

PINELANDS REGIONAL SCHOOL DISTRICT

Little Egg Harbor, New Jersey
County of Ocean

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

PINELANDS REGIONAL SCHOOL DISTRICT

LITTLE EGG HARBOR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

**Pinelands Regional School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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PINELANDS REGIONAL SCHOOL DISTRICT

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Little Egg Harbor, NJ
08087-0248

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MARYANN BANKS, Ed. D.
Superintendent

STEPHEN J. BRENNAN, M.B.A.,
C.P.A.
*Business Administrator/
Board Secretary*

December 2, 2016

Members of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey 08087

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) for the Pinelands Regional School District for the fiscal year ending 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Pinelands Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement 14. All funds and account groups of the District are included in this report. The Pinelands Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped students, Adult Education Programs and School Based Youth Services.

2) ECONOMIC CONDITION AND OUTLOOK: Pinelands Regional School District encompasses 147.7 square miles and is bordered by the municipalities of Washington Township and Woodland Township (Burlington County), Port Republic and Galloway Township (Atlantic County), and Stafford Township (Ocean County). The regional district is part of Burlington and Ocean Counties and is served by major transportation routes included the Garden State Parkway, Routes 9, 72, and 539. Governed by a nine-member Board of Education elected to serve alternating three year terms, the District is administered by a Superintendent of Schools, two Principals, a Board Secretary/School Business Administrator, four Assistant Principals, Directors and Supervisors.

The District currently operates a 10/12 High School and a 7/9 Junior High School. It embarked on an energy savings project in the Spring 2016. It will enable the District to upgrade aged building systems with more energy efficient equipment..

The District has recently experienced a slight decline in enrollment after several years of stability. However, lack of adequate state funding, burdensome regulation, state mandates and a large special education population continue to strain the resources of the District. However, due to prudent budgetary management, the District has been able to channel limited resources into programs for students from special education, to gifted and talented and advanced placement.

The economic outlook for the District financing continued to depend primarily on the ability and willingness of the Governor and State Legislature to provide funding for education, and the support of the local community in passing the District's budget to provide tax revenues.

The District cannot predict funding from the State and revenues from all other sources with any degree of certainty. Key factors that contribute to potential shortfalls include:

- Reduction of State Aid
- Lack of additional State Aid
- The cost of administering increasing state mandates and regulations, and
- The cost of meeting NCLB requirements.

In an effort to minimize property tax increases, the District continues to operate efficiently and aggressively seek cost savings in areas that do not impact the quality of programs.

3) MAJOR INITIATIVES: Despite the unrelenting pressure caused by inadequate financial support, the District continues its commitment to its primary goal of a free public education in the maximum development of each youngster's habits of acquiring, using and enjoying knowledge, so that he/she may develop a well-rounded, contributing member of our diverse world. To reinforce this commitment, the District is directing its efforts and resources toward the following:

- (a) Asset adjustments to provide academic services to a changing student body.
- (b) An aggressive campaign to achieve cost reduction where possible.
- (c) A coordinated effort to provide for the taxpayers and students of the affected communities.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse or/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 District designed the internal control structure to provide reasonable, but not absolute, assurance that it meets the objectives. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed its benefits; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, audit tests determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as determine that the District complies 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, or the representatives of each municipality or the State of New Jersey. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records, to the best of our knowledge, reflect the generally accepted accounting principles, as promulgated by the GASB. The District organizes its accounting system on a fund and account group basis. The "Notes to the Financial Statements" section of this report defines the fund and account groups

7) DEBT SERVICE: At June 30, 2016 the District's outstanding debt issues included \$6,628,000 of general obligation bonds.

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

9) **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) **OTHER INFORMATION**: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, 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 is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Pinelands 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,



Stephen J. Brennan, M.B.A., C.P.A.
Business Administrator

PINELANDS REGIONAL BOARD OF EDUCATION

BOARD ATTORNEY

Administrative Assistant

SUPERINTENDENT OF SCHOOLS

- BUSINESS ADMINISTRATOR
 - Treasurer of School Monies
 - Administrative Office Assistant
 - Business Manager
 - Confidential Secretaries
 - Manager of Information Tech./Network Admin
 - Staff
 - Supervisor of Building & Grounds
 - Custodians
 - Maintenance

PRINCIPALS

DIRECTOR OF CURRICULUM & INSTRUCTION

DIRECTOR OF SPECIAL SERVICES

DIRECTOR OF STUDENT PERSONNEL SVCS.

DIRECTOR OF SCHOOL BASED YOUTH SERVICES

Supervisor of Athletics

Supervisors

Supervisor of Special Education

Counselors

Assistant Principals

Athletic Trainer

Faculty

Special Education Teachers/Staff

Counselors

Nursing Services

Attendance Officers

Coaches

Staff

Child Study Team

Special Ed. Related Services

Counselors

Recreation Counselors

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PINELANDS REGIONAL SCHOOL DISTRICT
Little Egg Harbor, New Jersey 08087

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Ann McDonald, President	2017
Susan M. Ernst, Vice President	2016
Jeffrey Bonicky	2017
Theresa Cardillo	2016
Patricia Chambers	2018
Kim Hanadel	2017
Betti Anne McVey	2016
Karen Poklikuha	2018
Thomas Williams	2018

OTHER OFFICIALS

Dr. Robert Blake, Superintendent

Stephen J. Brennan, MBA, CPA, Business Administrator/Board Secretary

James Edwards, Treasurer of School Monies

PINELANDS REGIONAL SCHOOL DISTRICT
Board of Education
Little Egg Harbor, New Jersey 08087

CONSULTANTS AND ADVISORS

ATTORNEY

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Schwartz, Simon, Edelstein & Celso, LLC
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Whippany, New Jersey 07981

William S. Donio, Esq.
Cooper Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, NJ 08401

AUDIT FIRM

Rodney R. Haines, CPA, PSA
Holman Frenia Allison, P. C.
680 Hooper Avenue, Building B, Suite 201
Toms River, New Jersey 08753

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

New Jersey Asset & Rebate Manage Program
224 Strawbridge Drive, Suite 104
Moorestown, New Jersey 08057

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, 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 Pinelands Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 on our consideration of the Pinelands Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pinelands Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
December 2, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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PINELANDS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

UNAUDITED

The discussion and analysis of Pinelands Regional School District's financial performance provides an overall review of the School District's financial activities for the year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2016 are as follows:

- The State of New Jersey provided an increase in state aid of \$29,679
- In total, net position of the governmental activities increased \$65,335.
- General revenues accounted for \$31,837,051 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$8,653,973 or 21% of total revenues of \$40,491,024.
- Unrestricted cash and cash equivalents decreased by \$290,878 and receivables increased by \$249,562. Capital assets, net of depreciation, decreased by \$739,911. Depreciation expense, decrease of state aid payments and the increase in the collection of grant funds caused most of the fluctuation in the aforementioned accounts.
- The School District had \$39,419,187 in expenses and charges; \$7,601,446 of program specific charges for services, grants or contributions offset these expenses. General revenues of \$31,835,870 and the utilization fund balance provided for these programs.
- Among governmental funds, the General Fund had \$33,620,183 in revenues, \$33,738,973 in expenditures and \$375,842 in other financing sources. The General Fund's fund balance increased \$257,052 over 2015. The Board of Education anticipates a decrease of \$798,710 in fund balance for the fiscal year ended June 30, 2017.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pinelands Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds

with all other non-major funds presented in total in one column. In the case of Pinelands Regional School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. For example, the food service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 7,864,499	\$ 2,989,047
Capital Assets	<u>21,251,196</u>	<u>21,991,107</u>
Total Assets	<u>29,115,695</u>	<u>24,980,154</u>
Deferred Outflow of Resources		
Total Deferred Outflow of Resources	<u>2,162,765</u>	<u>1,128,362</u>
Liabilities		
Long-Term Liabilities	25,124,180	18,850,535
Other Liabilities	<u>2,888,854</u>	<u>3,684,712</u>
Total Liabilities	<u>28,013,034</u>	<u>22,535,247</u>
Deferred Inflow of Resources		
Total Deferred Inflow of Resources	<u>187,890</u>	<u>561,068</u>
Net Position		
Invested in Capital Assets, Net of Debt	13,383,730	13,222,107
Restricted	5,705,565	423,797
Unrestricted	<u>(16,011,759)</u>	<u>(10,633,703)</u>
Total Net Position	<u>\$ 3,077,536</u>	<u>\$ 3,012,201</u>

The District's combined net position was \$3,077,536 on June 30, 2016. This was a increase of 2.1% from the prior year.

Table 2 shows changes in net position for year 2016. The District has prepared financial statements following GASB Statement 34, with revenue and expense comparisons to year 2015.

Table 2

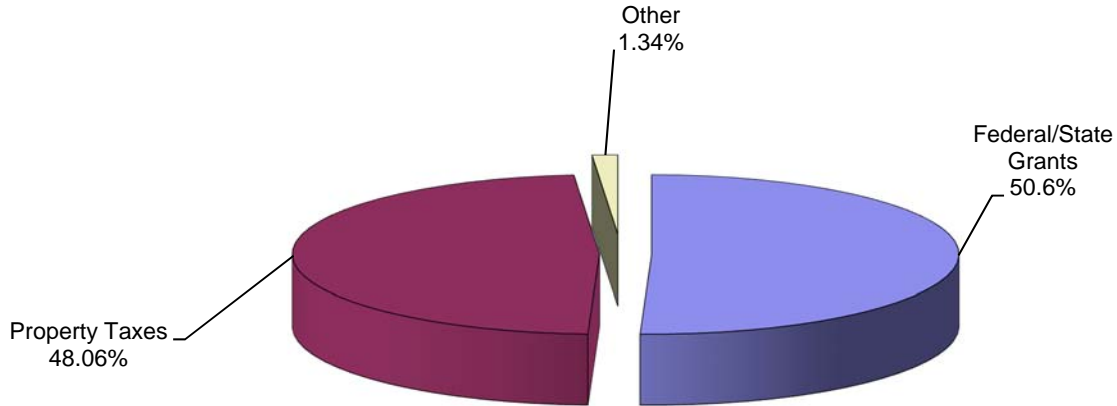
Changes in Net Position

	2016	2015
Revenues		
Program Revenues:		
Charges for Services	\$ 526,395	\$ 564,560
Operating Grants and Contributions	8,127,578	7,831,882
General Revenues:		
Property Taxes	19,458,808	19,238,454
Grants and Entitlements	12,361,654	12,388,381
Other	16,589	116,163
Total Revenues	40,491,024	40,139,440
Program Expenses		
Instruction	13,422,279.00	13,563,465.00
Support Services:		
Tuition	957,179	1,057,050
Pupils and Instructional Staff	4,214,897	4,258,028
General Administration, School Administration	1,832,205	1,827,963
Business Operations and Maintenance of Facilities	2,938,408	3,039,914
Pupil Transportation	2,131,409	2,168,874
Special Schools and Charter Schools	3,486	-
Employee Benefits	12,032,970	11,243,409
Interest on Debt	326,011	435,663
Depreciation	1,158,241	1,205,751
Food Service	940,551	962,762
Unallocated Adjustment on Fixed Assets	402,102	349,159
Community Recreation	21,142	13,212
Business Office Services	44,809	44,401
Total Expenses	40,425,689	40,169,651
Change in Net Position	\$ 65,335	\$ (30,211)

Governmental Activities

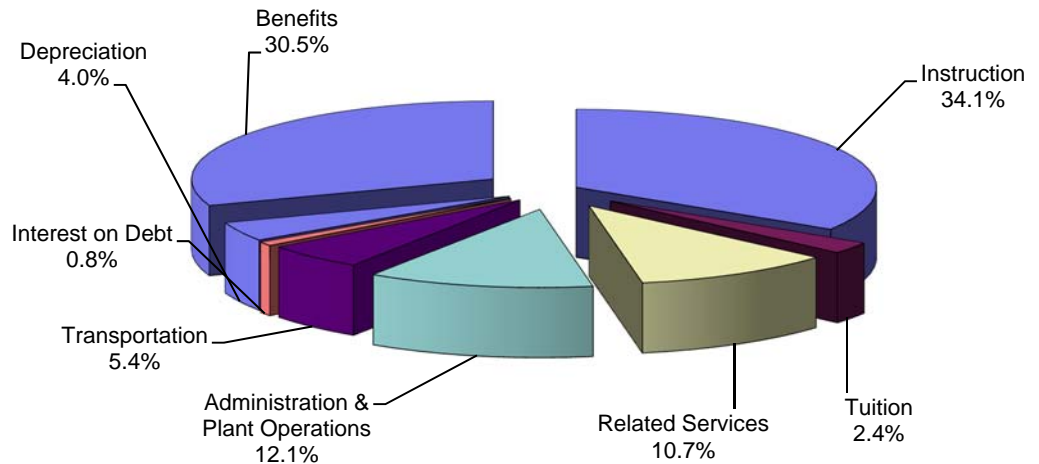
Property taxes made up 48% of revenues for governmental activities for the Pinelands Regional School District for year 2016. The District's total revenues were \$40,489,580 for the year ended June 30, 2016. Federal, state, and local grants accounted for another 30% percent of revenue.

Sources of Revenue for Fiscal Year 2016



The total cost of all governmental activities was \$40,425,689. Instruction expenses (net benefits and tuition) comprise 33% percent of District expenses.

Expenses for 2016



Business-Type Activities

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

- Food service expenditures exceeded program revenues by \$11,392, community recreation program revenues exceeded expenditures by \$8,074, and Business Office Services revenues exceeded expenses by \$50,524.
- Charges for food services represent \$401,846 of revenue. This represents amounts paid by patrons for daily food service. Charges for community education program represent \$29,216 of revenue. This represents amounts paid by patrons for community education. Charges for business office and child study team services represent \$95,333 of revenue. This represents amounts paid by other local education authorities for business & CST services performed.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$526,132.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions with comparisons to 2014.

Table 3

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 13,422,279	12,461,255	\$ 13,563,465	12,750,088
Support Services:				
Tuition	960,665	960,665	1,057,050	1,057,050
Pupils and Instructional Staff	4,214,897	3,622,434	4,258,028	3,686,839
General & School Admin.	1,832,205	1,832,205	1,827,963	1,827,963
Business Operation and Maintenance of Facilities	2,938,408	2,938,408	3,039,914	3,039,914
Pupil Transportation	2,131,409	2,131,409	2,168,874	2,168,874
Depreciation	1,560,343	1,560,343	1,554,910	1,554,910
Unallocated Benefits	12,032,970	5,985,011	11,243,409	5,285,031
Interest and Fiscal Charges	326,011	326,011	435,663	435,663
Total Expenses	<u>\$ 39,419,187</u>	<u>\$ 31,817,741</u>	<u>\$ 39,149,276</u>	<u>\$ 31,806,332</u>

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

Tuition consist of charges for private schools for disabled students.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Benefits represent total cost to maintain employee benefit programs.

Depreciation depicts a non-cash expense that reduces the value of District assets.

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

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

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$36,635,262, expenditures were \$37,078,518 and other financing sources were \$5,800,842.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2016 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease)
Local Sources	\$ 19,505,467	53.24%	\$ 125,892	0.65%
State Sources	16,027,209	43.75%	385,563	2.46%
Federal Sources	1,102,586	3.01%	161,687	17.18%
Total	<u>\$ 36,635,262</u>	100.00%	<u>\$ 673,142</u>	1.87%

Local revenues increased by \$125,892. This increase was predominantly due to an increase in tax revenue. State resources increased by \$385,563. This increase was predominantly due to an increase in on-behalf TPAF Pension contributions.

The following schedule represents a summary of general fund, special revenue fund, capital fund, and debt service fund expenditures for the year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease)
Current expense:				
Instruction	\$ 13,398,121	36.13%	\$ (165,344)	-1.22%
Undistributed expenditures	21,395,156	57.70%	529,456	2.54%
Capital Outlay	826,165	2.23%	294,880	55.50%
Special Schools	3,486	0.01%	3,486	0.00%
Debt Service:				
Principal	1,185,000	3.20%	55,000	4.87%
Interest	270,590	0.73%	(187,628)	-40.95%
Total	<u>\$ 37,078,518</u>	100.00%	<u>\$ 529,850</u>	1.45%

Changes in expenditures were the results of varying factors. Current expense increased mainly due to the increase in employee health benefits.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

2015 also reflects the District's continuing initiative to seek cost savings & revenue generation in the areas of inter local agreements and banking service consortiums.

Capital Assets

At the end of the year 2016, the School District had \$41,913,399 invested in land, building, furniture and equipment, and vehicles. Table 4 shows year 2016 balances compared to 2015.

Table 4
Capital Assets at June 30, 2016

	<u>2016</u>		<u>2015</u>
Land and Improvements	\$ 412,912	\$	412,912
Site Improvements	1,329,983		1,329,983
Construction in Progress	330,468		-
Building and Building Improvements	38,484,548		38,533,343
Machinery and Equipment	1,355,488		1,213,098
Total	<u>\$ 41,913,399</u>	\$	<u>41,489,336</u>
Depreciation	<u>(20,463,375)</u>		<u>(19,548,403)</u>
Net Capital Assets	<u>\$ 21,450,024</u>	\$	<u>21,940,933</u>

Overall capital assets decreased \$490,909 from year 2016 to year 2015. The decrease in capital assets is due primarily to depreciation expense less equipment purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016, the School District had \$20,442,936 of outstanding debt. Of this amount, \$1,834,514 is for compensated absences, \$956,000 reflects capital lease balances, \$7,813,000 of serial bonds for school construction, \$424,679 of bond premiums on serial bonds issued and \$9,414,743 of net pension liability.

Table 5
Outstanding Bonded Debt at June 30, 2016

	<u>2016</u>		<u>2015</u>
2007 General Obligation Bonds	1,728,000		2,538,000
2015 Refunding Bonds	4,900,000		5,275,000
Total	<u>\$ 6,628,000</u>	\$	<u>7,813,000</u>

At June 30, 2016, the School District's was within its legal debt margin. For more detailed information, please refer to Schedule J-13.

For the Future

The Pinelands Regional School District is presently in stable financial condition. The School District is proud of its community support of the public schools.

Pinelands Regional School District's budget for the 2016-2017 school year reflects prudent expenditure reduction in cooperation with its constituent municipalities.

The District's enrollment has leveled off, and now the District is concentrating its resources in the academic areas to meet the requirements of Common Core, NCLB and the State mandated QSAC program. The District also plans to continue to budget resources to maintain and upgrade the existing infrastructure where possible.

The lack of governmental aid, the State's constraints on municipal tax levies to support the budget and the States increasing demands on school districts continue to place financial pressure on the District.

The Pinelands Regional School District maintains its commitment to financial excellence and will continue to strive to maximize the use of limited funds by careful budget management and identifying cost savings opportunities. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Stephen Brennan, Business Administration/Board Secretary at Pinelands Regional Board of Education, 520 Nugentown Road, P.O. Box 248, Little Egg Harbor, NJ 08087-0248. Please visit our website at www.pinelandsregional.org.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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PINELANDS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2016
Cash & Cash Equivalents	\$ 875,544	\$ 956,021	\$ 1,831,565
Receivables, Net	593,972	90,837	684,809
Inventory	-	10,911	10,911
Restricted Assets:			
Cash Reserve Accounts	236,680	-	236,680
Cash held by Trustee	5,100,534	-	5,100,534
Capital Assets, Net (Note #5)	21,206,755	44,441	21,251,196
Total Assets	28,013,485	1,102,210	29,115,695
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	1,853,110	-	1,853,110
Deferred Charges on Refunding of Debt	309,655	-	309,655
Total Deferred Outflow of Resources	2,162,765	-	2,162,765
Total Assets & Deferred Outflow of Resources	30,176,250	1,102,210	31,278,460
LIABILITIES			
Accounts Payable	250,010	128,857	378,867
Accrued Salary and Wages	5,856	-	5,856
Accrued Interest Payable	156,510	-	156,510
Due to Other Funds	-	375,903	375,903
Payable to Federal & State Government	212,721	-	212,721
Unearned Revenue	26,424	16,172	42,596
Noncurrent Liabilities (Note #7):			
Due Within One Year	1,716,401	-	1,716,401
Due Beyond One Year	25,124,180	-	25,124,180
Total Liabilities	27,492,102	520,932	28,013,034
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	187,890	-	187,890
Total Deferred Inflow of Resources	187,890	-	187,890
Total Liabilities & Deferred Inflow of Resources	27,679,992	520,932	28,200,924
NET POSITION			
Net Investment in Capital Assets	13,339,289	44,441	13,383,730
Restricted For:			
Capital Projects	5,100,534	-	5,100,534
Other Purposes	605,031	-	605,031
Unrestricted	(16,548,596)	536,837	(16,011,759)
Total Net Position	\$ 2,496,258	\$ 581,278	\$ 3,077,536

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

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

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	PROGRAM REVENUES			BUSINESS- TYPE ACTIVITIES	TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS		
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 8,281,973	\$ -	\$ -	\$(8,281,973)	\$(8,281,973)
Special Education Instruction	3,956,587	-	961,024	(2,995,563)	(2,995,563)
Other Instruction	1,183,719	-	-	(1,183,719)	(1,183,719)
Support Services & Undistributed Costs:					
Tuition Charges	957,179	-	-	(957,179)	(957,179)
Student & Instruction Related Services	4,214,897	-	592,463	(3,622,434)	(3,622,434)
School Administrative Services	1,264,277	-	-	(1,264,277)	(1,264,277)
General Administrative Services	567,928	-	-	(567,928)	(567,928)
Plant Operations & Maintenance	2,576,317	-	-	(2,576,317)	(2,576,317)
Pupil Transportation	2,131,409	-	-	(2,131,409)	(2,131,409)
Business & Other Support Services	362,091	-	-	(362,091)	(362,091)
Unallocated Employee Benefits	12,032,970	-	6,047,959	(5,985,011)	(5,985,011)
Interest and Costs on Long-Term Debt	326,011	-	-	(326,011)	(326,011)
Change in Estimate of Capital Assets	402,102	-	-	(402,102)	(402,102)
Unallocated Depreciation	1,158,241	-	-	(1,158,241)	(1,158,241)
Total Governmental Activities	39,419,187	-	7,601,446	(31,817,741)	(31,817,741)
Business-Type Activities:					
Business Office Services	44,809	95,333	-	-	50,524
Community Recreation	21,142	29,216	-	-	8,074
Food Service	940,551	401,846	526,132	-	(12,573)

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

	PROGRAM REVENUES	CHANGES IN NET POSITION	TOTAL
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	BUSINESS-TYPE ACTIVITIES
	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	JUNE 30, 2016
Total Business-Type Activities	1,006,502	526,395	526,132
	-	-	46,025
Total Primary Government	<u>\$ 40,425,689</u>	<u>\$ 526,395</u>	<u>\$ 8,127,578</u>
		<u>(31,817,741)</u>	<u>(46,025)</u>
			<u>(31,771,716)</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net		18,704,758	-
Taxes Levied for Debt Service		754,050	-
Federal & State Aid Not Restricted		12,361,654	-
Investment Earnings		-	1,181
Miscellaneous Income		15,408	-
Total General Revenues		<u>31,835,870</u>	<u>1,181</u>
Change In Net Position		18,129	47,206
Net Position - Beginning		<u>2,478,129</u>	<u>534,072</u>
Net Position - Ending		<u>\$ 2,496,258</u>	<u>\$ 581,278</u>
			<u>\$ 3,077,536</u>

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

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B. Fund Financial Statements

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Governmental Funds

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PINELANDS REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2016
ASSETS & OTHER DEBITS					
Cash & Cash Equivalents	\$ 823,890	\$ 51,654	\$ -	\$ -	\$ 875,544
Interfunds Receivable	385,170	-	-	-	385,170
Receivables from Other Governments	593,972	-	-	-	593,972
Restricted Cash & Cash Equivalents	236,680	-	-	-	236,680
Restricted Cash held by Trustee	-	-	5,100,534	-	5,100,534
	<hr/>				
Total Assets	<u>\$ 2,039,712</u>	<u>\$ 51,654</u>	<u>\$ 5,100,534</u>	<u>\$ -</u>	<u>\$ 7,191,900</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 609,950	\$ 25,230	\$ -	\$ -	\$ 635,180
Payable to Other Governments	212,721	-	-	-	212,721
Accrued Salaries & Wages	5,856	-	-	-	5,856
Unearned Revenue	-	26,424	-	-	26,424
	<hr/>				
Total Liabilities	<u>828,527</u>	<u>51,654</u>	<u>-</u>	<u>-</u>	<u>880,181</u>
Fund Balances:					
Restricted for:					
Capital Reserve	235,568	-	-	-	235,568
Maintenance Reserve	643	-	-	-	643
Emergency Reserve	469	-	-	-	469
Excess Surplus	524,861	-	-	-	524,861
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	449,644	-	-	-	449,644
Unassigned Fund Balance	-	-	5,100,534	-	5,100,534
	<hr/>				
Total Fund Balances	<u>1,211,185</u>	<u>-</u>	<u>5,100,534</u>	<u>-</u>	<u>6,311,719</u>
	<hr/>				
Total Liabilities & Fund Balances	<u>\$ 2,039,712</u>	<u>\$ 51,654</u>	<u>\$ 5,100,534</u>	<u>\$ -</u>	

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 \$41,913,399 and the accumulated depreciation is \$20,706,644.	21,206,755
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,665,220
Accrued interest payable and PERS pension payable are not recorded in the fund financials due to the fact that the payables are not due in the current period.	(156,510)
Long-term liabilities, including net pension payable, bonds payable, compensated absense payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(26,840,581)
Unamortized bond issuance loss on refunding net of bond premium is not recorded in the fund financials but is recorded on the district-wide financials.	309,655
	<hr/>
Net position of Governmental Activities	<u>\$ 2,496,258</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2016
Revenues:					
Local Sources:					
Local Tax Levy	\$ 18,704,758	\$ -	\$ -	\$ 754,050	\$ 19,458,808
Tuition	1,760	-	-	-	1,760
Interest Earned on Capital Reserves	3,179	-	-	-	3,179
Rents and Royalties	3,955	-	-	-	3,955
Miscellaneous	512	31,251	6,002	-	37,765
Total Local Sources	18,714,164	31,251	6,002	754,050	19,505,467
State Sources	14,827,274	498,395	-	701,540	16,027,209
Federal Sources	78,745	1,023,841	-	-	1,102,586
Total Revenues	33,620,183	1,553,487	6,002	1,455,590	36,635,262
Expenditures:					
Current Expense:					
Regular Instruction	8,257,815	-	-	-	8,257,815
Special Education Instruction	2,995,563	961,024	-	-	3,956,587
Other Special Instruction	1,183,719	-	-	-	1,183,719
Support Services:					
Tuition	957,179	-	-	-	957,179
Student & Instruction Related Services	3,622,434	592,463	-	-	4,214,897
School Administrative Services	1,264,277	-	-	-	1,264,277
General Administrative	567,928	-	-	-	567,928
Plant Operations & Maintenance	3,017,317	-	-	-	3,017,317
Pupil Transportation	2,131,409	-	-	-	2,131,409
Central Services	362,091	-	-	-	362,091
Employee Benefits	8,880,058	-	-	-	8,880,058
Special Schools	3,486	-	-	-	3,486
Debt Service:					
Principal	-	-	-	1,185,000	1,185,000
Interest & Related Costs	-	-	-	270,590	270,590
Capital Outlay	495,697	-	330,468	-	826,165
Total Expenditures	33,738,973	1,553,487	330,468	1,455,590	37,078,518
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(118,790)	-	(324,466)	-	(443,256)
Other Financing Sources/(Uses):					
Transfer to Charter Schools	(24,158)	-	-	-	(24,158)
Capital Leases Proceeds	400,000	-	5,425,000	-	5,825,000
Total Other Financing Sources/(Uses)	375,842	-	5,425,000	-	5,800,842
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures & Other Financing Uses	257,052	-	5,100,534	-	5,357,586
Fund Balances, July 1	954,133	-	-	-	954,133
Fund Balances June 30	\$ 1,211,185	\$ -	\$ 5,100,534	\$ -	\$ 6,311,719

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

**PINELANDS 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 (From B-2) \$ 5,357,586

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	(1,158,241)	
Unallocated Adjustment to Fixed Assets	(402,102)	
Capital Outlays	<u>826,165</u>	(734,178)

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

Unfunded TPAF Pension Expense	(2,802,054)	
State Share of Unfunded TPAF Pension Expense	2,802,054	
District PERS Pension Contributions	447,565	
Pension Expense	<u>(834,764)</u>	(387,199)

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. 1,185,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position:

Capital Lease Proceeds		(5,825,000)
------------------------	--	-------------

Deferred Charge on Retirement of Debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Loss on Early Retirement of Debt	(29,188)	
Amortization of Bond Premiums	<u>36,547</u>	7,359

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 441,000

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Prior Year	93,730	
Current Year	<u>(156,510)</u>	(62,780)

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacation & sick time) 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 paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation; when the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation.

Prior Year	1,834,514	
Current Year	<u>(1,798,173)</u>	36,341

Change in Net Position of Governmental Activities \$ 18,129

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

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Proprietary Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTAL
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2016
Current Assets:				
Cash & Cash Equivalents	\$ 744,505	\$ 42,273	\$ 169,243	\$ 956,021
Intergovernmental Accounts Receivable	21,514	-	-	21,514
Accounts Receivable	-	-	69,323	69,323
Inventory	10,911	-	-	10,911
Total Current Assets	776,930	42,273	238,566	1,057,769
Capital Assets:				
Furniture, Machinery & Equipment	488,958	-	-	488,958
Less: Accumulated Depreciation	(444,517)	-	-	(444,517)
Total Capital Assets	44,441	-	-	44,441
Total Assets	821,371	42,273	238,566	1,102,210
LIABILITIES				
Accounts Payable	128,857	-	-	128,857
Interfund Payable	375,903	-	-	375,903
Profit Distribution Payable	-	-	-	-
Unearned Revenue	-	16,172	-	16,172
Total Liabilities	504,760	16,172	-	520,932
NET POSITION				
Net Investment in Capital Assets	44,441	-	-	44,441
Unrestricted Net Position	272,170	26,101	238,566	536,837
Total Net Position	\$ 316,611	\$ 26,101	\$ 238,566	\$ 581,278

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

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTAL
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2016
Operating Revenues:				
Charges for Services:				
Daily Sales	\$ 401,846	\$ -	\$ -	\$ 401,846
Profit Guarantee	-	-	-	-
Interlocal Services Agreement	-	-	95,333	95,333
Community Recreation Donation	-	5,000	-	5,000
Community Recreation Fees	-	24,216	-	24,216
Total Operating Revenue	<u>401,846</u>	<u>29,216</u>	<u>95,333</u>	<u>526,395</u>
Operating Expenses:				
Cost of Sales	344,546	-	-	344,546
Salaries	415,165	15,427	41,046	471,638
Employee Benefits	-	-	3,140	3,140
General Supplies	126,796	4,692	-	131,488
Miscellaneous Purchased Services	31,507	1,023	623	33,153
Management Fee	16,804	-	-	16,804
Depreciation	5,733	-	-	5,733
Total Operating Expenses	<u>940,551</u>	<u>21,142</u>	<u>44,809</u>	<u>1,006,502</u>
Operating Income/(Loss)	<u>(538,705)</u>	<u>8,074</u>	<u>50,524</u>	<u>(480,107)</u>
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	8,362	-	-	8,362
Federal Sources:				
National School Lunch Program	323,397	-	-	323,397
National School Performance Based Program	10,267	-	-	10,267
National School Breakfast Program	79,908	-	-	79,908
National School After School Snack Program	1,052	-	-	1,052
Food Distribution Program	103,146	-	-	103,146
Interest Income	1,181	-	-	1,181
Total Nonoperating Revenues	<u>527,313</u>	<u>-</u>	<u>-</u>	<u>527,313</u>
Net Income	(11,392)	8,074	50,524	47,206
Net Position - July 1	<u>328,003</u>	<u>18,027</u>	<u>188,042</u>	<u>534,072</u>
Net Position - June 30	<u>\$ 316,611</u>	<u>\$ 26,101</u>	<u>\$ 238,566</u>	<u>\$ 581,278</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTAL
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2016
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 464,917	\$ 35,365	\$ 51,010	\$ 551,292
Payments to Employees	(415,165)	(15,427)	(44,809)	(475,401)
Payments to Vendors	(477,571)	(6,690)	-	(484,261)
Net Cash Flows From Operating Activities	<u>(427,819)</u>	<u>13,248</u>	<u>6,201</u>	<u>(408,370)</u>
Cash Flows From Noncapital Financing Activities:				
Cash Received from State & Federal Reimbursements	422,986	-	-	422,986
Net Cash Flows From Noncapital Financing Activities	<u>422,986</u>	<u>-</u>	<u>-</u>	<u>422,986</u>
Cash Flows From Capital & Related Financing Activities:				
Transfer of Funds	(96,538)	-	-	(96,538)
Net Cash Flows From Capital & Related Financing Activities	<u>(96,538)</u>	<u>-</u>	<u>-</u>	<u>(96,538)</u>
Cash Flows From Investing Activities:				
Interest & Dividends	1,181	-	-	1,181
Net Cash Flows From Investing Activities	<u>1,181</u>	<u>-</u>	<u>-</u>	<u>1,181</u>
Net Change in Cash & Cash Equivalents	(100,190)	13,248	6,201	(80,741)
Balances - Beginning of Year	844,695	29,025	163,042	1,036,762
Balances - Ending of Year	<u>\$ 744,505</u>	<u>\$ 42,273</u>	<u>\$ 169,243</u>	<u>\$ 956,021</u>

Reconciliation of Operating Income to Net Cash Flows From Operating Activities:

Operating Income	\$ (538,705)	\$ 8,074	\$ 50,524	\$ (480,107)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:				
Depreciation Expense	5,733	-	-	5,733
Commodities Received	103,146	-	-	103,146
(Increase)/Decrease in Accounts Receivable	64,838	-	(44,323)	20,515
(Increase)/Decrease in Inventory	(3,351)	-	-	(3,351)
Increase/(Decrease) in Accounts Payable	(57,713)	(975)	-	(58,688)
Increase/(Decrease) in Unearned Revenue	(1,767)	6,149	-	4,382
Total Adjustments	<u>110,886</u>	<u>5,174</u>	<u>(44,323)</u>	<u>71,737</u>
Net Cash Flows From Operating Activities	<u>\$ (427,819)</u>	<u>\$ 13,248</u>	<u>\$ 6,201</u>	<u>\$ (408,370)</u>

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

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Fiduciary Fund

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**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT TRUST	SCHOLARSHIP TRUST FUND	AGENCY FUNDS	JUNE 30, 2016
Cash & Cash				
Equivalents	\$ 9,756	\$ 93,234	\$ 209,638	\$ 312,628
Interfund Receivable	-	-	-	-
Total Assets	9,756	93,234	209,638	312,628
LIABILITIES				
Interfund Payable	-	-	9,267	9,267
Payable to Student Groups	-	-	195,009	195,009
Payroll Deductions & Withholdings	-	-	5,362	5,362
Total Liabilities	-	-	209,638	209,638
NET POSITION				
Held in Trust for Unemployment & Other Purposes	9,756	93,234	-	102,990
Total Net Position	\$ 9,756	\$ 93,234	\$ -	\$ 102,990

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

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

ADDITIONS	PRIVATE PURPOSE		TOTAL
	UNEMPLOYMENT FUND	SCHOLARSHIP TRUST	JUNE 30, 2016
Contributions:			
Scholarship Donations	\$ -	\$ 87,929	\$ 87,929
Total Contributions	-	87,929	87,929
Investment Earnings:			
Interest - Checking	18	82	100
Net Investment Earnings	18	82	100
Total Additions	18	88,011	88,029
DEDUCTIONS			
Scholarships Awarded	-	76,500	76,500
Claims Paid	680	-	680
Total Deductions	680	76,500	77,180
Change in Net Position	(662)	11,511	10,849
Net Position - Beginning of the Year	10,418	81,723	92,141
Net Position - End of the Year	\$ 9,756	\$ 93,234	\$ 102,990

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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**PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Pinelands Regional School District (the “District”) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

Reporting Entity

The Pinelands Regional School District (hereafter referred to as the “District”) is a Type II district located in the County of Ocean, 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 District provides a full range of educational services appropriate to grade levels seven through twelve. These include regular, vocational, as well as special education for handicapped youngsters. The operation of the District includes one regional junior high and one senior high school, located in Little Egg Harbor. The Pinelands Regional School District has an approximate enrollment at June 30, 2016 of 1,577 students.

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

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

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

Component Units

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

Government-Wide Financial Statements

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements (continued)

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Proprietary Fund Financial Statements (continued)

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following major proprietary funds:

Food Service Fund - This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.

Community Education Fund - This fund accounts for the revenues and expenses pertaining to the District's adult education services

Inter-Local Services Fund - This fund accounts for revenues and expenses pertaining to the District's shared service agreements with other local governmental agencies.

Additionally, the District reports the following major fiduciary funds:

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

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

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

Budgets/Budgetary Control

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control (continued)

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

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

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

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

General Fund:

Building & Building Improvements	20 - 50 Years
Furniture & Fixtures	7 - 20 Years
Machinery & Equipment	5 - 12 Years
Vehicles	5 - 20 Years

Food Service Fund:

Equipment	15 Years
Light Trucks & Vehicles	8 Years
Heavy Trucks & Vehicles	8 Years

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

Impact of Recently Issued Accounting Principles

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements. OR did not have a significant impact on the District's financial statements OR See Note. xx for the effect of adopting GASB Statement. No. 72.

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

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

Recently Issued and Adopted Accounting Pronouncements

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

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

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

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

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

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

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

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

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

Bond Premiums, Discounts and Issuance Costs

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Loss on Refunding Debt

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

Deferred Inflows/Outflows of Resources

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

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

Pensions

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through December 2, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District's bank balance of \$2,926,437 was exposed to custodial credit risk as follows:

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 2. Cash Deposits and Investments (continued)

Cash Deposits (continued)

Insured Under FDIC	\$	250,000
Uninsured and uncollateralized		670,811
Collateralized by securities held by Pledging financial institution		3,109,988
Total	\$	4,030,799

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

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

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

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

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

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

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the Pinelands Regional School District by inclusion of \$1,000 in the original 2000-2001 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 3. Reserve Accounts (continued)

Capital Reserve (continued)

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

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

Beginning Balance, July 1, 2015	\$	422,389
Withdrawal per the Budget		(390,000)
Plus:		
Interest Earned		3,179
Resolution dated June 15, 2016		200,000
Ending Balance, June 30, 2016	\$	235,568

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$17,497,332.

Maintenance Reserve

A maintenance reserve account was established by the Pinelands Regional School District by inclusion of \$300,000 on June 25, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.18A:7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23A-14.2*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

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

**PINELANDS REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued)

Maintenance Reserve (continued)

Balance Beginning, July 1, 2015	\$	939
Withdrawal per Budget		<u>(296)</u>
Ending Balance, June 30, 2016	\$	<u><u>643</u></u>

Emergency Reserve

An emergency reserve account was established by the Pinelands Regional School District by inclusion of \$260,000 on June 25, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

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

Beginning Balance, July 1, 2015	\$	<u>469</u>
Ending Balance, June 30, 2016	\$	<u><u>469</u></u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state 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:

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 4. Accounts Receivable (continued)

	<u>General</u> <u>Fund</u>	<u>Proprietary</u> <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 593,972	\$ 21,514	\$ 615,486
Other	-	69,323	69,323
	\$ 593,972	\$ 90,837	\$ 684,809
	\$ 593,972	\$ 90,837	\$ 684,809

Note 5. Capital Assets

The following schedule is a summarization of the general capital assets for the fiscal year ended June 30, 2016:

	June 30, 2015	Increases	Decreases	Transfers/ Adjustments	June 30, 2016
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 412,912	\$ -	\$ -	\$ -	\$ 412,912
Construction in progress	-	330,468	-	-	330,468
Total capital assets not being depreciated	412,912	330,468	-	-	743,380
Capital assets being depreciated:					
Buildings and improvements	38,533,343	-	-	(48,795)	38,484,548
Site improvements	1,329,983	-	-	-	1,329,983
Machinery and equipment	1,213,098	101,022	(2,309)	43,677	1,355,488
Subtotal	41,076,424	101,022	(2,309)	(5,118)	41,170,019
Less: accumulated depreciation:	(19,548,403)	(1,160,550)	2,309	-	(20,706,644)
Total capital assets being depreciated, net	\$ 21,528,021	\$ (1,059,528)	\$ -	\$ (5,118)	\$ 20,463,375
Governmental activities capital assets, net	\$ 21,940,933	\$ (729,060)	\$ -	\$ (5,118)	\$ 21,206,755

The following schedule is a summarization of the proprietary fund capital assets recorded at historical cost by source for the fiscal year ended June 30, 2016:

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 5. Capital Assets (continued)

	June 30,	Increases	Decreases	June 30,
	2015			2016
Business-Type Activities				
Capital assets being depreciated:				
Machinery and Equipment	\$ 488,958	\$ -	\$ -	\$ 488,958
Total capital assets being depreciated	488,958	-	-	488,958
Less: accumulated depreciation				
Machinery & Equipment	(438,784)	(5,733)	-	(444,517)
Total accumulated depreciation	(438,784)	(5,733)	-	(444,517)
Total Business-type activities capital assets, net	\$ 50,174	\$ (5,733)	\$ -	\$ 44,441

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

Governmental Activities:	
Unallocated	\$ 1,158,241
Total Depreciation Expense - Governmental Activities	\$ 1,158,241

Note 6. Interfund Receivables, Payables and Transfers

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 385,170	\$ -
Food Service Fund	-	375,903
Fiduciary Funds	-	9,267
	\$ 385,170	\$ 385,170

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

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,305,440	\$ 987,435
Food Service Fund	987,435	890,897
Fiduciary Funds	-	414,543
	\$ 2,292,875	\$ 2,292,875

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 6. Interfund Receivables, Payables and Transfers (continued)

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

Note 7. Long-Term Obligations

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

	Balance 6/30/2015	Issued	Retired/ Adjusted	Balance 6/30/2016	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 9,414,743	\$ 2,271,387	\$ -	\$ 11,686,130	\$ -
Compensated Absences Payable	1,834,514	-	(36,341)	1,798,173	-
Bonds Payable	7,813,000	-	(1,185,000)	6,628,000	1,235,000
Obligations Under Capital Leases	956,000	5,825,000	(441,000)	6,340,000	445,000
Bond Premium	424,679	-	(36,401)	388,278	36,401
Total	\$ 20,442,936	\$ 8,096,387	\$ (1,698,742)	\$ 26,840,581	\$ 1,716,401

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

Bonds Payable

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

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Serial Bonds	4.10%	2/15/2018	\$ 7,108,000	\$ 1,728,000
Refunding Bonds	2.00% - 4.00%	2/15/2027	5,275,000	4,900,000
Total				\$ 6,628,000

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 7. Long-Term Obligations (continued)

Bonds Payable (continued)

Year Ending, June 30,	Principal	Interest	Total
2017	\$ 1,235,000	\$ 234,648	\$ 1,469,648
2018	1,268,000	192,098	1,460,098
2019	395,000	148,300	543,300
2020	410,000	136,450	546,450
2021	425,000	124,150	549,150
2022-2026	2,365,000	393,000	2,758,000
2027	530,000	21,200	551,200
Total	<u>\$ 6,628,000</u>	<u>\$ 1,249,846</u>	<u>\$ 7,877,846</u>

Bonds Authorized But Not Issued

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

Capital Lease Obligations

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the general capital assets and the general long-term obligations account groups, respectively. Assets under capital leases total \$6,340,000. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2016:

2017	\$ 639,271
2018	819,202
2019	827,280
2020	450,573
2021	367,396
2022-2026	1,588,543
2027-2031	1,780,821
2032-2036	<u>1,989,661</u>
Total Minimum Lease Payments	8,462,747
Less: Amount Representing Interest	<u>(2,122,747)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 6,340,000</u>

Note 8: Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey,

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</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>
6/30/2016	\$ 447,565	100%	\$ 11,686,130
6/30/2015	414,543	100%	9,414,743
6/30/2014	419,202	100%	9,555,948

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$11,686,130 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.05206%, which was an increase of 0.00177% from its proportion measured as of June 30, 2014.

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

	<u>6/30/2016</u>	<u>6/30/2015</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,853,110	\$ 789,678
Deferred Inflows of Resources	\$ 187,890	\$ 561,068
Net Pension Liability	\$ 11,686,130	\$ 9,414,743
District's portion of the Plan's total net pension Liability	0.05206%	0.05029%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$834,764. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Changes of assumptions	\$ 1,254,997	\$ -
Net difference between projected and actual experience	278,790	-
Net difference between projected and actual earnings on pension plan investments	-	187,890
Changes in proportion and differences between District contributions and proportionate share of contributions	319,323	-
Total	\$ 1,853,110	\$ 187,890

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

Year Ended	<u>PERS</u>
<u>June 30:</u>	
2017	\$ 301,004
2018	301,004
2019	301,004
2020	441,271
2021	320,943
Total	\$ 1,665,226

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

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

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

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

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

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

**PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

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

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

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

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

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 14,524,241	\$ 11,686,130	\$ 9,306,399

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which

**PINELANDS REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

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

includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

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

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 2,288,757	100%	-
6/30/2015	1,872,662	100%	-
6/30/2014	1,493,636	100%	-

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

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

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

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

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

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

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

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

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf.. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

**PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Post-Retirement Benefits (continued)

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 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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 years:

Fiscal Year	Interest Earned	Amount Reimbursed	Ending Balance
2015-2016	\$ 18	\$ 680	\$ 9,756
2014-2015	14	695	10,418
2013-2014	16	704	11,099

Joint Insurance Pool – The Pinelands Regional School District participates in the New Jersey School Boards Insurance and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers’ Compensation
School Board Legal Liability	Crime Coverage

Note 11. Contingencies

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

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 11. Contingencies (continued)

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

Note 12. Economic Dependency

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

Note 13. Deferred Compensation

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

Met Life	Equitable Life Assurance Company
Discovery Financial	Lincoln Investment Planning, Inc.
PFS Shareholder Services	USAA Life Insurance
The Vanguard Group	

Note 14. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$1,798,173.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016

Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had excess fund balance at June 30, 2016 of \$524,861.

Note 16. Fund Balance Disclosures

General Fund – Of the \$1,211,185 General Fund fund balance at June 30, 2016, \$235,568 has been restricted for the capital reserve account; \$643 has been restricted for the maintenance reserve account; \$469 has been restricted for the emergency reserve account and \$449,644 is designated for subsequent year's expenditures.

Note 17: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(16,548,596) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 18,704,756	\$ -	\$ 18,704,756	\$ 18,704,758	\$ 2
Tuition	10-1330	-	-	-	1,760	1,760
Interest Earned on Capital Reserve	10-1510	-	-	-	3,179	3,179
Rents and Royalties	10-1910	-	-	-	3,955	3,955
Miscellaneous	10-1990	-	-	-	512	512
Total Local Sources		18,704,756	-	18,704,756	18,714,164	9,408
State Sources:						
Categorical Transportation Aid	10-3121	810,479	-	810,479	810,479	-
Categorical Special Education Aid	10-3132	961,334	-	961,334	961,334	-
Equalization Aid	10-3176	8,420,721	-	8,420,721	8,420,721	-
Categorical Security Aid	10-3177	299,661	-	299,661	299,661	-
Adjustment Aid	10-3178	784,462	-	784,462	784,462	-
Extraordinary Aid	10-3131	200,000	-	200,000	214,113	14,113
Non-Public Transportation Aid	10-3121	-	-	-	5,742	5,742
Parcc Readiness Aid	10-3190	15,930	-	15,930	15,930	-
Per Pupil Choice Aid	10-3191	15,930	-	15,930	15,930	-
School Choice Aid	10-3116	59,358	-	59,358	59,358	-
On-Behalf TPAF Pension Contribution (Nonbudgeted):						
Normal Cost		-	-	-	1,044,749	1,044,749
Post-Retirement Medical		-	-	-	1,244,008	1,244,008
Reimbursed TPAF Social Security (Nonbudgeted)		-	-	-	957,148	957,148
Total State Sources		11,567,875	-	11,567,875	14,833,635	3,265,760
Federal Sources:						
Medicaid Reimbursement	10-4200	46,113	-	46,113	78,745	32,632
Total Federal Sources		46,113	-	46,113	78,745	32,632
Total Revenues		30,318,744	-	30,318,744	33,626,544	3,307,800
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Grades 6-8 Salaries of Teachers	11-130-100-101	3,934,100	(61,849)	3,872,251	3,647,551	224,700
Grades 9-12 Salaries of Teachers	11-140-100-101	4,041,050	(58,500)	3,982,550	3,947,729	34,821
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	60,000	(5,000)	55,000	46,760	8,240
Purchased Professional - Educational Services	11-150-100-320	25,000	8,600	33,600	21,928	11,672
Purchased Professional - Educational Services	11-190-100-320	13,559	1,100	14,659	10,235	4,424
Other Purchased Services - (400-500 Series)	11-190-100-500	324,154	(2,307)	321,847	319,873	1,974
Travel	11-190-100-580	15,875	(1,858)	14,017	6,421	7,596
General Supplies	11-190-100-610	289,818	(12,067)	277,751	244,614	33,137
Textbooks	11-190-100-640	26,527	(5,739)	20,788	7,906	12,882
Other Objects	11-190-100-800	8,240	(600)	7,640	4,798	2,842
Total Regular Programs		8,738,323	(138,220)	8,600,103	8,257,815	342,288

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Special Education:						
Cognitive - Mild:						
Salaries of Teachers	11-201-100-101	180,100	-	180,100	165,312	14,788
Other Salaries for Instruction	11-201-100-106	47,692	-	47,692	46,746	946
General Supplies	11-201-100-610	2,000	451	2,451	2,028	423
Total Cognitive - Mild		229,792	451	230,243	214,086	16,157
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	417,000	19,421	436,421	436,420	1
Other Purchased Services	11-209-100-500	500	2,375	2,875	1,199	1,676
General Supplies	11-209-100-610	8,000	(750)	7,250	2,698	4,552
Textbooks	11-209-100-640	1,000	(1,000)	-	-	-
Other Objects	11-209-100-800	3,000	(2,826)	174	150	24
Total Behavioral Disabilities		429,500	17,220	446,720	440,467	6,253
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	56,500	-	56,500	56,500	-
Other Salaries for Instruction	11-212-100-106	77,838	-	77,838	56,901	20,937
Other Purchased Services	11-212-100-500	500	-	500	33	467
General Supplies	11-212-100-610	4,000	-	4,000	1,835	2,165
Total Multiple Disabilities		138,838	-	138,838	115,269	23,569
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	1,873,200	-	1,873,200	1,849,889	23,311
Other Salaries for Instruction	11-213-100-106	88,834	-	88,834	88,834	-
Travel	11-213-100-580	500	-	500	386	114
General Supplies	11-213-100-610	17,000	2,800	19,800	19,493	307
Total Resource Room/Resource Center		1,979,534	2,800	1,982,334	1,958,602	23,732
Autism:						
Salaries of Teachers	11-214-100-101	62,500	-	62,500	56,500	6,000
Other Purchased Services-(400-500)	11-214-100-500	-	-	-	-	-
Other Salaries for Instruction	11-214-100-106	154,420	-	154,420	141,447	12,973
Travel	11-214-100-580	6,000	-	6,000	400	5,600
General Supplies	11-214-100-610	5,000	-	5,000	1,225	3,775
Other Objects	11-214-100-800	5,000	-	5,000	468	4,532
Total Autism		232,920	-	232,920	200,040	32,880
Homebound Instruction:						
Salaries of Teachers	11-219-100-101	70,000	-	70,000	61,976	8,024
Purchased Professional & Educational Services	11-219-100-320	50,000	-	50,000	5,123	44,877
Total Homebound Instruction		120,000	-	120,000	67,099	52,901
Total Special Education		3,130,584	20,471	3,151,055	2,995,563	155,492
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	56,000	-	56,000	55,500	500
General Supplies	11-230-100-610	8,000	-	8,000	3,808	4,192
Total Basic Skills/Remedial Instruction		64,000	-	64,000	59,308	4,692
Bilingual Education - Instruction:						
Other Purch. Serv.(400-500 Series)	11-240-100-500	1,600	-	1,600	-	1,600
Travel	11-240-100-580	1,200	-	1,200	223	977
General Supplies	11-240-100-610	3,300	-	3,300	984	2,316
Textbooks	11-240-100-640	1,200	-	1,200	-	1,200
Other Objects	11-240-100-800	1,300	347	1,647	308	1,339
Total Bilingual Education - Instruction		8,600	347	8,947	1,515	7,432

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	142,542	20,463	163,005	163,005	-
Other Objects	11-401-100-800	21,600	-	21,600	12,776	8,824
Total School Sponsored Cocurricular - Activities		164,142	20,463	184,605	175,781	8,824
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	590,280	22,690	612,970	612,970	-
Purchased Services - (300-500 Series)	11-402-100-500	7,500	12,390	19,890	19,672	218
Travel	11-402-100-580	2,250	-	2,250	1,830	420
Supplies and Materials	11-402-100-600	67,100	1,610	68,710	67,751	959
Other Objects	11-402-100-800	85,530	3,572	89,102	86,235	2,867
Total School Sponsored Athletics - Instruction		752,660	40,262	792,922	788,458	4,464
Alternative Education Programs - Instruction:						
Purchased Services - (300-500 Series)	11-423-100-500	1,000	-	1,000	84	916
General Supplies	11-423-100-610	8,950	(7,150)	1,800	1,184	616
Other Objects	11-423-100-890	600	-	600	368	232
Total Alternative Education Programs - Instruction		10,550	(7,150)	3,400	1,636	1,764
Community Service Programs & Operations:						
Salaries	11-800-330-100	180,055	-	180,055	157,021	23,034
Total Community Service Programs & Operations		180,055	-	180,055	157,021	23,034
Total - Instruction		13,048,914	(63,827)	12,985,087	12,437,097	547,990
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs						
Within the State - Regular	11-000-100-561	-	45,936	45,936	45,936	-
Tuition to Other LEAs						
Within the State - Special	11-000-100-562	204,339	58,684	263,023	255,324	7,699
Tuition to County Vocational School District - Regular						
Tuition to County Special Services & Regular Day Schools	11-000-100-563	56,500	7,500	64,000	64,000	-
Tuition to Private Schools for the Handicapped - Within the State	11-000-100-565	299,849	33,822	333,671	311,870	21,801
Tuition - State Facilities	11-000-100-566	382,611	(89,362)	293,249	244,584	48,665
	11-000-100-568	35,465	-	35,465	35,465	-
Total Instruction		978,764	56,580	1,035,344	957,179	78,165
Attendance/Social Work:						
Salaries	11-000-211-100	87,250	700	87,950	87,950	-
Travel	11-000-211-580	250	-	250	-	250
Supplies and Materials	11-000-211-600	3,000	-	3,000	1,625	1,375
Total Attendance/Social Work		90,500	700	91,200	89,575	1,625

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Health Services:						
Salaries	11-000-213-100	173,767	-	173,767	158,219	15,548
Purchased Professional & Technical Services	11-000-213-300	16,000	-	16,000	3,071	12,929
Other Purchased Services	11-000-213-500	4,000	-	4,000	1,900	2,100
Supplies and Materials	11-000-213-600	3,050	-	3,050	2,574	476
Other Objects	11-000-213-800	200	-	200	-	200
Total Health Services		197,017	-	197,017	165,764	31,253
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	244,200	-	244,200	242,752	1,448
Purchased Professional & Educational Services	11-000-216-320	85,000	-	85,000	64,569	20,431
Supplies and Materials	11-000-216-600	3,000	-	3,000	2,580	420
Total Other Support Services - Students - Related Services		332,200	-	332,200	309,901	22,299
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	207,701	15,466	223,167	223,166	1
Purchased Professional & Educational Services	11-000-217-320	50,000	-	50,000	49,651	349
Total Other Support Services - Students - Extraordinary Services		257,701	15,466	273,167	272,817	350
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	667,700	-	667,700	665,700	2,000
Salaries of Secretarial & Clerical Assistants	11-000-218-105	231,250	-	231,250	208,269	22,981
Other Purchased Professional & Technical Services	11-000-218-390	43,106	-	43,106	42,738	368
Other Purchased Services - (400-500 Series)	11-000-218-500	2,500	-	2,500	400	2,100
Travel	11-000-218-580	2,500	-	2,500	295	2,205
Supplies and Materials	11-000-218-600	19,600	-	19,600	13,820	5,780
Other Objects	11-000-218-800	250	-	250	85	165
Total Other Support Services - Students - Regular		966,906	-	966,906	931,307	35,599
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	590,500	-	590,500	556,233	34,267
Salaries of Secretarial & Clerical Assistants	11-000-219-105	111,750	-	111,750	111,750	-
Purchased Professional - Educational Services	11-000-219-320	15,000	-	15,000	14,233	767
Other Purchased Services - (400-500 Series)	11-000-219-500	2,200	10,191	12,391	12,391	-
Misc. Pur Serv (400-500 series)						
Travel	11-000-219-580	1,000	-	1,000	1,000	-
other than Resid. Costs)	11-000-219-592	8,000	1,400	9,400	9,400	-
Supplies and Materials	11-000-219-600	5,000	750	5,750	5,723	27
Other Objects	11-000-219-800	1,217	-	1,217	820	397
Total Other Support Services - Students - Special Services		734,667	12,341	747,008	711,550	35,458

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	447,693	7,561	455,254	455,254	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	143,506	-	143,506	143,506	-
Purchased Prof. - Ed. Services	11-000-221-320	11,250	(4,937)	6,313	6,313	-
Travel	11-000-221-580	5,625	(2,624)	3,001	1,611	1,390
Supplies & Materials	11-000-221-600	2,000	-	2,000	1,905	95
Other Objects	11-000-221-800	2,200	-	2,200	1,609	591
Total Improvement of Instruction Services		612,274	-	612,274	610,198	2,076
Educational Media Services/School Library:						
Salaries of Teachers	11-000-222-100	183,450	-	183,450	183,449	1
Salaries of Technology Coordinators	11-000-222-177	302,749	-	302,749	301,771	978
Purchased Professional & Technical Services	11-000-222-300	12,420	-	12,420	6,426	5,994
Other Purchased Services - (400-500 Series)	11-000-222-500	9,400	(8,100)	1,300	696	604
Supplies and Materials	11-000-222-580	250	-	250	-	250
Supplies and Materials	11-000-222-600	34,600	-	34,600	32,627	1,973
Other Objects	11-000-222-800	1,450	-	1,450	-	1,450
Total Educational Media Services/School Library		544,319	(8,100)	536,219	524,969	11,250
Instructional Staff Training Services:						
Other Purchased Professional - Educational Services	11-000-223-320	3,300	-	3,300	1,768	1,532
Travel	11-000-223-580	5,700	(1,000)	4,700	2,509	2,191
Supplies and Materials	11-000-223-600	3,000	-	3,000	2,076	924
Total Instructional Staff Training Services		12,000	(1,000)	11,000	6,353	4,647
Support Services General Administration:						
Salaries	11-000-230-100	239,615	-	239,615	239,615	-
Legal Services	11-000-230-331	65,000	32,000	97,000	72,398	24,602
Audit Fees	11-000-230-332	27,000	3,400	30,400	30,400	-
Other Purchased Professional Services	11-000-230-339	37,000	(1,000)	36,000	36,000	-
District Office Copiers	11-000-230-500	4,000	-	4,000	1,735	2,265
Communications/Telephone	11-000-230-530	112,100	-	112,100	81,927	30,173
Travel	11-000-230-580	9,000	(4,819)	4,181	4,181	-
Other Purchased Services - General Supplies	11-000-230-590	90,694	(181)	90,513	88,968	1,545
BOE Supplies	11-000-230-610	4,000	1,000	5,000	4,999	1
BOE Supplies	11-000-230-630	5,000	-	5,000	-	5,000
Miscellaneous	11-000-230-890	4,000	-	4,000	685	3,315
BOE Membership Dues & Fees	11-000-230-895	8,500	-	8,500	7,020	1,480
Total Support Services General Administration		605,909	30,400	636,309	567,928	68,381
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	913,754	-	913,754	902,351	11,403
Salaries of Secretarial & Clerical Assistants	11-000-240-105	306,000	-	306,000	300,609	5,391
Purchased Professional Services	11-000-240-300	-	-	-	-	-
Other Purchased Services - (400-500 Series)	11-000-240-500	19,318	(2,091)	17,227	8,642	8,585
Travel	11-000-240-580	7,500	(1,250)	6,250	1,525	4,725
Supplies and Materials	11-000-240-600	45,465	-	45,465	37,196	8,269
Other Objects	11-000-240-800	14,075	1,250	15,325	13,954	1,371
Total Support Services School Administration		1,306,112	(2,091)	1,304,021	1,264,277	39,744

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Central Services:						
Salaries	11-000-251-100	298,417	(8,148)	290,269	280,994	9,275
Purchased Technical Services	11-000-251-340	43,500	19,148	62,648	57,051	5,597
Travel	11-000-251-580	-	3,670	3,670	3,041	629
Miscellaneous	11-000-251-592	500	1,490	1,990	1,990	-
Supplies & Materials	11-000-251-600	7,500	-	7,500	6,589	911
Other Objects	11-000-251-890	3,000	-	3,000	2,779	221
Total Central Services		352,917	16,160	369,077	352,444	16,633
Expenditures (continued):						
Current Expense (continued):						
Administrative Information Technology:						
Supplies and Materials	11-000-252-600	10,000	-	10,000	9,647	353
Total Administrative Information Technology		10,000	-	10,000	9,647	353
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	397,231	(13,321)	383,910	368,243	15,667
Cleaning, Repair & Maintenance Services	11-000-261-420	203,000	36,500	239,500	234,683	4,817
Travel	11-000-261-580	2,500	-	2,500	517	1,983
General Supplies	11-000-261-610	49,000	5,170	54,170	42,603	11,567
Other Objects	11-000-261-800	34,000	34	34,034	25,766	8,268
Subtotal Allowable Maintenance for School Facilities		685,731	28,383	714,114	671,812	42,302
Custodial Services:						
Salaries	11-000-262-100	915,267	13,321	928,588	928,588	-
Purchased Professional & Technical Service	11-000-262-300	1,000	-	1,000	99	901
Cleaning, Repair & Maintained Service	11-000-262-420	6,000	5,000	11,000	10,919	81
Other Purchased Property Service	11-000-262-490	300,534	-	300,534	272,585	27,949
Insurance	11-000-262-520	168,000	-	168,000	161,223	6,777
Travel	11-000-262-580	2,500	-	2,500	344	2,156
Misc Purchased Services	11-000-262-590	-	-	-	-	-
General Supplies	11-000-262-610	91,500	5,000	96,500	91,466	5,034
Energy (Natural Gas)	11-000-262-621	300,000	(6,000)	294,000	223,927	70,073
Energy (Electricity)	11-000-262-622	515,515	(7,000)	508,515	483,989	24,526
Other Objects	11-000-262-800	5,000	-	5,000	3,879	1,121
Total Custodial Services		2,305,316	10,321	2,315,637	2,177,019	138,618
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	5,000	-	5,000	4,400	600
General Supplies	11-000-263-610	48,500	-	48,500	38,926	9,574
Total Care & Upkeep of Grounds		53,500	-	53,500	43,326	10,174
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	137,000	-	137,000	120,456	16,544
General Supplies	11-000-266-610	7,000	-	7,000	4,704	2,296
Total Security		144,000	-	144,000	125,160	18,840
Total Operations & Maintenance of Plant		3,188,547	38,704	3,227,251	3,017,317	209,934

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Student Transportation Services:						
Salaries for Pupil Transportation - (Between Home & School - Special Ed Students	11-000-270-161	27,415	-	27,415	24,568	2,847
Other Purchased Professional & Technical Services	11-000-270-390	8,620	300	8,920	8,823	97
AID in LIEU	11-000-270-503	8,958	(4,209)	4,749	4,420	329
Contracted Services (Between Home & School) - Vendors	11-000-270-511	1,204,551	71,388	1,275,939	1,261,720	14,219
Contracted Services (Other than Between Home & School) - Vendors	11-000-270-512	294,007	(34,500)	259,507	244,677	14,830
Contracted Services (Between Home & School)-Joint Agree.	11-000-270-513	-	24,500	24,500	24,500	-
Contracted Services (Special Ed Students) - Vendors	11-000-270-514	238,070	(103,292)	134,778	134,777	1
Contracted Services (Special Ed Students) - Joint Agreements	11-000-270-515	37,994	(1,400)	36,594	30,630	5,964
Contracted Services (Regular Students) - ESCs & CTSA	11-000-270-517	20,115	48,633	68,748	68,747	1
Contracted Services (Special Ed Students) - ESCs & CTSA	11-000-270-518	441,414	(84,300)	357,114	328,400	28,714
Contracted Services - Aid in Lieu of Payments	11-000-270-503	-	-	-	-	-
Travel	11-000-270-580	3,523	-	3,523	147	3,376
General Supplies	11-000-270-610	1,500	(100)	1,400	-	1,400
Miscellaneous Expenditures	11-000-270-890	200	-	200	-	200
Total Student Transportation Services		2,286,367	(82,980)	2,203,387	2,131,409	71,978
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	400,000	-	400,000	396,859	3,141
Other Retirement Contributions - Regular	11-000-291-241	442,259	10,300	452,559	452,516	43
Unemployment Compensation	11-000-291-250	70,000	(6,121)	63,879	63,879	-
Workman's Compensation	11-000-291-260	186,500	(2,400)	184,100	184,007	93
Health Benefits	11-000-291-270	4,493,000	(18,082)	4,474,918	4,425,610	49,308
Tuition Reimbursement	11-000-291-280	70,000	(2,100)	67,900	32,879	35,021
Other Employee Benefits	11-000-291-290	60,000	18,403	78,403	78,403	-
Total Unallocated Benefits - Employee Benefits		5,721,759	-	5,721,759	5,634,153	87,606
Nonbudgeted:						
On-Behalf TPAF Pension Contribution:						
Normal Cost		-	-	-	1,044,749	(1,044,749)
Post-Retirement Medical		-	-	-	1,244,008	(1,244,008)
Reimbursed TPAF Social Security Contributions		-	-	-	957,148	(957,148)
Total On-Behalf Contributions		-	-	-	3,245,905	(3,245,905)
Total Personal Services - Employee Benefits		5,721,759	-	5,721,759	8,880,058	(3,158,299)
Total Undistributed Expenditures		18,197,959	76,180	18,274,139	20,802,693	(2,528,554)
Total Expenditures - Current Expense		31,246,873	12,353	31,259,226	33,239,790	(1,980,564)

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Capital Outlay:					
Facilities Acquisition & Construction Services:					
Assessment for Debt					
Construction Services	12-000-400-450	390,000	-	390,000	88,832
Assessment on SDA Projects	12-000-400-896	6,865	-	6,865	6,865
Total Facilities Acquisition & Construction Services		396,865	-	396,865	95,697
Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	400,000
Total Capital Outlay		396,865	-	396,865	495,697
Special Schools					
Adult Education - Local - Instruction:					
Supplies & Materials	13-602-200-600	10,000	-	10,000	3,486
Total Local Instruction		10,000	-	10,000	3,486
Total Special Schools		10,000	-	10,000	3,486
Total Expenditures		31,653,738	12,353	31,666,091	33,738,973
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,334,994)	(12,353)	(1,347,347)	(112,429)
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Charter School		(24,158)	-	(24,158)	(24,158)
Capital Lease Proceeds (Nonbudgeted)		-	-	-	400,000
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(1,359,152)	(12,353)	(1,371,505)	263,413
Fund Balances, July 1		2,061,222	-	2,061,222	2,061,222
Fund Balances, June 30		\$ 702,070	\$ (12,353)	\$ 689,717	\$ 2,324,635
					\$ 1,634,918

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Roll-Over Encumbrances	\$ 12,353
Budgeted transfer to Capital Project	-
Budgeted increase from Capital Reserve	-
Total Budget Transfers	<u>\$ 12,353</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 235,568
Maintenance Reserve	643
Emergency Reserve	469
Excess Surplus	524,861
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	798,710
Year-End Encumbrances	142,184
Unassigned Fund Balance	<u>622,200</u>
Subtotal	2,324,635
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(1,113,450)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,211,185</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Local Sources	\$ 20,227	\$ 12,816	\$ 33,043	\$ 31,251	\$ (1,792)
State Sources	493,945	4,450	\$ 498,395	498,395	-
Federal Sources	915,944	90,030	1,005,974	1,005,974	-
Total Revenues	1,430,116	107,296	1,537,412	1,535,620	(1,792)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	223,392	88,764	312,156	312,156	-
Tuition	530,152	28,480	558,632	558,632	-
Travel		-		-	-
General Supplies	94,618	(20,457)	74,161	72,369	1,792
Other Objects		-		-	-
Total Instruction	848,162	96,787	944,949	943,157	1,792
Support Services:					
Salaries for Other Professional Staff	339,549	-	339,549	327,822	11,727
Personal Services - Employee Benefits	214,464	-	214,464	214,464	-
Purchased Professional - Educational Services	6,310	-	6,310	5,110	1,200
Other Purchased Services	9,901	2,170	12,071	12,316	(245)
Supplies & Materials	9,480	4,678	14,158	27,512	(13,354)
Other Objects	2,250	3,661	5,911	5,239	672
Total Support Services	581,954	10,509	592,463	592,463	-
Total Outflows	1,430,116	107,296	1,537,412	1,535,620	1,792
Excess/(Deficiency) of Revenues Over/ Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 33,626,544	\$ 1,535,620
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	36,055
Current Year	-	(18,188)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,107,089	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,113,450)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 33,620,183	\$ 1,553,487
	<hr/> <hr/>	<hr/> <hr/>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 33,738,973	\$ 1,535,620
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	17,867
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 33,738,973	\$ 1,553,487
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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT PLAN
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05206%	0.05029%	0.05000%
District's proportionate share of the net pension liability (asset)	\$ 11,686,130	\$ 9,414,743	\$ 9,555,948
District's covered-employee payroll	\$ 3,532,174	\$ 3,524,156	\$ 3,530,304
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	330.85%	267.15%	270.68%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	48.72%

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

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT PLAN
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 475,627	\$ 447,565	\$ 414,543
Contributions in relation to the contractually required contribution	<u>475,627</u>	<u>447,565</u>	<u>414,543</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,532,174	3,524,156	3,530,304
Contributions as a percentage of covered-employee payroll	13.47%	12.70%	11.74%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.13387%	0.13376%	0.14343%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 84,609,661	\$ 71,489,447	\$ 72,487,981
District's covered-employee payroll	\$ 13,415,357	\$ 13,410,233	\$ 13,384,631
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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PINELANDS REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

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

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

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

Public Employees' Retirement System (PERS)

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

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE I PART A	TITLE IIA	TITLE VI	IDEA-B
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Federal Source	477,324	41,767	30,512	445,152
Total Revenues	<u>\$ 477,324</u>	<u>\$ 41,767</u>	<u>\$ 30,512</u>	<u>\$ 445,152</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 256,220	\$ 33,148	\$ 20,160	\$ -
Tuition	113,480	-	-	445,152
Travel	-	-	-	-
General Supplies	47,408	-	-	-
Other Purchased Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Instruction	<u>417,108</u>	<u>33,148</u>	<u>20,160</u>	<u>445,152</u>
Support Services:				
Salaries of Other Professional Staff	-	-	-	-
Personal Services - Employee Benefits	60,216	8,619	5,242	-
Purchased Professional Services	-	-	5,110	-
Other Purchased Services	-	-	-	-
Supplies & Materials	-	-	-	-
Miscellaneous	-	-	-	-
Total Support Services	<u>60,216</u>	<u>8,619</u>	<u>10,352</u>	<u>-</u>
Facilities Acquisitions & Construction Services:				
Instructional Equipment	-	-	-	-
Total Facilities Acquisitions & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>\$ 477,324</u>	<u>\$ 41,767</u>	<u>\$ 30,512</u>	<u>\$ 445,152</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	SAFETY GRANT	PREGNANCY PREVENTION	SCHOOL YOUTH SERVICES CURRENT	RACE TO THE TOP GRANT	LITTLE EGG HARBOR PAL
Revenues:					
Local Sources	\$ 6,290	\$ -	\$ -	\$ -	\$ 3,000
State Sources	-	-	498,395	-	-
Federal Source	-	8,514	-	2,705	-
Total Revenues	\$ 6,290	\$ 8,514	\$ 498,395	\$ 2,705	\$ 3,000
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ 2,628	\$ -	\$ -	\$ -
Tuition	-	-	-	-	-
Travel	-	-	-	-	-
General Supplies	-	-	-	-	3,000
Other Purchased Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Instruction	-	2,628	-	-	3,000
Support Services:					
Salaries of Other Professional Staff	-	-	327,822	-	-
Personal Services - Employee Benefits	-	-	140,387	-	-
Purchased Professional Services	-	-	-	-	-
Other Purchased Services	-	-	9,611	2,705	-
Supplies & Materials	6,290	2,225	18,997	-	-
Miscellaneous	-	3,661	1,578	-	-
Total Support Services	6,290	5,886	498,395	2,705	-
Facilities Acquisitions & Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisitions & Construction Services	-	-	-	-	-
Total Outflows	\$ 6,290	\$ 8,514	\$ 498,395	\$ 2,705	\$ 3,000

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

	ATLANTIC CARE GRANT	ATHLETIC 5K	DOLLAR GENERAL	Total
Revenues:				
Local Sources	\$ 270	\$ 17,691	\$ 4,000	\$ 31,251
State Sources	-	-	-	498,395
Federal Source	-	-	-	1,005,974
Total Revenues	\$ 270	\$ 17,691	\$ 4,000	\$ 1,535,620
Expenditures:				
Instruction:				
Salaries of Teachers	-	-	-	\$ 312,156
Tuition	-	-	-	558,632
Travel	-	-	-	-
General Supplies	270	17,691	4,000	72,369
Other Purchased Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Instruction	270	17,691	4,000	943,157
Support Services:				
Salaries of Other Professional Staff	-	-	-	327,822
Personal Services - Employee Benefits	-	-	-	214,464
Purchased Professional Services	-	-	-	5,110
Other Purchased Services	-	-	-	12,316
Supplies & Materials	-	-	-	27,512
Miscellaneous	-	-	-	5,239
Total Support Services	-	-	-	592,463
Total Outflows	\$ 270	\$ 17,691	\$ 4,000	\$ 1,535,620

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F. Capital Projects Fund

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**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUNDS
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE 2016
			PRIOR YEARS	CURRENT YEARS	
ESIP Projects	2/12/2016	\$ 5,431,002	\$ -	\$ 330,468	\$ 5,100,534
		<u>\$ 5,431,002</u>	<u>\$ -</u>	<u>\$ 330,468</u>	<u>\$ 5,100,534</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources:	
ESIP Lease Purchase Proceeds	\$ 5,425,000
Local Share - Interest Earnings	<u>6,002</u>
Total Revenues	<u>5,431,002</u>
Expenditures & Other Financing Uses:	
Construction Services	<u>330,468</u>
Total Expenditures	<u>330,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,100,534
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	5,100,534
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 5,100,534</u></u>

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

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
ESIP Lease Purchase Proceeds	\$ -	\$ 5,425,000	\$ 5,425,000	\$ 5,425,000
Local Share	-	-	6,002	-
Total Revenues	-	5,425,000	5,431,002	5,425,000
Expenditures & Other Financing Uses:				
Construction Services	-	330,468	330,468	5,425,000
Total Expenditures	-	330,468	330,468	5,425,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 5,094,532	\$ 5,100,534	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
ESIP Authorization Date	2/15/2016
ESIP Lease Authorized	\$5,425,000
Lease Issued	5,425,000
Original Authorized Cost	\$5,425,000
Additional Authorized Cost	-
Revised Authorized Cost	5,425,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	6.09%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2017

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G. Proprietary Funds

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Enterprise Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2016
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	
Current Assets:				
Cash & Cash Equivalents	\$ 744,505	\$ 42,273	\$ 169,243	\$ 956,021
Intergovernmental Accounts Receivable	21,514	-	-	21,514
Accounts Receivable	-	-	69,323	69,323
Inventory	10,911	-	-	10,911
Interfund Receivable	-	-	-	-
Total Current Assets	776,930	42,273	238,566	1,057,769
Capital Assets:				
Furniture, Machinery & Equipment	488,958	-	-	488,958
Less: Accumulated Depreciation	(444,517)	-	-	(444,517)
Total Capital Assets	44,441	-	-	44,441
Total Assets	821,371	42,273	238,566	1,102,210
LIABILITIES				
Accounts Payable	128,857	-	-	128,857
Interfund Payable	375,903	-	-	375,903
Profit Distribution Payable	-	-	-	-
Unearned Revenue	-	16,172	-	16,172
Total Liabilities	504,760	16,172	-	520,932
NET POSITION				
Net Investment in Capital Assets	44,441	-	-	44,441
Unrestricted Net Position	272,170	26,101	238,566	536,837
Total Net Position	\$ 316,611	\$ 26,101	\$ 238,566	\$ 581,278

**PINELANDS REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2016
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	
Operating Revenues:				
Charges for Services:				
Daily Sales	\$ 401,846	\$ -	\$ -	\$ 401,846
Profit Guarantee	-	-	-	-
Interlocal Services Agreement	-	-	95,333	95,333
Community Recreation Donations	-	5,000	-	5,000
Community Recreation Fees	-	24,216	-	24,216
Total Operating Revenue	401,846	29,216	95,333	526,395
Operating Expenses:				
Cost of Sales	344,546	-	-	344,546
Salaries	415,165	15,427	41,046	471,638
Employee Benefits	-	-	3,140	3,140
General Supplies	126,796	4,692	-	131,488
Miscellaneous Purchased Services	31,507	1,023	623	33,153
Management Fee	16,804	-	-	16,804
Depreciation	5,733	-	-	5,733
Total Operating Expenses	940,551	21,142	44,809	1,006,502
Operating Income/(Loss)	(538,705)	8,074	50,524	(480,107)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	8,362	-	-	8,362
Federal Sources:				
National School Lunch Program	323,397	-	-	323,397
National School Performance Based Program	10,267	-	-	10,267
National School Breakfast Program	79,908	-	-	79,908
National School After School Snack Program	1,052	-	-	1,052
Food Distribution Program	103,146	-	-	103,146
Interest Income	1,181	-	-	1,181
Total Nonoperating Revenues	527,313	-	-	527,313
Net Income	(11,392)	8,074	50,524	47,206
Net Position - July 1	328,003	18,027	188,042	534,072
Net Position - June 30	\$ 316,611	\$ 26,101	\$ 238,566	\$ 581,278

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

BUSINESS-TYPE
ACTIVITIES -
ENTERPRISE FUNDS

	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	2016
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 464,917	\$ 35,365	\$ 51,010	\$ 551,292
Payments to Employees	(415,165)	(15,427)	(44,809)	(475,401)
Payments to Vendors	(477,571)	(6,690)	-	(484,261)
Net Cash Flows From Operating Activities	(427,819)	13,248	6,201	(408,370)
Cash Flows From Noncapital Financing Activities:				
Cash Received from State & Federal Reimbursements	422,986	-	-	422,986
Net Cash Flows From Noncapital Financing Activities	422,986	-	-	422,986
Cash Flows From Capital & Related Financing Activities:				
Transfer of Funds	(96,538)	-	-	(96,538)
Net Cash Flows From Capital & Related Financing Activities	(96,538)	-	-	(96,538)
Cash Flows From Investing Activities:				
Interest & Dividends	1,181	-	-	1,181
Net Cash Flows From Investing Activities	1,181	-	-	1,181
Net Change in Cash & Cash Equivalents	(100,190)	13,248	6,201	(80,741)
Balances - Beginning of Year	844,695	29,025	163,042	1,036,762
Balances - Ending of Year	\$ 744,505	\$ 42,273	\$ 169,243	\$ 956,021

Reconciliation of Operating Income to Net Cash Flows From Operating Activities:

Operating Income	\$ (538,705)	\$ 8,074	\$ 50,524	\$ (480,107)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:				
Depreciation Expense	5,733	-	-	5,733
Commodities Received	103,146	-	-	103,146
(Increase)/Decrease in Accounts Receivable	64,838	-	(44,323)	20,515
(Increase)/Decrease in Inventory	(3,351)	-	-	(3,351)
Increase/(Decrease) in Accounts Payable	(57,713)	(975)	-	(58,688)
Increase/(Decrease) in Unearned Revenue	(1,767)	6,149	-	4,382
Total Adjustments	110,886	5,174	(44,323)	71,737
Net Cash Flows From Operating Activities	\$ (427,819)	\$ 13,248	\$ 6,201	\$ (408,370)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		2016
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP TRUST	STUDENT ACTIVITIES	PAYROLL	
Cash & Cash Equivalents	\$ 9,756	\$ 93,234	\$ 195,009	\$ 14,629	\$ 312,628
Interfund Receivable	-	-	-	-	-
Total Assets	9,756	93,234	195,009	14,629	312,628
LIABILITIES					
Interfund Payable	-	-	-	9,267	9,267
Due to Student Groups	-	-	195,009	-	195,009
Payroll Deductions & Withholdings	-	-	-	5,362	5,362
Total Liabilities	-	-	195,009	14,629	209,638
NET POSITION					
Reserved for:					
Scholarships	-	93,234	-	-	93,234
Unemployment Claims & Other Purposes	9,756	-	-	-	9,756
Total Net Position	\$ 9,756	\$ 93,234	\$ -	\$ -	\$ 102,990

**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE		2016
	UNEMPLOYMENT FUND	SCHOLARSHIP TRUST	
Contributions:			
Donations	\$ -	\$ 87,929	\$ 87,929
Total Contributions	-	87,929	87,929
Investment Earnings:			
Interest - Checking	18	82	100
Net Investment Earnings	18	82	100
Total Additions	18	88,011	88,029
DEDUCTIONS			
Scholarships Awarded	-	76,500	76,500
Claims Paid	680	-	680
Total Deductions	680	76,500	77,180
Change in Net Position	(662)	11,511	10,849
Net Position - Beginning of the Year	10,418	81,723	92,141
Net Position - End of the Year	\$ 9,756	\$ 93,234	\$ 102,990

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

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents:				
High School	\$ 129,182	\$ 483,805	\$ 476,580	\$ 136,407
Middle School	55,410	107,238	104,046	58,602
	<hr/>			
Total Assets	\$ 184,592	\$ 591,043	\$ 580,626	\$ 195,009
	<hr/> <hr/>			
LIABILITIES				
Due to Student Groups	\$ 184,592	\$ 591,043	\$ 580,626	\$ 195,009
	<hr/>			
Total Liabilities	\$ 184,592	\$ 591,043	\$ 580,626	\$ 195,009
	<hr/> <hr/>			

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

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ (275,741)	\$ 21,384,217	\$ 21,093,847	\$ 14,629
Interfund Receivable	405,276	-	405,276	-
	<hr/>			
Total Assets	129,535	21,384,217	21,499,123	14,629
	<hr/> <hr/>			
LIABILITIES				
Payroll Deductions & Withholdings	129,535	21,374,950	21,499,123	5,362
Interfund Payable	-	9,267	-	9,267
	<hr/>			
Total Liabilities	\$ 129,535	\$ 21,384,217	\$ 21,499,123	\$ 14,629
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I. Long-Term Debt

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**PINELANDS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
Refunding School Bonds	3/11/2015	5,275,000	2/15/2017	385,000	2.000%	\$ 5,275,000	\$ -	\$ 375,000	\$ 4,900,000
			2/15/2018	390,000	2.000%				
			2/15/2019	395,000	3.000%				
			2/15/2020	410,000	3.000%				
			2/15/2021	425,000	3.000%				
			2/15/2022	440,000	3.000%				
			2/15/2023	450,000	4.000%				
			2/15/2024	470,000	4.000%				
			2/15/2025	490,000	4.000%				
			2/15/2026	515,000	4.000%				
			2/15/2027	530,000	4.000%				
			H.S. & Middle School Construction Renovations and H.S. Classrooms	7/15/2007	7,108,000				
02/15/2018	878,000	4.100%							
Total						\$ 7,813,000	\$ -	\$ 1,185,000	\$ 6,628,000

**PINELANDS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Equipment & Textbooks	\$400,000	\$ 86,000	\$ -	\$ 86,000	\$ -
Technology, Instructional, Facility and Athletic Equipment	700,000	350,000	-	145,000	205,000
Ground	325,000	195,000	-	65,000	130,000
Equipment	400,000	325,000	-	75,000	250,000
Equipment	400,000	-	400,000	70,000	330,000
ESIP Projects	5,425,000	-	5,425,000	-	5,425,000
Total		<u>\$ 956,000</u>	<u>\$ 5,825,000</u>	<u>\$ 441,000</u>	<u>\$ 6,340,000</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	40-1210	\$ 754,050	\$ -	\$ 754,050	\$ 754,050	\$ -
State Sources:						
Debt Service Aid Type II	40-3160	701,540	-	701,540	701,540	-
Total Revenues		1,455,590	-	1,455,590	1,455,590	-
Expenditures						
Regular Debt Service:						
Redepmtion of Principal	40-701-510-910	1,185,000	-	1,185,000	1,185,000	-
Interest on Bonds	40-701-510-834	270,590	-	270,590	270,590	-
Total Expenditures		1,455,590	-	1,455,590	1,455,590	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		-	-	-	-	-
Fund Balance, July 1		-	-	-	-	-
Fund Balance, June 30		\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,339,289	\$ 13,171,933	\$ 12,688,559	\$ 12,954,946	\$ 12,889,100	\$ 13,074,181	\$ 13,240,561	\$ 14,945,234	\$ 9,196,082	\$ 13,349,500
Restricted	5,705,565	423,797	328,097	1,177,593	1,668,074	1,148,462	1,528,574	1,630,569	8,136,227	176,231
Unrestricted	(16,548,596)	(11,117,601)	(918,492)	(1,062,036)	(717,182)	(1,200,145)	(977,937)	744,137	(1,753,754)	1,985,812
Total Governmental Activities Net Position	\$ 2,496,258	\$ 2,478,129	\$ 12,098,164	\$ 13,070,503	\$ 13,839,992	\$ 13,022,498	\$ 13,791,198	\$ 17,319,940	\$ 15,578,555	\$ 15,511,543
Business-Type Activities:										
Net Investment in Capital Assets	\$ 44,441	\$ 50,174	\$ 71,077	\$ 103,252	\$ 124,126	\$ 155,556	\$ 186,985	\$ 218,414	\$ 6,766	\$ 31,580
Unrestricted	536,837	483,898	429,119	393,098	347,831	292,719	248,367	192,732	166,235	96,493
Total Business-Type Activities Net Position	\$ 581,278	\$ 534,072	\$ 500,196	\$ 496,350	\$ 471,957	\$ 448,275	\$ 435,352	\$ 411,146	\$ 173,001	\$ 128,073
Government-Wide:										
Net Investment in Capital Assets	\$ 13,383,730	\$ 13,222,107	\$ 12,759,636	\$ 13,058,198	\$ 13,013,226	\$ 13,013,226	\$ 13,229,737	\$ 13,427,546	\$ 15,163,648	\$ 9,202,848
Restricted	5,705,565	423,797	328,097	1,177,593	1,668,074	1,668,074	1,148,462	1,528,574	1,630,569	8,136,227
Unrestricted	(16,011,759)	(10,633,703)	(489,373)	(668,938)	(369,351)	(369,351)	(907,426)	(729,570)	936,869	(1,587,519)
Total Government-Wide Net Position	\$ 3,077,536	\$ 3,012,201	\$ 12,598,360	\$ 13,566,853	\$ 14,311,949	\$ 14,311,949	\$ 13,470,773	\$ 14,226,550	\$ 17,731,086	\$ 15,751,556

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,281,973	\$ 8,514,470	\$ 8,447,048	\$ 8,548,819	\$ 8,404,641	\$ 8,057,522	\$ 8,158,671	\$ 8,037,613	\$ 10,438,468	\$ 9,991,640
Special Education	3,956,587	3,783,708	3,539,174	3,956,388	4,034,671	3,922,028	4,349,550	4,116,310	5,617,632	5,563,160
Other Special Education	1,183,719	1,265,287	1,286,428	1,275,408	1,194,713	1,228,053	1,328,171	1,255,739	1,667,574	1,592,119
Support Services:										
Tuition	957,179	1,057,050	883,706	1,021,406	764,269	769,011	759,678	747,995	850,457	908,997
Student & Instruction Related Services	4,214,897	4,258,028	4,347,149	3,879,545	3,878,948	4,383,171	4,680,379	4,156,819	5,006,006	4,622,213
General Administrative Services	567,928	592,261	567,292	538,248	544,249	538,275	630,730	593,750	749,606	714,312
School Administrative Services	1,264,277	1,235,702	1,228,588	1,292,130	1,104,483	1,257,920	1,248,358	1,109,165	1,405,695	1,446,288
Business Administrative Services	362,091	359,146	387,060	421,410	393,593	355,648	360,603	493,698	688,625	749,937
Plant Operations & Maintenance	2,576,317	2,680,768	2,577,267	2,554,528	2,547,173	3,312,353	4,063,371	2,885,583	3,097,794	3,343,568
Pupil Transportation	2,131,409	2,168,874	2,134,848	2,276,541	1,941,986	1,808,908	1,971,159	1,807,796	1,949,219	1,881,131
Special Schools	3,486	-	6,204	7,915	10,456	11,158	12,586	17,174	21,237	11,570
Unallocated Employee Benefits	12,032,970	11,243,409	7,786,522	7,954,782	6,964,590	6,848,029	6,566,197	6,405,343	-	-
Interest on Long-Term Debt	326,011	435,663	433,200	449,470	490,669	528,061	565,514	553,430	646,242	347,755
Unallocated Bond Costs	-	-	-	32,418	32,419	32,419	32,418	32,419	-	-
Unallocated Adjustment to Fixed Assets	402,102	349,159	1,084,079	677,570	403,097	-	-	-	-	-
Unallocated Depreciation	1,158,241	1,205,751	1,190,039	1,181,406	1,168,164	1,153,915	1,176,457	789,721	-	-
Total Governmental Activities Expenses	39,419,187	39,149,276	35,898,604	36,067,984	33,878,121	34,206,471	35,903,842	33,002,495	32,138,555	31,172,690
Business-Type Activities:										
Food Service	940,551	962,762	1,048,483	990,606	893,997	897,998	853,402	744,728	665,622	714,308
Other	65,951	57,613	56,297	76,375	89,093	95,605	88,589	54,528	22,279	28,663
Total Business-Type Activities Expense	1,006,502	1,020,375	1,104,780	1,066,981	983,090	993,603	941,991	799,256	687,901	742,971
Total Government-Wide Expenses	\$ 40,425,689	\$ 40,169,651	\$ 37,003,384	\$ 37,134,965	\$ 34,861,211	\$ 35,200,074	\$ 36,845,833	\$ 33,801,751	\$ 32,826,456	\$ 31,915,661
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 7,601,446	\$ 7,342,944	\$ 3,804,095	\$ 4,399,501	\$ 1,360,371	\$ 1,621,145	\$ 1,746,570	\$ 1,455,857	\$ 4,643,773	\$ 4,349,344
Capital Grants & Contributions	-	-	-	-	-	-	-	-	995	-
Total Governmental Activities Program Revenues	7,601,446	7,342,944	3,804,095	4,399,501	1,360,371	1,621,145	1,746,570	1,455,857	4,644,768	4,349,344

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-Type Activities:										
Charges for Services:										
Food Service	401,846	449,131	505,227	501,180	522,361	525,216	530,458	500,932	473,530	505,610
Other	124,549	115,429	111,730	117,916	102,853	100,884	90,881	63,755	37,663	33,400
Operating Grants & Contributions	526,132	488,938	490,762	471,564	380,437	378,230	342,640	242,378	219,734	215,379
Total Business Type Activities Program Revenues	1,052,527	1,053,498	1,107,719	1,090,660	1,005,651	1,004,330	963,979	807,065	730,927	754,389
Total Government-Wide Program Revenues	\$ 8,653,973	\$ 8,396,442	\$ 4,911,814	\$ 5,490,161	\$ 2,366,022	\$ 2,625,475	\$ 2,710,549	\$ 2,262,922	\$ 5,375,695	\$ 5,103,733
Net (Expense)/Revenue:										
Governmental Activities	\$(31,817,741)	\$(31,806,332)	\$(32,094,509)	\$(31,668,483)	\$(32,517,750)	\$(32,585,326)	\$(34,157,272)	\$(31,546,638)	\$(27,493,787)	\$(26,823,346)
Business-Type Activities	46,025	33,123	2,939	23,679	22,561	10,727	21,988	7,809	43,026	11,418
Total Government-Wide Net Expense	\$(31,771,716)	\$(31,773,209)	\$(32,091,570)	\$(31,644,804)	\$(32,495,189)	\$(32,574,599)	\$(34,135,284)	\$(31,538,829)	\$(27,450,761)	\$(26,811,928)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 18,704,758	\$ 18,455,152	\$ 18,009,085	\$ 17,738,517	\$ 17,390,703	\$ 17,049,709	\$ 16,646,284	\$ 16,006,042	\$ 15,390,425	\$ 14,766,460
Taxes Levied for Debt Service	754,050	783,302	773,079	771,759	769,465	755,791	639,492	644,747	273,900	267,252
Unrestricted Grants & Contributions	12,361,654	12,388,381	12,387,736	12,340,438	15,128,579	13,936,055	13,919,434	14,376,975	11,598,651	11,315,660
Interest Income	-	-	-	-	-	-	-	1,122	-	-
Miscellaneous Income	15,408	115,410	28,975	48,280	46,497	75,071	86,462	214,728	124,819	247,430
Total Governmental Activities	31,835,870	31,742,245	31,198,875	30,898,994	33,335,244	31,816,626	31,291,672	31,243,614	27,560,799	26,596,802
Business-Type Activities:										
Investment Earnings	1,181	753	907	714	1,121	2,196	2,218	785	1,903	4,137
Total Business-Type Activities	1,181	753	907	714	1,121	2,196	2,218	785	1,903	4,137
Total Government-Wide	\$ 31,837,051	\$ 31,742,998	\$ 31,199,782	\$ 30,899,708	\$ 33,336,365	\$ 31,818,822	\$ 31,293,890	\$ 31,244,399	\$ 27,562,702	\$ 26,600,939
Change in Net Position:										
Governmental Activities	\$ 18,129	\$ (64,087)	\$ (895,634)	\$ (769,489)	\$ 817,494	\$ (768,700)	\$ (2,865,600)	\$ (303,024)	\$ 67,012	\$ (226,544)
Business-Type Activities	47,206	33,876	3,846	24,393	23,682	12,923	24,206	8,594	44,929	15,555
Total Government-Wide	\$ 65,335	\$ (30,211)	\$ (891,788)	\$ (745,096)	\$ 841,176	\$ (755,777)	\$ (2,841,394)	\$ (294,430)	\$ 111,941	\$ (210,989)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted/Reserved	\$ 761,541	\$ 423,797	\$ 459,796	\$ 870,239	\$ 956,110	\$ 701,104	\$ 2,025,743	\$ 3,630,392	\$ 3,187,850	\$ 2,044,235
Assigned	449,644	530,336	573,600	410,048	710,880	-	-	-	-	-
Unassigned/Unreserved	-	-	-	-	-	(43,319)	(1,079,459)	(617,085)	7,330	310,662
Total General Fund	\$ 1,211,185	\$ 954,133	\$ 1,033,396	\$ 1,280,287	\$ 1,666,990	\$ 657,785	\$ 946,284	\$ 3,013,306	\$ 3,195,180	\$ 2,354,897
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,732	\$ 73,283	\$ 4,229,024	\$ 34,872
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	(27,754)	(15,916)
Capital Projects Fund	5,100,534	-	-	307,354	711,964	711,964	912,916	934,993	1,139,140	144,894
Debt Service Fund	-	-	-	-	-	-	8,789	8,789	-	10,202
Total All Other Governmental Funds	\$ 5,100,534	\$ -	\$ -	\$ 307,354	\$ 711,964	\$ 711,964	\$ 957,437	\$ 1,017,065	\$ 5,340,410	\$ 174,052

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 19,458,808	\$ 19,238,454	\$ 18,782,164	\$ 18,510,276	\$ 18,160,168	\$ 17,805,500	\$ 17,285,776	\$ 16,650,789	\$ 15,664,325	\$ 15,033,712
Miscellaneous	43,480	141,121	43,933	48,280	46,497	75,071	86,462	215,850	356,645	247,430
State Sources	16,027,209	15,641,646	15,228,371	15,818,784	15,187,450	14,437,692	12,901,377	15,064,400	15,498,092	14,882,120
Federal Sources	1,102,586	940,899	948,502	921,155	1,301,500	1,119,508	2,764,627	768,432	744,332	743,420
Total Revenue	36,632,083	35,962,120	35,002,970	35,298,495	34,695,615	33,437,771	33,038,242	32,699,471	32,263,394	30,906,682
Expenditures:										
Instruction:										
Regular Instruction	8,257,815	8,514,470	8,447,048	8,548,819	8,404,641	8,057,522	8,158,671	8,037,613	7,366,353	6,917,557
Special Education Instruction	3,956,587	3,783,708	3,539,174	3,956,388	4,034,671	3,922,028	4,349,550	4,116,310	4,190,124	4,073,088
Other Special Education Instruction	1,183,719	1,265,287	1,286,428	1,275,408	1,194,713	1,228,053	1,328,171	1,255,739	1,221,122	1,144,494
Support Services:										
Tuition	957,179	1,057,050	883,706	1,021,406	764,269	769,011	759,678	747,935	822,638	880,296
Student & Instruction Related Services	4,214,897	4,258,028	4,347,149	3,879,545	3,878,948	4,383,171	4,680,379	4,156,819	3,711,933	3,398,601
General Administration Services	567,928	592,261	567,292	538,248	544,249	538,275	630,730	593,750	598,998	565,557
School Administrative Services	1,264,277	1,235,702	1,228,588	1,292,130	1,104,483	1,257,920	1,248,358	1,109,165	1,070,255	1,007,301
Business Administrative Services	362,091	359,146	387,060	421,410	393,593	355,648	360,603	493,698	490,369	529,386
Plant Operations & Maintenance	3,017,317	3,127,767	3,025,264	3,038,114	2,939,525	3,104,415	2,993,426	2,885,583	2,554,640	2,545,079
Pupil Transportation	2,131,409	2,168,874	2,134,848	2,276,541	1,941,986	1,808,908	1,971,159	1,807,796	1,885,458	1,810,194
Unallocated Benefits	8,880,058	8,066,872	7,695,190	7,927,878	6,975,754	6,799,116	6,887,437	6,114,622	6,575,400	6,429,107
Special Schools	3,486	-	6,204	7,915	10,456	11,158	12,586	17,174	15,534	11,275
Capital Outlay	826,165	531,285	1,119,734	821,236	418,828	665,473	614,871	4,394,610	2,214,435	433,883
Debt Service:										
Principal	1,185,000	1,130,000	1,065,000	1,020,000	975,000	930,000	890,000	705,000	255,000	235,000
Interest & Other Charges	270,590	458,218	422,369	464,770	505,294	541,045	579,274	768,874	334,666	346,116
Total Expenditures	37,078,518	36,548,668	36,155,054	36,489,808	34,086,410	34,371,743	35,464,893	37,204,688	33,306,925	30,326,934
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(446,435)	(586,548)	(1,152,084)	(1,191,313)	609,205	(933,972)	(2,426,651)	(4,505,217)	(1,043,531)	579,748

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing Sources/(Uses):										
Cancellation of Receivable	-	-	-	-	-	-	-	-	(57,827)	-
Transfer to Charter School	(24,158)	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	5,825,000	400,000	625,000	400,000	400,000	400,000	300,000	-	-	-
Bond Proceeds	-	5,711,812	-	-	-	-	-	-	7,108,000	-
Deposit with Fiscal Agent	-	(5,631,688)	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	5,800,842	480,124	625,000	400,000	400,000	400,000	300,000	-	7,050,173	-
Net Change in Fund Balances	\$ 5,354,407	\$ (106,424)	\$ (527,084)	\$ (791,313)	\$ 1,009,205	\$ (533,972)	\$ (2,126,651)	\$ (4,505,217)	\$ 6,006,642	\$ 579,748
Debt Service as a Percentage of Noncapital Expenditures	4.2%	4.6%	4.4%	4.3%	4.6%	4.6%	4.4%	4.7%	1.9%	2.0%

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	RENTALS	MISCELLANEOUS	TOTAL
2016	\$ 3,179	\$ 3,955	\$ 2,272	\$ 9,406
2015	3,835	6,348	6,815	16,998
2014	4,062	5,189	2,651	11,902
2013	5,949	2,844	8,442	17,235
2012	3,288	7,109	12,892	23,289
2011	29,097	-	12,866	41,963
2010	35,146	1,470	46,789	83,405
2009	53,900	8,690	36,479	99,069
2008	226,075	-	21,354	247,429
2007	144,022	-	27,805	171,827

Source: District records

**PINELANDS REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 LITTLE EGG HARBOR TOWNSHIP**

FISCAL YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	NET VALUATION TAXABLE	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015(r)	\$ 112,347,900	1,941,283,983	1,705,400	35,392	147,741,815	558,100	2,883,700	2,206,556,290	167,395,174	2,373,951,464	0.656	2,267,936,874
2014	152,049,100	2,425,444,439	1,953,200	79,058	159,319,263	566,100	3,060,000	2,742,471,160	200,555,596	2,943,026,756	0.516	2,342,388,469
2013	111,911,000	2,531,443,939	2,819,400	78,896	144,064,463	566,100	3,060,000	2,793,943,798	200,256,596	2,993,045,872	0.500	2,718,812,880
2012	116,303,400	2,636,568,189	2,819,400	78,896	149,605,749	566,100	3,060,000	2,909,001,734	5,955,862	2,943,933,107	0.436	2,711,597,440
2011	124,822,000	2,666,799,789	2,843,400	80,631	151,717,049	566,100	3,060,000	2,949,888,969	5,955,862	2,954,182,408	0.450	2,866,592,618
2010	136,785,500	2,655,632,189	2,558,600	79,939	162,071,049	566,100	3,060,000	2,960,753,377	6,570,969	3,121,595,072	0.397	3,066,000,647
2009	147,903,300	2,805,870,709	2,637,500	79,732	168,048,700	566,100	3,060,000	3,128,166,041	6,570,969	3,160,141,785	0.397	3,101,827,805
2008	158,794,300	2,837,818,989	2,638,500	70,366	163,633,500	566,100	3,060,000	3,166,581,755	6,439,970	3,111,030,144	0.330	3,094,582,895
2007	160,884,400	2,804,394,189	2,220,700	73,427	145,989,800	566,100	3,060,000	3,117,188,616	6,158,472	3,028,203,996	0.362	2,872,595,997

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 EAGLESWOOD TOWNSHIP**

FISCAL YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	NET VALUATION TAXABLE	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	25,145,900	178,845,900	268,900	63,100	29,963,700	440,200	319,200	235,046,900	33,284,800	268,331,700	0.615	236,954,038
2014	27,018,000	180,405,800	268,900	52,400	29,865,300	4,440,200	319,200	242,369,800	33,446,100	275,815,900	0.612	271,217,359
2013	25,860,200	182,014,100	268,900	52,400	29,239,800	4,440,200	319,200	242,194,800	452,190	244,730,110	0.477	270,501,214
2012	26,699,700	183,965,880	268,900	32,400	29,565,800	4,300,500	319,200	245,152,380	452,190	283,138,210	0.513	264,279,064
2011	34,511,900	210,822,000	281,500	50,600	33,519,900	3,967,600	436,900	283,590,400	521,335	282,890,265	0.490	307,728,267
2010	36,756,300	209,278,500	281,500	50,600	32,640,200	3,967,600	436,900	283,411,600	491,494	283,786,706	0.490	307,511,034
2009	37,902,600	208,021,100	281,500	50,600	33,617,900	3,967,600	436,900	284,278,200	491,494	283,900,706	0.463	308,215,616
2008	41,450,500	204,913,500	281,500	48,700	33,293,500	3,967,600	436,900	284,392,200	420,205	278,363,195	0.421	295,921,202
2007	43,644,500	197,300,400	265,300	48,300	33,120,400	3,967,600	436,900	278,783,400	457,556	270,809,744	0.366	229,866,568

(r) - Reassessment
 Source: County Abstract of Ratables & Municipal Tax Assessor

**PINELANDS REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 TUCKERTON BOROUGH**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	NET TAXABLE VALUATION	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	29,559,900	318,668,100	17,400	3,000	38,070,000	-	18,614,000	404,932,400	45,553,100	450,485,500	0.554	393,472,893
2014	29,969,400	325,156,800	17,400	3,000	37,638,100	-	18,614,000	411,398,700	45,907,100	464,065,400	0.553	422,706,914
2013	19,711,700	341,609,100	-	-	38,812,800	-	18,614,000	418,747,600	45,317,800	432,325,599	0.519	493,262,812
2012	20,240,900	354,880,700	-	-	39,133,800	-	18,614,000	432,869,400	543,801	432,772,829	0.496	491,227,190
2011	20,760,500	354,316,300	-	-	39,625,830	-	18,614,000	433,316,630	543,801	434,409,976	0.543	514,834,324
2010	22,425,100	351,770,800	-	-	39,725,000	-	21,117,700	435,038,600	628,624	431,668,470	0.526	543,516,309
2009	22,819,600	348,691,000	-	-	39,635,000	-	21,117,700	432,263,300	594,830	427,617,570	0.526	537,336,369
2008	24,278,600	343,774,100	-	-	39,042,000	-	21,117,700	428,212,400	594,830	423,358,526	0.504	536,210,116
2007	24,661,700	339,564,800	-	-	38,634,000	-	21,117,700	423,978,200	619,674	419,329,076	0.495	497,130,477

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 BASS RIVER TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	NET TAXABLE VALUATION	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	8,666,300	117,283,100	5,093,100	707,180	27,354,100	-	-	159,103,780	1,046,301	160,150,081	0.706	177,090,274
2014 (r)	9,048,200	117,471,700	5,136,700	702,600	27,354,100	-	-	159,713,300	1,046,301	190,219,472	0.838	146,998,579
2014	11,631,000	143,885,236	5,791,500	711,600	27,120,500	-	-	189,139,836	1,079,636	191,915,023	0.513	198,462,700
2013	11,631,000	145,382,700	5,898,200	707,700	29,550,500	-	-	193,170,100	1,255,077	192,279,223	0.474	187,416,416
2012	12,014,800	145,419,700	5,992,300	553,000	29,554,500	-	-	193,534,300	1,255,077	192,279,223	0.480	190,674,944
2011	12,014,800	145,419,700	5,992,300	553,000	29,554,500	-	-	193,534,300	1,255,077	196,298,219	0.479	188,904,728
2010	11,725,900	147,096,800	6,195,400	553,000	32,054,500	-	-	197,625,600	1,327,381	200,503,131	0.433	188,264,489
2009	12,596,000	149,793,300	5,915,600	525,300	32,893,200	-	-	201,725,400	1,222,269	73,266,331	0.404	196,172,249
2008	4,812,800	56,004,701	1,961,500	478,600	10,214,700	-	-	73,472,301	205,970	71,210,386	0.996	176,043,174
2007	4,924,800	54,382,800	1,957,000	478,600	10,125,700	-	-	71,868,900	658,514	70,436,295	0.999	130,729,838

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL GENERAL				OVERLAPPING RATES							TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	OBLIGATION	DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE	LITTLE EGG HARBOR SCHOOL	MUNICIPAL LOCAL PURPOSE		
2016	0.632	0.025	0.025	0.657	0.354	0.039	0.014	0.013	0.578	0.693	2.348	
2015	0.508	0.021	0.021	0.529	0.286	0.031	0.012	0.011	0.446	0.557	1.872	
2014	0.495	0.021	0.021	0.516	0.286	0.031	0.012	0.011	0.446	0.560	1.862	
2013	0.480	0.020	0.020	0.500	0.280	0.333	0.012	0.011	0.420	0.546	2.102	
2012	0.453	0.020	0.020	0.473	0.273	0.031	0.012	0.011	0.406	0.523	1.729	
2011	0.433	0.017	0.017	0.450	0.259	0.037	0.015	0.014	0.602	0.571	1.948	
2010	0.418	0.020	0.020	0.438	0.249	0.029	0.012	0.012	0.357	0.451	1.548	
2009	0.372	0.025	0.025	0.397	0.247	0.029	0.012	0.012	0.330	0.443	1.140	
2008	0.368	0.010	0.010	0.378	0.247	0.029	0.012	0.012	0.330	0.443	1.121	
2007	0.352	0.010	0.010	0.362	0.236	0.028	0.012	0.012	0.317	0.414	1.064	

**EAGLESWOOD TOWNSHIP
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL GENERAL				OVERLAPPING RATES							TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	OBLIGATION	DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE	EAGLESWOOD LOCAL SCHOOL DIST	MUNICIPAL LOCAL PURPOSE		
2016	0.611	0.025	0.025	0.636	0.357	0.039	0.014	0.012	0.823	0.398	2.279	
2015	0.606	0.025	0.025	0.631	0.335	0.038	0.014	0.012	0.796	0.388	2.214	
2014	0.590	0.025	0.025	0.615	0.335	0.038	0.014	0.012	0.796	0.388	2.198	
2013	0.587	0.025	0.025	0.612	0.344	0.040	0.015	0.013	0.723	0.379	2.126	
2012	0.358	0.024	0.024	0.382	0.331	0.038	0.014	0.014	0.701	0.361	1.841	
2011	0.494	0.020	0.020	0.514	0.266	0.030	0.012	0.012	0.513	0.293	1.640	
2010	0.478	0.020	0.020	0.498	0.274	0.033	0.013	0.013	0.551	0.283	1.665	
2009	0.471	0.019	0.019	0.490	0.274	0.033	0.013	0.013	0.551	0.283	1.657	
2008	0.455	0.008	0.008	0.463	0.273	0.032	0.013	0.013	0.542	0.283	1.619	
2007	0.415	0.006	0.006	0.421	0.271	0.033	0.013	0.013	0.547	0.264	1.562	

(f) Reassessment
Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL GENERAL			OVERLAPPING RATES				TUCKERTON MUNICIPAL LOCAL PURPOSE			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	OBLIGATION DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE	TUCKERTON LOCAL SCHOOL DIST	MUNICIPAL LOCAL PURPOSE		
2016	0.520	0.021	0.541	0.339	0.037	0.013	0.012	0.689	0.633	2.264	
2015	0.534	0.022	0.556	0.351	0.039	0.015	0.012	0.667	0.626	2.266	
2014	0.531	0.022	0.553	0.351	0.039	0.015	0.012	0.667	0.626	2.263	
2013	0.498	0.021	0.519	0.343	0.040	0.015	0.013	0.643	0.612	2.185	
2012	0.473	0.021	0.494	0.342	0.039	0.014	0.014	0.625	0.612	2.140	
2011	0.496	0.022	0.518	0.327	0.037	0.015	0.014	0.602	0.571	2.084	
2010	0.506	0.021	0.527	0.319	0.038	0.016	0.016	0.594	0.572	2.082	
2009	0.506	0.020	0.526	0.319	0.038	0.016	0.012	0.594	0.572	2.077	
2008	0.495	0.009	0.504	0.319	0.037	0.016	0.015	0.580	0.531	2.002	
2007	0.486	0.009	0.495	0.298	0.036	0.015	0.015	0.529	0.483	1.871	

(r) Reassessment

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL GENERAL			OVERLAPPING RATES BASS RIVER				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOTAL COUNTY	LOCAL SCHOOL DISTRICT		MUNICIPAL LOCAL PURPOSE	
					LOCAL SCHOOL DISTRICT	MUNICIPAL LOCAL PURPOSE		
2016	0.666	0.027	0.693	0.387	0.867	0.156	0.156	2.103
2015	0.678	0.028	0.706	0.461	0.897	0.156	0.156	2.220
2014	0.678	0.028	0.648	0.419	0.838	0.131	0.131	2.036
2013	0.622	0.026	0.513	0.357	0.669	0.107	0.107	1.646
2012	0.492	0.021	0.494	0.372	0.637	0.056	0.056	1.559
2011	0.473	0.021	0.474	0.376	0.621	0.041	0.041	1.512
2010	0.456	0.018	0.464	0.321	0.611	0.042	0.042	1.438
2009	0.446	0.018	0.433	0.353	0.577	0.012	0.012	1.375
2008	0.417	0.016	0.404	0.377	0.545	0.011	0.011	1.337
2007	0.376	0.028	0.996	1.003	1.471	-	-	3.470

(r) Reassessment

Source: Municipal Tax Collector

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
LITTLE EGG HARBOR TOWNSHIP**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Sea Oaks Golf Club	N/A	1	N/A	N/A	1	N/A
Healthtec Properties	N/A	2	N/A	N/A	2	N/A
Mystic Partners	N/A	3	N/A	N/A	3	N/A
AT & T	N/A	4	N/A	N/A	4	N/A
Armstrong Tuckerton, LLC	N/A	5	N/A	N/A	5	N/A
Andwin Realty Investors, LLC	N/A	6	N/A	N/A	6	N/A
Mystic Investor Association	N/A	7	N/A	N/A	7	N/A
James Properties, LLC	N/A	8	N/A	N/A	8	N/A
Jarat, Inc.	N/A	9	N/A	N/A	9	N/A
Individual Taxpayer, #1	N/A	10	N/A	N/A	10	N/A
Total						

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
EAGLESWOOD TOWNSHIP**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Eagles Lake Reserve, Inc.	N/A	1	N/A	N/A	1	N/A
Doland-Eaglewood Assn.	N/A	2	N/A	N/A	2	N/A
Taxpayer #1	N/A	3	N/A	N/A	3	N/A
Steakmaster	N/A	4	N/A	N/A	4	N/A
Atlantic City Electric Co.	N/A	5	N/A	N/A	5	N/A
Stafford Business Park, LLC	N/A	6	N/A	N/A	6	N/A
Osenenko	N/A	7	N/A	N/A	7	N/A
Felman Investment	N/A	8	N/A	N/A	8	N/A
SS West Creek, LLC	N/A	9	N/A	N/A	9	N/A
Taxpayer #2	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
TUCKERTON BOROUGH**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Cammeby's Management Co. of NJ	N/A	1	N/A	N/A	1	N/A
H2 Investments, LLC	N/A	2	N/A	N/A	2	N/A
Milestone Property	N/A	3	N/A	N/A	3	N/A
Brasil Telecom America Inc.	N/A	4	N/A	N/A	4	N/A
Taxpayer #1	N/A	5	N/A	N/A	5	N/A
Mijan Inc.	N/A	6	N/A	N/A	6	N/A
Cammeby's Barlett Landing, LLC	N/A	7	N/A	N/A	7	N/A
GEB Marina, Inc.	N/A	8	N/A	N/A	8	N/A
Tuckerton Lumber Co	N/A	9	N/A	N/A	9	N/A
Taxpayer #2	N/A	10	N/A	N/A	10	N/A
Total	=====		=====	=====		=====

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
BASS RIVER TOWNSHIP**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Viking Yacht	N/A	1	N/A	N/A	1	N/A
Viking Yachting Center	N/A	2	N/A	N/A	2	N/A
Bayview Capital	N/A	3	N/A	N/A	3	N/A
Gateway Property, LLC	N/A	4	N/A	N/A	4	N/A
Taxpayer #1	N/A	5	N/A	N/A	5	N/A
Chips Folly	N/A	6	N/A	N/A	6	N/A
K.O.A.	N/A	7	N/A	N/A	7	N/A
Timerline Campgrounds	N/A	8	N/A	N/A	8	N/A
Taxpayer #2	N/A	9	N/A	N/A	9	N/A
Taxpayer #3	N/A	10	N/A	N/A	10	N/A
Total	=====		=====	=====		=====

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$19,458,808	19,458,808	100.00%	-
2015	19,238,454	19,238,454	100.00%	-
2014	18,782,164	18,782,164	100.00%	-
2013	18,510,276	18,510,276	100.00%	-
2012	18,160,168	18,160,168	100.00%	-
2011	17,805,500	17,805,500	100.00%	-
2010	17,285,776	17,285,776	100.00%	-
2009	16,650,789	16,650,789	100.00%	-
2008	15,664,325	15,664,325	100.00%	-
2007	15,033,712	15,033,712	100.00%	-

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

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

FISCAL YEAR ENDED JUNE, 30	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			TOTAL DISTRICT	* OCEAN COUNTY		* BURLINGTON COUNTY	
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	GRANT ANTICIPATION NOTES (GANs)	CAPITAL LEASES				PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME
2016	\$6,628,000	6,340,000	-	-	-	-	12,968,000	N/A	N/A	N/A	N/A
2015	7,813,000	956,000	-	-	-	-	8,769,000	N/A	N/A	N/A	N/A
2014	9,273,000	1,002,999	-	-	-	-	10,275,999	N/A	N/A	N/A	N/A
2013	11,358,000	742,410	-	-	-	-	12,100,410	0.36%	43,214	N/A	N/A
2012	12,333,000	909,582	-	-	-	-	13,242,582	0.33%	43,200	0.37%	51,079
2011	13,263,000	901,934	-	-	-	-	14,164,934	0.30%	41,986	0.37%	49,626
2010	14,153,000	675,000	-	-	-	-	14,828,000	0.29%	40,611	0.33%	47,849
2009	14,858,000	-	-	-	-	-	14,858,000	0.28%	40,510	0.32%	47,582
2008	8,005,000	-	-	-	-	-	8,005,000	0.25%	41,275	0.29%	47,985
2007	8,240,000	-	500,000	-	-	-	8,740,000	0.41%	40,302	0.48%	46,505

* = The Per Capital Income information presented is for the entire County of Ocean and the entire County of Burlington.

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

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$ 4,902,268	\$ 4,902,268	0.21%	N/A
2015	5,855,062	5,855,062	0.20%	N/A
2014	6,949,186	6,949,186	0.24%	N/A
2013	6,982,909	6,982,909	0.23%	343
2012	8,511,685	8,511,685	0.29%	422
2011	9,242,350	9,242,350	0.31%	460
2010	9,939,292	9,939,292	0.34%	477
2009	10,573,706	10,573,706	0.34%	511
2008	10,994,920	10,994,920	0.35%	537
2007	5,923,700	5,923,700	0.19%	293

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
EAGLESWOOD TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$506,445	506,445	0.19%	N/A
2015	674,147	674,147	0.24%	N/A
2014	677,419	677,419	0.25%	411
2013	825,727	825,727	0.31%	513
2012	896,609	896,609	0.34%	559
2011	964,220	964,220	0.36%	566
2010	1,082,705	1,082,705	0.35%	645
2009	1,040,060	1,040,060	0.34%	631
2008	560,350	560,350	0.18%	347
2007	576,800	576,800	0.19%	357

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
TUCKERTON BOROUGH**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$850,174	850,174	0.19%	N/A
2015	\$862,303	862,303	0.19%	N/A
2014	1,206,417	1,206,417	0.26%	N/A
2013	1,212,272	1,212,272	0.26%	360
2012	1,477,676	1,477,676	0.34%	439
2011	1,604,523	1,604,523	0.37%	479
2010	1,725,516	1,725,516	0.40%	441
2009	1,844,136	1,844,136	0.43%	474
2008	2,080,120	2,080,120	0.49%	540
2007	1,120,700	1,120,700	0.26%	293

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
BASS RIVER TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$369,113	369,113	0.23%	N/A
2015	443,249	443,249	0.28%	N/A
2014	445,400	445,400	0.23%	309
2013	542,912	542,912	0.28%	375
2012	589,517	589,517	0.31%	408
2011	633,971	633,971	0.33%	411
2010	652,453	652,453	0.33%	422
2009	742,900	742,900	0.37%	479
2008	400,250	400,250	0.55%	256
2007	412,000	412,000	0.58%	266

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
LITTLE EGG HARBOR TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Local Municipality	\$21,660,031	100.00%	<u>\$21,660,031</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	6,628,000	74.93%	4,966,360
County of Ocean	424,268,949	2.58%	<u>10,934,860</u>
Subtotal, Overlapping Debt			<u>37,561,251</u>
Local School District Direct Debt	24,510,000	100.00%	<u>24,510,000</u>
Total Direct & Overlapping Debt			<u><u>\$62,071,251</u></u>

**AS OF JUNE 30, 2016
EAGLESWOOD TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Local Municipality	\$759,499	100.00%	<u>\$759,499</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	6,628,000	7.94%	526,263
County of Ocean	424,268,949	0.26%	<u>1,106,161</u>
Subtotal, Overlapping Debt			<u>2,391,923</u>
Local School District Direct Debt	5,409,506	100.00%	5,409,506
Total Direct & Overlapping Debt			<u><u>\$7,801,429</u></u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
TUCKERTON BOROUGH**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 1,043,490	100.00%	<u>\$ 1,043,490</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	6,628,000	11.24%	744,987
County of Ocean	424,268,949	0.47%	<u>1,973,302</u>
Subtotal, Overlapping Debt			<u>3,761,780</u>
Local School District Direct Debt	1,260,000	100.00%	<u>1,260,000</u>
Total Direct & Overlapping Debt			<u><u>\$5,021,780</u></u>

**AS OF JUNE 30, 2016
BASS RIVER TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 452,828	100.00%	<u>\$ 452,828</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	6,628,000	5.89%	390,389
County of Burlington	318,797,148	0.39%	<u>1,232,537</u>
Subtotal, Overlapping Debt			<u>2,075,754</u>
Local School District Direct Debt	-	100.00%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 2,075,754</u></u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP
(Dollars in Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 81,777,970	\$ 89,494,592	\$ 93,575,311	\$ 95,415,706	\$ 95,415,706	\$ 71,248,066	\$ 106,680,946	\$ 104,114,978	\$ 93,768,925	\$ 78,781,307
Total Net Debt Applicable to Limit	4,902,268	6,949,186	7,747,297	8,511,685	8,511,685	9,242,350	9,908,787	10,573,706	11,253,396	6,133,140
Legal Debt Margin	\$ 76,875,703	\$ 82,545,406	\$ 85,828,014	\$ 86,904,021	\$ 86,904,021	\$ 62,005,716	\$ 96,772,159	\$ 93,541,272	\$ 82,515,529	\$ 72,648,167
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.99%	7.76%	8.28%	8.92%	8.92%	12.97%	9.29%	10.16%	12.00%	7.79%

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2015	\$ 2,267,936,824
2014	\$ 2,360,739,571
2013	2,380,863,910
	<u>\$ 7,009,540,305</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,336,513,435</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 81,777,970
Legal Debt Margin	<u>4,902,268</u>
	<u>\$ 76,875,703</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
EAGLESWOOD TOWNSHIP
(Dollars in Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 8,473,662	\$ 8,924,360	\$ 9,343,614	\$ 9,258,816	\$ 9,258,816	\$ 10,150,539	\$ 10,356,442	\$ 10,655,436	\$ 9,626,723	\$ 7,906,660
Total Net Debt Applicable to Limit	506,445	674,147	751,573	751,573	825,727	896,609	1,014,620	1,082,705	1,155,322	615,535
Legal Debt Margin	\$ 7,967,216	\$ 8,250,213	\$ 8,592,041	\$ 8,507,243	\$ 8,433,089	\$ 9,253,930	\$ 9,341,822	\$ 9,572,731	\$ 8,471,401	\$ 7,291,125
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.98%	7.55%	8.04%	8.12%	8.92%	8.83%	9.80%	10.16%	12.00%	7.79%

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2015	\$ 243,481,828
2014	\$ 246,636,613
2013	236,195,436
	<u>\$ 726,313,877</u>
Average Equalized Valuation of Taxable Property	<u>\$ 242,104,626</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 8,473,662
Legal Debt Margin	<u>\$ 7,967,216</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
TUCKERTON BOROUGH
(Dollars in Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 14,238,703	\$ 16,001,106	\$ 16,774,905	\$ 17,036,868	\$ 17,036,868	\$ 18,340,688	\$ 18,516,728	\$ 18,171,284	16,812,885	14,427,936
Total Net Debt Applicable to Limit	850,174	1,206,417	1,344,974	1,477,676	1,477,676	1,604,523	1,728,169	1,844,136	2,017,748	1,123,218
Legal Debt Margin	\$ 13,388,530	\$ 14,794,689	\$ 15,429,931	\$ 15,559,192	\$ 15,559,192	\$ 16,736,165	\$ 16,788,559	\$ 16,327,148	\$ 14,795,137	\$ 13,304,718
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.97%	7.54%	8.02%	8.67%	8.67%	8.75%	9.33%	10.15%	12.00%	7.79%

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2015	\$ 393,472,893
2014	\$ 398,951,416
2013	428,035,981
	<u>\$ 1,220,460,290</u>
Average Equalized Valuation of Taxable Property	<u>\$ 406,820,097</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 14,238,703
	<u>850,174</u>
Legal Debt Margin	<u>\$ 13,388,530</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
BASS RIVER TOWNSHIP
(Dollars in Thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 6,323,081	\$ 6,362,395	\$ 6,725,794	\$ 4,846,216	\$ 4,860,064	\$ 4,860,064	\$ 4,086,104	\$ 4,086,104	\$ 5,720,546	\$ 2,739,155
Total Net Debt Applicable to Limit	369,113	443,249	494,156	542,912	542,912	589,517	661,889	652,453	686,534	368,108
Legal Debt Margin	\$ 5,953,968	\$ 5,919,146	\$ 6,231,638	\$ 4,303,304	\$ 4,317,152	\$ 4,270,547	\$ 3,424,215	\$ 3,433,651	\$ 5,034,012	\$ 2,371,047
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.84%	6.97%	7.35%	11.20%	11.17%	12.13%	16.20%	15.97%	12.00%	13.44%

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2015	\$ 190,269,922
2014	\$ 176,556,821
2013	175,151,625
	<u>\$ 541,978,368</u>
Average Equalized Valuation of Taxable Property	<u>\$ 180,659,456</u>
Debt Limit (3.5% of Average Equalization Value) Net Bonded School Debt	\$ 6,323,081
	<u>369,113</u>
Legal Debt Margin	<u>\$ 5,953,968</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR		POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
LITTLE EGG HARBOR TOWNSHIP					
2016		N/A	N/A	N/A	N/A
2015		20,065	N/A	N/A	N/A
2014		20,396	N/A	N/A	8.6%
2013	*	20,396	881,392,744	43,214	11.7%
2012		20,482	881,053,712	43,016	11.9%
2011		20,244	852,697,524	42,121	11.7%
2010		20,122	818,744,058	40,689	10.7%
2009		20,824	845,704,288	40,612	6.5%
2008		20,677	854,931,919	41,347	5.0%
2007		20,479	826,696,272	40,368	5.7%
EAGLESWOOD TOWNSHIP					
2016		N/A	N/A	N/A	N/A
2015		1,603	N/A	N/A	N/A
2014		1,617	N/A	N/A	8.9%
2013	*	1,621	N/A	N/A	7.0%
2012		1,612	69,660,968	43,214	9.5%
2011		1,608	69,169,728	43,016	9.3%
2010		1,605	67,604,205	42,121	8.4%
2009		1,703	69,293,367	40,689	5.1%
2008		1,679	68,187,548	40,612	3.9%
2007		1,648	68,139,856	41,347	4.2%
TUCKERTON BOROUGH					
2016		N/A	N/A	N/A	N/A
2015		3,378	N/A	N/A	N/A
2014		3,396	N/A	N/A	7.5%
2013	*	3,377	N/A	N/A	9.0%
2012		3,356	#VALUE!	N/A	14.8%
2011		3,351	144,810,114	43,214	14.5%
2010		3,352	144,189,632	43,016	13.2%
2009		3,916	164,945,836	42,121	8.1%
2008		3,888	158,198,832	40,689	6.3%
2007		3,855	156,559,260	40,612	6.7%
BASS RIVER TOWNSHIP					
2016		N/A	N/A	N/A	N/A
2015		1,510	N/A	N/A	N/A
2014		1,442	N/A	N/A	10.5%
2013	*	1,446	74,668,548	51,638	12.3%
2012		1,449	74,114,901	51,149	9.2%
2011		1,450	71,732,950	49,471	9.0%
2010		1,444	68,714,184	47,586	9.0%
2009		1,541	73,018,744	47,384	8.7%
2008		1,547	73,881,626	47,758	5.1%
2007		1,551	71,803,545	46,295	3.7%

* 2010 Census

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

LITTLE EGG HARBOR TOWNSHIP

NOT AVAILABLE

EAGLESWOOD TOWNSHIP

NOT AVAILABLE

TUCKERTON BOROUGH

NOT AVAILABLE

BASS RIVER TOWNSHIP

NOT AVAILABLE

**PINELANDS REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	117.0	125	124	128	128	130	137	126	130	127
Special Education	39.0	39	43	43	45	46	49	59	66	68
Other Special Education Instruction	15.0	16	25	25	14	14	9	10	11	15
Support Services:										
Student & Instruction Related Services	51.5	58	51	52	67	67	63	55	44	44
General Administrative Services	9.0	5	5	5	4	4	2	3	3	4
School Administrative Services	14.0	13	13	13	8	8	15	8	8	14
Business Administrative Services	4.5	4	4	4	4	4	4	5	5	9
Plant Operations & Maintenance	33.0	34	34	34	33	33	32	34	29	30
Pupil Transportation	0.5	1	1	1	1	1	1	1	1	1
Total	283.5	300	305	304	307	312	301	297	312	325

Source: District Personnel Records

**PINELANDS REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	SENIOR HIGH SCHOOL	SCHOOL				
2016	1,577	\$35,292,460	22,379	2.66%	156	1:9:0	1:9:0	1,550	1,453	-0.90%	93.74%	
2015	1,635	34,923,649	21,800	4.10%	163	1:9:0	1:9:0	1,564	1,459	-2.37%	93.29%	
2014	1,646	34,238,960	20,941	-0.38%	167	1:9:0	1:9:0	1,602	1,483	-0.25%	92.57%	
2013	1,750	34,600,428	21,021	12.82%	171	1:8:0	1:9:0	1,606	1,572	-5.81%	97.88%	
2012	1,781	32,606,116	18,632	1.59%	173	1:8:2	1:9:0	1,705	1,543	-3.18%	90.50%	
2011	1,824	32,664,014	18,340	-1.42%	176	1:7:9	1:9:0	1,761	1,566	-0.90%	88.93%	
2010	1,870	33,935,991	18,605	11.02%	186	1:8:4	1:9:0	1,777	1,635	-1.44%	92.01%	
2009	1,870	31,339,090	16,759	2.74%	185	1:8:5	1:8:9	1,803	1,664	-1.26%	92.29%	
2008	1,908	30,502,825	16,312	6.18%	196	1:9:1	1:9:2	1,826	1,676	-2.41%	91.79%	
2007	1,898	29,311,935	15,363	5.41%	195	1:9:1	1:9:2	1,871	1,705	-1.42%	91.13%	

Sources: District records

Note: Enrollment based on annual October district count.

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

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle School:										
Square Feet	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000
Capacity (Students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	768	831	778	822	899	841	634	972	1,017	950
High School:										
Square Feet	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000
Capacity (Students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	796	756	935	958	956	956	1,237	880	891	948
Alternate School:										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	N/A	N/A	N/A	N/A
Capacity (Students)	48	48	48	48	48	48	N/A	N/A	N/A	N/A
Enrollment	13	15	16	14	15	15	N/A	N/A	N/A	N/A
Other Buildings:										
Administration Building:										
Square Feet	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2015:
 Middle School = 1
 High School = 1
 Other = 1

Source: District Facilities Office

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

* School Facilities Project Numbers	MIDDLE SCHOOL 4950-060-04-1000	HIGH SCHOOL	TOTAL
2016	\$ 290,468	\$ 381,344	\$ 671,812
2015	309,576	406,429	716,005
2014	260,355	341,809	602,164
2013	235,121	383,337	618,458
2012	240,929	349,427	590,356
2011	356,241	411,450	767,691
2010	260,702	455,778	716,480
2009	356,391	435,590	791,981
2008	329,809	401,800	731,609
2007	319,386	359,484	678,870

EXHIBIT J-20

**INSURANCE SCHEDULE
JUNE 30, 2016**

COMPANY	TYPE OF COVERAGE	AMOUNT OF COVERAGE	DEDUCTIBLE
NJ School Board Insurance Co.	School Package Policy	\$109,891,884	\$5,000
	Property - Blanket Buildings & Grnds		
	Flood	75,000,000	10,000
	Earthquake	50,000,000	5,000
	Computers	500,000	1,000
	General Liability	16,000,000	
	Employee Benefit Liability	16,000,000	1,000
	Public Employee Dishonesty & Faithful Performance	100,000	1,000
	Money & Securities - In/Out	25,000	1,000
	Forgery or Alteration	100,000	1,000
	Inland Marine: Computers	500,000	1,000
	School Board Legal Liability:		
	Each Loss	100,000	
Aggregate	300,000	10,000	
Abuse or Molestation:	included		
Comprehensive Auto Liability: Combined Single Limit	16,000,000		
New Jersey School Board Assoc	Workers Compensation	2,000,000	
Markel Insurance Co.	Student Accident	5,000,000	25,000
Fireman's Fund Insurance Company	Excess Umbrella Policy	50,000,000	10,000,000

Source: District Records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Pinelands Regional School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Pinelands Regional School District's basic financial statements, and have issued our report thereon dated December 2, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
December 2, 2016



HOLMAN | FRENIA
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EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
December 2, 2016

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**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:													
Food Distribution Program	10.565			103,146	7/1/15-6/30/16	\$ -	\$ 103,146	\$ (103,146)	\$ -	\$ -	\$ -	\$ -	\$ -
National School Breakfast Program	10.553	16161NJ304N1099	N/A	79,908	7/1/15-6/30/16	-	74,733	(79,908)	-	-	(5,175)	-	-
National School Breakfast Program	10.553	16161NJ304N1099	N/A	89,403	7/1/14-6/30/15	(8,028)	8,028	-	-	-	-	-	-
Subtotal CFDA 10.553						(8,028)	82,761	(79,908)	-	-	(5,175)	-	-
National School Performance Based Program	10.555	16161NJ304N1099	N/A	10,267	7/1/15-6/30/16	-	10,267	(10,267)	-	-	-	-	-
National School Performance Based Program	10.555	16161NJ304N1099	N/A	10,593	7/1/14-6/30/15	(809)	809	-	-	-	-	-	-
National School After School Snack Program	10.555	16161NJ304N1099	N/A	1,052	7/1/15-6/30/16	-	982	(1,052)	-	-	(70)	-	-
National School After School Snack Program	10.555	16161NJ304N1099	N/A	662	7/1/14-6/30/15	(68)	68	-	-	-	-	-	-
National School Lunch Program	10.555	16161NJ304N1099	N/A	323,397	7/1/14-6/30/15	-	307,525	(323,397)	-	-	(15,872)	-	-
National School Lunch Program	10.555	16161NJ304N1099	N/A	333,255	7/1/14-6/30/15	(24,956)	24,956	-	-	-	-	-	-
Subtotal CFDA 10.555						(25,833)	344,607	(334,716)	-	-	(15,942)	-	-
Total Child Nutrition Cluster						(33,861)	427,368	(414,624)	-	-	(21,117)	-	-
Total U.S. Department of Agriculture						(33,861)	530,514	(517,770)	-	-	(21,117)	-	-

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

General Fund:													
Medical Assistance Program	93.778	1605NJ5MAP	N/A	78,745	7/1/15-6/30/16	-	78,745	(78,745)	-	-	-	-	-
Total General Fund						-	78,745	(78,745)	-	-	-	-	-
Special Revenue Fund: No Child Left Behind:													
Title I, Part A	84.010A	S010A150030	NCLB476016	477,324	9/1/15-8/31/16	-	477,324	(477,324)	-	-	-	-	-
Title II-A	84.367A	S367A150029	NCLB476016	41,767	9/1/15-8/31/16	-	41,767	(41,767)	-	-	-	-	-
Title VI	84.369A	S369A150031	NCLB476016	30,512	9/1/15-8/31/16	-	30,512	(30,512)	-	-	-	-	-
I.D.E.A. Part B - Basic	84.027	H027A150100	IDEA410516	445,152	9/1/15-8/31/16	-	445,152	(445,152)	-	-	-	-	-
Pregnancy Prevention	93.297		N/A	50,098	9/1/14-8/31/15	(7,325)	15,839	(8,514)	-	-	-	-	-
Race to the Top	84.413a	B413A120008	N/A	18,000	9/1/11-11/30/15	(7,295)	10,000	(2,705)	-	-	-	-	-
Total Special Revenue Fund						(14,620)	1,020,594	(1,005,974)	-	-	-	-	-
Total U.S. Department of Education						(14,620)	1,099,339	(1,084,719)	-	-	-	-	-
Total Federal Financial Assistance						\$ (48,481)	\$ 1,629,853	\$ (1,602,489)	\$ -	\$ -	\$ (21,117)	\$ -	\$ -

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Categorical Transportation Aid	16-495-034-5120-014	\$810,479	7/1/15-6/30/16	\$ -	\$ 810,479	\$ (810,479)	\$ -	\$ -	\$ 79,389	\$ 810,479
Categorical Special Education Aid	16-495-034-5120-089	961,334	7/1/15-6/30/16	-	961,334	(961,334)	-	-	94,198	961,334
Equalization Aid	16-495-034-5120-078	8,420,721	7/1/15-6/30/16	-	8,420,721	(8,420,721)	-	-	824,732	8,420,721
Categorical Security Aid	16-495-034-5120-084	299,661	7/1/15-6/30/16	-	299,661	(299,661)	-	-	29,395	299,661
Adjustment Aid	16-495-034-5120-085	784,462	7/1/15-6/30/16	-	784,462	(784,462)	-	-	76,828	784,462
Extraordinary Aid	15-100-034-5120-473	240,489	7/1/14-6/30/15	(240,489)	240,489	-	-	-	-	-
Extraordinary Aid	16-100-034-5120-473	214,113	7/1/15-6/30/16	-	-	(214,113)	-	-	-	214,113
Non-Public Transportation Aid	15-495-034-5120-014	4,735	7/1/14-6/30/15	(4,735)	4,735	-	-	-	-	-
Non-Public Transportation Aid	16-495-034-5120-014	5,742	7/1/15-6/30/16	-	15,930	(5,742)	-	-	1,559	5,742
PARCC Readiness Aid	16-495-034-5120-098	15,930	7/1/15-6/30/16	-	15,930	(15,930)	-	-	1,559	15,930
Per Pupil Choice Aid	16-495-034-5120-097	15,930	7/1/15-6/30/16	-	59,358	(59,358)	-	-	5,790	59,358
School Choice Aid	16-495-034-5120-068	59,358	7/1/15-6/30/16	-	909,904	(957,148)	-	-	-	957,148
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	957,148	7/1/15-6/30/16	(47,528)	909,904	(957,148)	-	-	-	957,148
On-Behalf TPAF Pension Contributions (Nonbudgeted)	16-495-034-5095-002	1,044,749	7/1/15-6/30/16	-	1,044,749	(1,044,749)	-	-	-	1,044,749
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	16-495-034-5095-001	1,244,008	7/1/15-6/30/16	-	1,244,008	(1,244,008)	-	-	-	1,244,008
Total General Fund				<u>(292,752)</u>	<u>14,811,760</u>	<u>(14,833,635)</u>	<u>(314,627)</u>	<u>-</u>	<u>1,113,450</u>	<u>14,833,635</u>
Special Revenue Fund:										
School Based Youth Community Partnership for Adolescent Health	16AZQP	498,395	7/1/15-6/30/16	-	498,395	(498,395)	-	-	-	498,395
	N/A	168,380	7/1/10-6/30/11	(20,614)	20,614	-	-	-	-	-
Total Special Revenue Fund				<u>(20,614)</u>	<u>519,009</u>	<u>(498,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,395</u>
Debt Service Fund:										
Debt Service Aid Type II	16-495-034-5120-017	701,540	7/1/15-6/30/16	-	701,540	(701,540)	-	-	-	701,540
Total State Department of Education				<u>(313,366)</u>	<u>16,032,309</u>	<u>(16,033,570)</u>	<u>(314,627)</u>	<u>-</u>	<u>1,113,450</u>	<u>16,033,570</u>
State Department of Agriculture:										
State School Lunch Program	16-100-010-3350-022	8,362	7/1/15-6/30/16	-	7,965	(8,362)	(397)	-	-	8,362
State School Lunch Program	15-100-010-3350-022	9,044	7/1/14-6/30/15	(661)	661	-	-	-	-	-
Total State Department of Agriculture				<u>(661)</u>	<u>8,626</u>	<u>(8,362)</u>	<u>(397)</u>	<u>-</u>	<u>-</u>	<u>8,362</u>
Total State Financial Assistance				<u>\$(314,027)</u>	<u>\$16,040,935</u>	<u>\$(16,041,932)</u>	<u>\$(315,024)</u>	<u>\$-</u>	<u>\$1,113,450</u>	<u>\$16,041,932</u>
Less: State Financial Assistance Not Subject to Major Program Determination:										
On-Behalf TPAF Pension Contributions (Nonbudgeted)										1,044,749
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)										1,244,008
Total State Financial Assistance Subject to Major Program Determination										<u>\$ (13,753,175)</u>

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

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

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

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.

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,361) for the general fund and \$17,867 for the special revenue fund. See Exhibit C-3 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 as follows:

	State	Federal	Total
General Fund	\$14,827,274	\$ 78,745	\$14,906,019
Special Revenue Fund	498,395	1,023,841	1,522,236
Debt Service Fund	701,540	-	701,540
Food Service Fund	8,362	517,770	526,132
Total Financial Assistance	<u>\$16,035,571</u>	<u>\$1,620,356</u>	<u>\$17,655,927</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. Other

Revenues and Expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

Note 6. Federal and State Loans Outstanding

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

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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

Federal Awards

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	Yes

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-085	Adjustment Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-068	School Choice Aid
495-034-5094-003	Reimbursed TPAF Social Security

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016
(continued)**

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – Schedule of Federal Award Findings & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

No Current Year Findings

Section IV – State Financial Assistance Findings & Questioned Costs

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

No Current Year Findings

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

Finding 2015-001

Condition:

During our audit of the June 30, 2015 Comprehensive Annual Financial Report, it was noted that the District did not reimburse the State of New Jersey for the employer's share of benefits for TPAF members paid from federally funded programs from the year ended June 30, 2014.

Current Status:

The finding has been corrected