
Reimbursed TPAF Social Security Contrib.	16-495-034-5095-002	1,108,632	7/1/15 to 6/30/16			1,108,632	(1,108,632)			*	1,108,632
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	1,165,785	7/1/14 to 6/30/15	(56,371)		56,371					
				(2,322,453)		22,701,439	(22,771,828)	(2,392,842)		(2,058,211)	22,771,828
<b>Special Revenue Fund:</b>											
Preschool Education Aid	16-495-034-5120-086	722,475	7/1/15 to 6/30/16			650,227	(722,475)	(72,248)		*(72,248)	722,475
Preschool Education Aid	15-495-034-5120-086	866,970	7/1/14 to 6/30/15	(86,697)		86,697					
				(86,697)		736,924	(722,475)	(72,248)		(72,248)	722,475

See accompanying notes to schedules of financial assistance

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2015			June 30, 2016		MEMO		
				(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>											
<b>Capital Projects Fund:</b>											
<b>New Jersey Schools Development Authority:</b>											
<b>Educational Facilities Construction and Financing Act:</b>											
Penns Grove HS HVAC	4070-050-14-1001	\$ 1,803,764	Project Completion	\$ (3,382)	\$	\$	\$ (29,996)	\$ (33,378)	\$	*\$ 33,378	
Penns Grove HS Renovation	4070-050-14-1002	3,241,854	Project Completion	(248,355)			(930,327)	(1,178,682)		* 1,178,682	
Paul W. Carleton ES Renovation	4070-080-14-1003	346,561	Project Completion	(3,982)			(25,113)	(29,095)		* 29,095	
Paul W. Carleton HVAC	4070-080-14-1004	706,345	Project Completion	(1,321)			(10,872)	(12,193)		* 12,193	
Field Street ES HVAC	4070-090-14-1005	990,533	Project Completion	(1,835)			(10,073)	(11,908)		* 11,908	
Field Street ES Renovation	4070-090-14-1006	979,961	Project Completion	(20,895)			(348,883)	(369,778)		* 369,778	
Lafayette-Pershing ES Roof; Ext Doors	4070-100-14-1007	466,909	Project Completion	(56,472)			(115,060)	(171,532)		* 171,532	
Penns Grove MS Renovation	4070-105-14-1008	4,857,573	Project Completion	(64,488)		485,757	(433,010)	(11,741)		* 497,498	
Penns Grove MS HVAC	4070-105-14-1010	44,240	Project Completion	(20,660)				(20,660)		* 20,660	
Penns Grove MS HVAC - Admin Off	4070-105-14-1011	61,964	Project Completion	(82)			(6)	(88)		* 88	
				(421,472)		485,757	(1,903,341)	(1,839,056)		2,324,813	
<b>Debt Service Fund:</b>											
Debt Service Aid Type II	16-495-034-5120-075	504,741	7/1/15 to 6/30/16			504,741	(504,741)			* 504,741	
<b>State Department of Agriculture:</b>											
<b>Enterprise Fund</b>											
National School Lunch Program (State Shar	16-100-010-3350-023	13,396	7/1/15 to 6/30/16			12,532	(13,396)	(864)		* 13,396	
National School Lunch Program (State Shar	15-100-010-3350-023	14,936	7/1/14 to 6/30/15	(1,517)		1,517					
				(1,517)		14,049	(13,396)	(864)		13,396	
Total State Financial Assistance Subject to OMB 15-08				\$ (2,832,139)	\$	\$ 24,442,910	\$ (25,915,781)	\$ (4,305,010)	\$	\$ (2,130,459)	\$ 26,337,253
<b>State Financial Assistance Not Subject to OMB 15-08</b>											
On-Behalf TPAF Post Retirement Medical	16-495-034-5095-001	1,495,707	7/1/15 to 6/30/16			\$ 1,495,707	\$ (1,495,707)				
On-Behalf TPAF Pension Contribution	16-495-034-5095-006	1,256,133	7/1/15 to 6/30/16			1,256,133	(1,256,133)				
Total State Financial Assistance						\$ 27,194,750	\$ (28,667,621)				

See accompanying notes to schedules of financial assistance

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$59,603) for the general fund and \$14,449 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 109,837	\$ 25,464,065	\$ 25,573,902
Special Revenue Fund	2,213,242	736,924	2,950,166
Debt Service Fund		504,741	504,741
Capital Projects Fund		1,903,341	1,903,341
Food Service Fund	<u>1,052,019</u>	<u>13,396</u>	<u>1,065,415</u>
Total Awards & Financial Assistance	\$ <u>3,375,098</u>	\$ <u>28,622,467</u>	\$ <u>31,997,565</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

Penns Grove-Carneys Point Regional School District had no outstanding State or federal loans at June 30, 2016.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 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 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a schoolwide program basis in the District.

**NOTE 8: MAJOR PROGRAMS**

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

**NOTE 9: ADJUSTMENTS**

There were no adjustments for Federal Awards and none on State Financial Assistance, as reflected on Schedule A and Schedule B.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200 section .516(a) of Uniform Guidance?

X  yes \_\_\_\_\_ no

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
10.553, 10.555	16161NJ304N1099	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 777,473

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-014	Transportation Aid
16-4070-050-14-1002	NJSDA Penns Grove HS Renovation

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Circular 15-08 audit.

**Finding: 2016-1(AMR Finding 2016-1)**

**Criteria or specific requirement:**

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Context:**

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$72,618, as of June 30, 2016.

**Effect:**

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

**Cause:**

Inadvertent oversight.

**Recommendation:**

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

**Management's response:**

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



**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(continued)**

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

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

**FEDERAL AWARDS**

**Finding: 2016-1(AMR Finding 2016-1)**

**Information on the federal program:** Child Nutrition Cluster (10.553, 10.555)

**Criteria or specific requirement:**

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Questioned Costs:**

None

**Context:**

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$72,618, as of June 30, 2016.

**Effect:**

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

**Cause:**

Inadvertent oversight.

**Recommendation:**

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

**Management's response:**

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(continued)

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

**STATE AWARDS**

**Finding:** NONE

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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 Awards and State Financial Assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

**STATUS OF PRIOR - YEAR FINDINGS**

Finding: 2015-1

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Current Status:

Unresolved, see Finding 2016-1.