

**BOARD OF EDUCATION
OF THE
BOROUGH OF PINE HILL
SCHOOL DISTRICT
PINE HILL, NEW JERSEY**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
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INTRODUCTORY SECTION



November 28, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Pine Hill School District for the fiscal year ending June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Pine Hill Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Pine Hill School District. All disclosures necessary to enable the reader to obtain an understanding of the Pine Hill School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Pine Hill School District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Pine Hill School District is required to undergo an annual single audit in conformity with provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements 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, regulations, findings and recommendations, are included in the single audit section of this report.

- 1.) **REPORTING ENTITY AND ITS SERVICES:** The Pine Hill School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the Pine Hill School District are included in this report. The Pine Hill Board of Education and all its schools constitute the Pine Hill School District's reporting entity.

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

The Pre-K to fifth grade classrooms are primarily self-contained, and the pupils are grouped heterogeneously. A portion of each day is spent in standards-based instruction in the areas of Reading, Math and Written Language. Students in grades six through twelve follow a traditional schedule with teachers who specialize in their given content area. In addition, pupils are offered programs in Art, Music (Instrumental and Vocal), and programs for Gifted and Talented pupils, Physical Education/Health, Science, Social Studies, World Language and Technology. Efforts are made by the district to identify and provide individual educational plans for pupils who are learning disabled, either in self-contained classrooms, resource centers, or in-class support.

In addition to the variety of instructional programs available to students in Pine Hill, other services are provided. All four schools enjoy the services of a full-time school nurse. The nurses also conduct annual vision screening in grades two, six and ten. Six full time guidance counselors service the needs of children at each school. Additionally, five members create two full Child Study Teams to service the district.

The district's structure is as follows:

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

The Pine Hill School District completed the 2015-2016 fiscal year with an in-district enrollment of 1894 students. As of June 30, 2016, 67 special education students attended outside placements, and 9 students were out on homebound instruction. The following details the changes in the student enrollment of the Pine Hill School District over the last five years.

Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	1,922	(3.99%)
2012-2013	1,915	(0.36%)
2013-2014	1,902	(0.68%)
2014-2015	1,933	1.63%
2015-2016	1,894	(2.02%)

2.) **ECONOMIC CONDITION AND OUTLOOK:**

The Pine Hill School District recently experienced a slight decrease in enrollment due to the downturn in the housing market. However, there was a significant increase in the number of families receiving free and reduced lunch benefits as a result of the current economy. Therefore, the district continues to heavily rely on state funding and federal grants to supplement the budget. Additionally, over the past year, the high school facility has been upgraded to accommodate new educational programs. This enables Pine Hill Schools to meet the needs of eighth-grade students who may be considering attending the Camden County Technical School.

3.) **MAJOR INITIATIVES:** The Board of Education identified the following budget priorities around the district goals for the 2016-2017 school year budget process:

- Rod Grants
 - Renovated the entrances at the John Glenn School, Pine Hill Middle School and Overbrook High School
 - Replaced Drywells at Overbrook High School
 - Partial roof replacement at Overbrook High School
- Upgraded entry doors at the Dr. Albert Bean School
- Renovated locker rooms at Overbrook High School
- Replaced the bleachers in Overbrook High School Gymnasium
- Re-sanded and refinished Gymnasium floor at Overbrook High School
- Converted a shop room into a “Makerspace” Room (the room will be used to provide hands-on activities such as Prototyping, Woodworking, Electronics, Robotics, and more.)
- Replaced carpeting in the foyer and main hallway at the John Glenn School
- Replaced the existing playground that no longer met safety guidelines
- Replaced retaining wall at the Dr. Albert Bean School
- Hand rails installed at the steps in the back of the Dr. Albert Bean School
- Removed Asbestos tiling and replaced carpeting in 2 classrooms at the Dr. Albert Bean School

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

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

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

- 5.) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the Pine Hill School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2016.

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

- 7.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the Pine Hill School District continues to meet its responsibility for sound financial management.

- 8.) **DEBT ADMINISTRATION:** As of June 30, 2016 the Pine Hill School District had an outstanding debt of \$ 9,700,000.00.

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

- 10.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and student accident insurance.

11.) **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements 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.

12.) **ACKNOWLEDGMENTS:**

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

Respectfully submitted,



Dr. Kenneth P. Koczur
Superintendent of Schools



Deborah Piccirillo
School Business Administrator

**PINE HILL BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2016**

<u>Members of the Board of Education</u>		<u>Term</u>
Joseph Keyek, Jr.	President	2018
Zipporah Daniels-Browne	Vice-President	2018
Len Cavallaro	Member	2017
Lori Corry	Member	2017
Randy Freiling	(Clementon)	2018
Les Gallagher	Member	2016
Lois Parker	Member	2016
Kimberly Reed	(Berlin)	2016
Roger Schwartz	Member	2017
Barbara Villari-Peters	Member	2018
James Wakeley	Member	2016

SUPERINTENDENT

Kenneth P. Koczur

BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

Deborah Piccirillo

TREASURER OF SCHOOL MONIES

Thomas Cardis

**PINE HILL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2016**

INDEPENDENT AUDITOR

Bowman & Company LLP
601 White Horse Rd
Voorhees, NJ 08043

ATTORNEY

Parker McCay
9000 Midlantic Dr. #300
Mt. Laurel, NJ 08054
Frank Cavallo, Tracey Schneider

OFFICIAL DEPOSITORS

Audubon Savings Bank
Beneficial Bank

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Pine Hill School District
County of Camden
1003 Turnerville Road
Pine Hill, New Jersey 08021

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 Borough of Pine Hill School District, in the County of Camden, 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions 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 Borough of Pine Hill 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory 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 November 28, 2016 on our consideration of the Borough of Pine Hill 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 the Borough of Pine Hill School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
November 28, 2016

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Pine Hill School District
County of Camden
1003 Turnerville Road
Pine Hill, New Jersey 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Pine Hill School District, in the County of Camden, 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 School District's basic financial statements, and have issued our report thereon dated November 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Pine Hill 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Pine Hill 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 the Borough of Pine Hill 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 Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
November 28, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The management's discussion and analysis of the Pine Hill School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016 and 2015. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2016:

- The assets of the Pine Hill School District exceeded its liabilities at the close of the most recent fiscal year by \$2,350,594 (net position).
- The School District's total net position increased by \$2,808,152. This increase is primarily attributable to the Pine Hill School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,990,838, an increase of \$958,082 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$874,609, which is an increase of \$14,300 in comparison with the prior year.
- The Pine Hill School District's total bonded debt decreased by \$1,560,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

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

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Government-Wide Statements

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

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services and parent saver program services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services and parent saver program services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The unemployment, payroll and student activities are maintained in this fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

TABLE 1				
Net Position				
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 4,411,407	\$ 3,341,564	\$ 1,069,843	32.02%
Capital Assets	18,422,211	18,354,849	67,362	0.37%
Total Assets	<u>22,833,618</u>	<u>21,696,413</u>	<u>1,137,206</u>	<u>5.24%</u>
Deferred Outflows of Resources:				
Related to Pensions	1,684,225	646,707	1,037,518	160.43%
Deferred Loss on Refunding	371,518	477,665	(106,148)	-22.22%
Total Deferred Outflows of Resources	<u>2,055,743</u>	<u>1,124,372</u>	<u>931,370</u>	<u>82.83%</u>
Liabilities:				
Long-Term Liabilities	21,584,229	22,183,961	(599,732)	-2.70%
Other Liabilities	633,630	503,967	129,663	25.73%
Total Liabilities	<u>22,217,858</u>	<u>22,687,928</u>	<u>(470,069)</u>	<u>-2.07%</u>
Deferred Inflow of Resources - Related to Pensions	320,908	590,415	(269,507)	-45.65%
Net Position:				
Net Investment in Capital Assets	8,479,651	6,740,602	1,739,049	25.80%
Restricted	3,456,101	3,407,282	48,819	1.43%
Unrestricted (Deficit)	(9,585,157)	(10,605,441)	1,020,284	-9.62%
Total Net Position	<u>\$ 2,350,594</u>	<u>\$ (457,557)</u>	<u>\$ 2,808,152</u>	<u>-613.73%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,684,225	\$ 646,707	\$ 1,037,518.00	160.43%
Less: Net Pension Liability	(9,971,743)	(8,420,995)	(1,550,748)	-18.42%
Less: Deferred Inflows Related to Pensions	(320,908)	(590,415)	269,507	45.65%
	<u>\$ (8,608,426)</u>	<u>\$ (8,364,703)</u>	<u>\$ (243,723)</u>	<u>2.91%</u>

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2016 and 2015.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 5,114,991	\$ 5,693,066	\$ (578,075)	-10.15%
Operating Grants and Contributions	5,472,943	5,231,737	241,207	4.61%
General Revenues:				
Property Taxes	11,913,635	11,341,206	572,429	5.05%
Grants and Contributions	17,462,712	17,306,432	156,281	0.90%
Other	100,669	206,020	(105,350)	-51.14%
Total Revenues	<u>40,064,951</u>	<u>39,778,461</u>	<u>286,491</u>	<u>0.72%</u>
Expenses:				
Instruction:				
Regular	9,121,549	9,245,693	(124,143)	-1.34%
Special Education	3,804,833	4,011,384	(206,551)	-5.15%
Other Special Instruction	429,296	379,479	49,818	13.13%
Other Instruction	602,210	644,923	(42,712)	-6.62%
Tuition	2,181,578	2,502,370	(320,792)	-12.82%
Student Services:				
Student and Instruction Related	2,891,311	3,480,611	(589,300)	-16.93%
School Administrative Services	1,224,718	1,246,654	(21,936)	-1.76%
Other Administrative Services	926,604	928,367	(1,763)	-0.19%
Plant Operations and Maintenance	3,022,818	3,051,042	(28,224)	-0.93%
Pupil Transportation	1,382,735	1,298,972	83,764	6.45%
Unallocated Benefits	6,033,754	5,466,577	567,177	10.38%
Reimbursed TPAF Pension and Social Security	3,447,641	3,103,717	343,924	11.08%
Transfer to Charter Schools	255,100	186,007	69,093	37.15%
Interest on Long-Term Debt	341,423	386,356	(44,933)	-11.63%
Unallocated Depreciation	543,810	556,077	(12,267)	-2.21%
Food Service	986,985	969,612	17,373	1.79%
Parent Saver Program	60,434	228,992	(168,558)	-73.61%
Total Expenses	<u>37,256,800</u>	<u>37,686,830</u>	<u>(430,031)</u>	<u>-1.14%</u>
Increase (Decrease) in Net Position	2,808,152	2,091,630	716,522	0.34
Beginning Net Position	(457,557)	(2,549,188)	2,091,630	-82.05%
Ending Net Position	<u>\$ 2,350,594</u>	<u>\$ (457,557)</u>	<u>\$ 2,808,152</u>	<u>-613.73%</u>

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2015-2016, Governmental Activities Revenues were \$39,075,378.59 or 97.53% of total revenues.

In 2014-2015, Governmental Activities Revenues were \$38,574,046 or 96.97% of total revenues.

In 2015-2016, General Revenues - Property Taxes of \$11,913,635 made up 29.74%, and General Revenues – Grants and Contributions of \$17,462,712 made up 43.59% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$11,341,206 made up 28.51%, and General Revenues – Grants and Contributions of \$17,306,432 made up 43.51% of total revenues.

In 2015-2016, the School District's Governmental Activities expenditures decreased by \$278,846 or 0.76%.

In 2014-2015, the School District's Governmental Activities expenditures increased by \$340,793 or 0.94%.

Business-Type Activities

In 2015-2016 Business-Type Activities Revenues were \$989,573 or 2.47% of total revenues. In 2014-2015 Business-Type Activities Revenues were \$1,212,835 or 3.05% of total revenues.

Charges for Services for Business-Type Activities were \$327,010 in 2015-2016 compared to \$542,822 in 2014-2015, a 39.76% decrease.

Expenses for Business-Type Activities were \$1,047,419 in 2015-2016 compared to \$1,198,604 in 2014-2015, a 12.61% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$32,383,304, which was \$82,703 more than the original budget.

The 2015-2016 General Fund Tax Levy was \$11,136,664, an increase of \$602,230 or 5.72% from the 2014-2015 General Fund Tax Levy of \$10,534,434.

During fiscal year 2016, the School District budgeted \$11,136,664 for property taxes (local tax levy) and \$16,445,451 for state aid revenues.

The School District also received \$1,010,774 and \$2,436,867 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions and Non-Contributory Insurance, respectively. The Pine Hill School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions and Non-Contributory Insurance of \$1,010,774 and \$2,436,867 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$35,093,663, which was \$105,480 more than the original budget.

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$3,990,838, an increase of \$958,082 in comparison with the prior year.

Of the combined ending fund balances of \$3,990,838, \$874,609 constitutes unassigned fund balance deficits. The remainder of fund balance of \$4,865,447 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$82,905 in unrestricted net position.

CAPITAL ASSETS

The Pine Hill School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$18,422,211 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Pine Hill School District's investment in capital assets for the current fiscal year of 0.37 percent. The net increase was the result of depreciation. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 400,000	\$ 400,000
Construction in Progress	6,944,109	6,434,723
Land Improvements	455,230	498,083
Building and Improvements	10,130,096	10,539,945
Furniture, Fixtures and Equipment	<u>492,776</u>	<u>482,097</u>
 Total Capital Assets	 <u>\$ 18,422,211</u>	 <u>\$ 18,354,849</u>

Depreciation expense was \$651,650 for fiscal year ended 2016 and \$656,230 for fiscal year ended 2015.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Pine Hill School District had total bonded debt outstanding of \$9,700,000. The entire Pine Hill School District's bonded debt is governmental as opposed to business-type. The 2017 adopted budget has an appropriation of \$1,610,000 representing the payment of the annual principal. The 2012 and 2014 refunding bonds will mature on December 15, 2032 and May 1, 2019, respectively.

PINE HILL BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2015-2016 school year, the Pine Hill School District was able to sustain its budget through the tax levy, federal aid, state aid and miscellaneous revenue sources. 29.74 percent of total revenue is from local tax levy and 43.59 percent of the Pine Hill School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Pine Hill Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE DISTRICT'S FINANCIAL 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 Deborah Piccirillo, School Business Administrator/Board Secretary at the Pine Hill School District, 1003 Turnerville Road, Pine Hill, New Jersey 08021. Please visit our website at <http://www.pinehill.k12.nj.us>.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BOROUGH OF PINE HILL SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 2,419,681.27	\$ 169,815.05	\$ 2,589,496.32
Receivables, net	1,191,913.12	24,993.06	1,216,906.18
Inventory		11,974.09	11,974.09
Restricted Cash and Cash Equivalents	593,030.85		593,030.85
Capital Assets, net (Note 7)	<u>18,339,306.46</u>	<u>82,904.54</u>	<u>18,422,211.00</u>
Total Assets	<u>22,543,931.70</u>	<u>289,686.74</u>	<u>22,833,618.44</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	1,684,225.00		1,684,225.00
Deferred Loss on Refunding	<u>371,517.53</u>		<u>371,517.53</u>
Total Deferred Outflows	<u>2,055,742.53</u>	<u>-</u>	<u>2,055,742.53</u>
LIABILITIES:			
Accounts Payable	573,081.72		573,081.72
Internal Balances	(9,206.84)	9,206.84	
Accrued Interest	28,472.55		28,472.55
Unearned Revenue	25,360.85	6,714.75	32,075.60
Noncurrent Liabilities (Note 8):			
Due within One Year	1,943,584.00		1,943,584.00
Due beyond One Year	<u>19,640,644.62</u>		<u>19,640,644.62</u>
Total Liabilities	<u>22,201,936.90</u>	<u>15,921.59</u>	<u>22,217,858.49</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	<u>320,908.00</u>	<u>-</u>	<u>320,908.00</u>
NET POSITION:			
Net Investment in Capital Assets	8,396,746.59	82,904.54	8,479,651.13
Restricted for:			
Debt Service	57,669.05		57,669.05
Capital Projects	770,659.92		770,659.92
Special Revenue	18,052.01		18,052.01
Other Purposes	2,609,719.61		2,609,719.61
Unrestricted (Deficit)	<u>(9,776,017.85)</u>	<u>190,860.61</u>	<u>(9,585,157.24)</u>
Total Net Position	<u>\$ 2,076,829.33</u>	<u>\$ 273,765.15</u>	<u>\$ 2,350,594.48</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,121,549.23	\$ 3,378,331.35			\$ (5,743,217.88)	\$	\$ (5,743,217.88)
Special Education	3,804,832.85	1,409,649.67	\$ 681,068.23		(1,714,114.95)		(1,714,114.95)
Other Special Instruction	429,296.25				(429,296.25)		(429,296.25)
Other Instruction	602,210.24				(602,210.24)		(602,210.24)
Tuition	2,181,578.04		419,462.11		(1,762,115.93)		(1,762,115.93)
Support Services:							
Student and Instruction Related Services	2,891,311.03		30,887.34		(2,860,423.69)		(2,860,423.69)
School Administrative Services	1,224,717.83				(1,224,717.83)		(1,224,717.83)
Other Administrative Services	926,603.91				(926,603.91)		(926,603.91)
Plant Operations and Maintenance	3,022,817.83				(3,022,817.83)		(3,022,817.83)
Pupil Transportation	1,382,735.06		1,000.00		(1,381,735.06)		(1,381,735.06)
Unallocated Benefits	6,033,754.18		134,781.80		(5,898,972.38)		(5,898,972.38)
Reimbursed TPAF and Social Security	3,447,641.30		3,447,641.30				
Transfer to Charter School	255,100.00				(255,100.00)		(255,100.00)
Interest on Long-Term Debt	341,422.59		70,234.06		(271,188.53)		(271,188.53)
Unallocated Depreciation	543,809.98				(543,809.98)		(543,809.98)
Total Governmental Activities	36,209,380.32	4,787,981.02	4,785,074.84	-	(26,636,324.46)	-	(26,636,324.46)
Business-Type Activities:							
Food Service	986,985.24	326,000.44	687,868.63			\$ 26,883.83	26,883.83
Parent Saver Program	60,433.94	1,009.88				(59,424.06)	(59,424.06)
Total Business-Type Activity	1,047,419.18	327,010.32	687,868.63	-	-	(32,540.23)	(32,540.23)
Total Primary Government	\$ 37,256,799.50	\$ 5,114,991.34	\$ 5,472,943.47	-	(26,636,324.46)	(32,540.23)	(26,668,864.69)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					11,136,664.00		11,136,664.00
Taxes Levied for Debt Service					776,971.00		776,971.00
Federal and State Aid Not Restricted					16,658,770.28		16,658,770.28
Federal and State Aid Restricted					803,941.93		803,941.93
Miscellaneous Income					140,511.70	157.64	140,669.34
Operating Transfers					(14,536.18)	(25,463.82)	(40,000.00)
Total General Revenues and Transfers					29,502,322.73	(25,306.18)	29,477,016.55
Change in Net Position					2,865,998.27	(57,846.41)	2,808,151.86
Net Position -- July 1					(789,168.94)	331,611.56	(457,557.38)
Net Position -- June 30					\$ 2,076,829.33	\$ 273,765.15	\$ 2,350,594.48

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

FUND FINANCIAL STATEMENTS

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 2,419,681.27		\$ 508,737.01	\$ 84,293.84	\$ 3,012,712.12
Receivables, net:					
Interfunds Receivable:					
Food Service Fund	9,206.84				9,206.84
Unemployment Compensation Trust Fund	18,589.59				18,589.59
Special Revenue Fund	290,736.79				290,736.79
Receivables from Other Governments:					
State of New Jersey	288,344.85		221,625.58		509,970.43
Federal	37,705.04	\$ 426,903.25			464,608.29
Other Receivables	198,744.81				198,744.81
Total Assets	\$ 3,263,009.19	\$ 426,903.25	\$ 730,362.59	\$ 84,293.84	\$ 4,504,568.87
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 104,880.12	\$ 92,753.60			\$ 197,633.72
Interfunds Payable:					
General Fund		290,736.79			290,736.79
Unearned Revenue		25,360.85			25,360.85
Total Liabilities	104,880.12	408,851.24	-	-	513,731.36
Fund Balances:					
Restricted:					
Capital Reserve	40,297.33				40,297.33
Maintenance Reserve	1,600,933.35				1,600,933.35
Excess Surplus	166,294.97				166,294.97
Capital Projects			\$ 730,362.59		730,362.59
Special Revenue		18,052.01			18,052.01
Debt Service -- Designated for Subsequent Year's Expenditures				\$ 84,293.84	84,293.84
Assigned:					
Other Purposes	1,382,721.35				1,382,721.35
Subsequent Year's Expenditures	816,629.00				816,629.00
SEMI Cost Settlement 7/1/13 - 6/30/14 -- Designated for Subsequent Year's Expenditures	25,862.29				25,862.29
Unassigned (Deficit)	(874,609.22)				(874,609.22)
Total Fund Balances	3,158,129.07	18,052.01	730,362.59	84,293.84	3,990,837.51
Total Liabilities and Fund Balances	\$ 3,263,009.19	\$ 426,903.25	\$ 730,362.59	\$ 84,293.84	

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 \$36,447,927.21 and the accumulated depreciation is \$18,108,620.75.	18,339,306.46
Deferred losses on the defeasance of bonds is recorded as a deferred outflow of resources in the Statement of Net Position and amortized over the life of the refunding bonds.	371,517.53
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(28,472.55)
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(21,584,228.62)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(375,448.00)
Deferred Outflows of Resources - Related to Pensions	1,684,225.00
Deferred Inflows of Resources - Related to Pensions	(320,908.00)

Net Position of governmental activities \$ 2,076,829.33

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 11,136,664.00			\$ 776,971.00	\$ 11,913,635.00
Tuition	4,787,981.02				4,787,981.02
Miscellaneous	140,511.70				140,511.70
Other Local Revenue		\$ 22,775.20			22,775.20
State Sources	19,988,621.00	242,806.30	\$ 221,625.58	634,205.00	21,087,257.88
Federal Sources	117,790.58	1,019,963.39			1,137,753.97
Total Revenues	36,171,568.30	1,285,544.89	221,625.58	1,411,176.00	39,089,914.77
EXPENDITURES:					
Regular Instruction	9,349,285.43				9,349,285.43
Special Education Instruction	3,220,034.33	681,068.23			3,901,102.56
Other Special Instruction	429,296.25				429,296.25
Other Instruction	602,210.24				602,210.24
Tuition	1,762,115.93	419,462.11			2,181,578.04
Support Services and Undistributed Costs:					
Student and Instruction Related Services	2,860,423.69	30,887.34			2,891,311.03
School Administrative Services	1,224,717.83				1,224,717.83
Other Administrative Services	1,014,463.95				1,014,463.95
Plant Operations and Maintenance	3,440,334.04				3,440,334.04
Pupil Transportation	1,367,446.41	1,000.00			1,368,446.41
Unallocated Benefits	5,707,365.52	134,781.80			5,842,147.32
Reimbursed TPAF Pension, Medical and Social Security	3,447,641.30				3,447,641.30
Transfer to Charter Schools	255,100.00				255,100.00
Debt Service:					
Principal				1,290,000.00	1,290,000.00
Interest and Other Charges				160,650.00	160,650.00
Capital Outlay	209,626.18		509,385.64		719,011.82
Total Expenditures	34,890,061.10	1,267,199.48	509,385.64	1,450,650.00	38,117,296.22
Excess (Deficiency) of Revenues over Expenditures	1,281,507.20	18,345.41	(287,760.06)	(39,474.00)	972,618.55
OTHER FINANCING SOURCES (USES):					
Transfers in from Parent Saver Program	25,463.82				25,463.82
Transfer To and From Capital Reserve	(770,600.00)		770,600.00		
Transfers To Unemployment Fund	(40,000.00)				(40,000.00)
Total Other Financing Sources and Uses	(785,136.18)	-	770,600.00	-	(14,536.18)
Net Change in Fund Balances	496,371.02	18,345.41	482,839.94	(39,474.00)	958,082.37
Fund Balance -- July 1	2,661,758.05	(293.40)	247,522.65	123,767.84	3,032,755.14
Fund Balance -- June 30	\$ 3,158,129.07	\$ 18,052.01	\$ 730,362.59	\$ 84,293.84	\$ 3,990,837.51

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	958,082.37
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	\$ (630,781.63)	
Capital Outlays	<u>719,011.82</u>	
		88,230.19
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.		1,560,000.00
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Loss on Refunding Bonds		(106,147.86)
Amortization of Bond Premiums		74,782.11
In the statement of activities, 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. The accrued interest is an addition in the reconciliation. (+)		12,618.16
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		326,987.32
Repayment of the Early Retirement Incentive Program is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		45,658.14
Repayment of capital leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		143,052.84
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>(237,265.00)</u>
Change in Net Position of Governmental Activities	\$	<u>2,865,998.27</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT

Proprietary Funds
 Combining Statement of Net Position
 June 30, 2016

	<u>Food Service</u>	<u>Parent Saver Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 169,815.05		\$ 169,815.05
Accounts Receivable:			
State	315.67		315.67
Federal	20,438.48		20,438.48
Other	4,238.91		4,238.91
Inventories	11,974.09		11,974.09
Total Current Assets	<u>206,782.20</u>	<u>-</u>	<u>206,782.20</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	775,970.00		775,970.00
Less Accumulated Depreciation	<u>(693,065.46)</u>		<u>(693,065.46)</u>
Total Noncurrent Assets	<u>82,904.54</u>	<u>-</u>	<u>82,904.54</u>
Total Assets	<u>289,686.74</u>	<u>-</u>	<u>289,686.74</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund	9,206.84	-	9,206.84
Unearned Revenue	<u>6,714.75</u>		<u>6,714.75</u>
Total Liabilities	<u>15,921.59</u>	<u>-</u>	<u>15,921.59</u>
NET POSITION:			
Net Investment in Capital Assets	82,904.54		82,904.54
Unrestricted	<u>190,860.61</u>	<u>-</u>	<u>190,860.61</u>
Total Net Position	<u>\$ 273,765.15</u>	<u>-</u>	<u>\$ 273,765.15</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT

Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Parent Saver Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 165,431.91		\$ 165,431.91
School Breakfast Program	13,780.64		13,780.64
Special Milk Program	800.50		800.50
Daily Sales - Non-Reimbursable Programs	134,368.39		134,368.39
Special Functions	11,619.00		11,619.00
Program Fees		\$ 1,009.88	1,009.88
Total Operating Revenues	<u>326,000.44</u>	<u>1,009.88</u>	<u>327,010.32</u>
OPERATING EXPENSES:			
Salaries	306,325.21		306,325.21
Employee Benefits	81,338.41		81,338.41
Management Fee	43,377.26		43,377.26
General Supplies	39,637.94		39,637.94
Depreciation	20,867.98		20,867.98
Cleaning, Repairs & Maintenance Services	11,118.39		11,118.39
Other Purchased Services	25,775.22	3,000.00	28,775.22
Cost of Sales - Reimbursable Programs	392,149.72		392,149.72
Cost of Sales - Non-Reimbursable Programs	65,963.96		65,963.96
Miscellaneous	431.15	57,433.94	57,865.09
Total Operating Expenses	<u>986,985.24</u>	<u>60,433.94</u>	<u>1,047,419.18</u>
Operating Income / (Loss)	<u>(660,984.80)</u>	<u>(59,424.06)</u>	<u>(720,408.86)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	10,391.44		10,391.44
Federal Sources:			
National School Lunch Program	434,052.51		434,052.51
After School Snack Program	31,761.24		
National School Breakfast Program	115,884.50		115,884.50
Special Milk Program	760.22		760.22
Food Distribution Program	95,018.72		95,018.72
Interest Revenue	94.06	63.58	157.64
Total Nonoperating Revenues (Expenses)	<u>687,962.69</u>	<u>63.58</u>	<u>688,026.27</u>
Income (Loss) before Contributions and Transfers	<u>26,977.89</u>	<u>(59,360.48)</u>	<u>(32,382.59)</u>
Transfers Out -- General Fund	<u>-</u>	<u>(25,463.82)</u>	<u>(25,463.82)</u>
Change in Net Position	26,977.89	(84,824.30)	(57,846.41)
Net Position -- July 1	<u>246,787.26</u>	<u>84,824.30</u>	<u>331,611.56</u>
Net Position -- June 30	<u>\$ 273,765.15</u>	<u>-</u>	<u>\$ 273,765.15</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Food Service	Parent Saver Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 325,907.72	\$ 1,009.88	\$ 326,917.60
Payments to Employees	(306,325.21)		(306,325.21)
Payments for Employee Benefits	(81,338.41)		(81,338.41)
Payments for Supplies and Services	<u>(580,387.57)</u>	<u>(60,433.94)</u>	<u>(640,821.51)</u>
Net Cash Provided by (used for) Operating Activities	<u>(642,143.47)</u>	<u>(59,424.06)</u>	<u>(701,567.53)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	10,658.11		10,658.11
Federal Sources	693,246.33		693,246.33
Operating Subsidies and Transfers	<u>7,546.65</u>	<u>(141,994.43)</u>	<u>(134,447.78)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>711,451.09</u>	<u>(141,994.43)</u>	<u>569,456.66</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	<u>94.06</u>	<u>63.58</u>	<u>157.64</u>
Net Increase (Decrease) in Cash and Cash Equivalents	69,401.68	(201,354.91)	(131,953.23)
Cash and Cash Equivalents -- July 1	<u>100,413.37</u>	<u>201,354.91</u>	<u>301,768.28</u>
Cash and Equivalents -- June 30	<u>\$ 169,815.05</u>	<u>-</u>	<u>\$ 169,815.05</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (660,984.80)	\$ (59,424.06)	\$ (720,408.86)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	20,867.98		20,867.98
(Increase) Decrease in Inventories	(1,933.93)		(1,933.93)
Increase (Decrease) in Unearned Revenue	136.84		136.84
(Increase) Decrease in Accounts Receivable	<u>(229.56)</u>		<u>(229.56)</u>
Total Adjustments	<u>18,841.33</u>	<u>-</u>	<u>18,841.33</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (642,143.47)</u>	<u>\$ (59,424.06)</u>	<u>\$ (701,567.53)</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 39,087.08	\$ 193,674.48	\$ 51,653.75	\$ 284,415.31
Accounts Receivable:				
Interfund Accounts Receivable:				
Due Unemployment Fund	-	-	3,472.96	3,472.96
Total Assets	<u>39,087.08</u>	<u>\$ 193,674.48</u>	<u>\$ 55,126.71</u>	<u>287,888.27</u>
LIABILITIES:				
Accounts Payable	5,616.36			5,616.36
Interfund Accounts Payable:				
Due General Fund	18,589.59			18,589.59
Due Payroll Fund	3,472.96			3,472.96
Payable to Student Groups		\$ 193,674.48		193,674.48
Payroll Deductions and Withholdings			\$ 55,126.71	55,126.71
Total Liabilities	<u>27,678.91</u>	<u>\$ 193,674.48</u>	<u>\$ 55,126.71</u>	<u>276,480.10</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 11,408.17</u>			<u>\$ 11,408.17</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Contributions and Donations from	
Payroll Deductions Withheld	\$ 30,782.44
Employer Contributions	40,000.00
Investment Earnings:	
Interest	40.02
Total Additions	70,822.46
DEDUCTIONS:	
Unemployment Claims	88,058.69
Change in Net Position	(17,236.23)
Net Position -- July 1	28,644.40
Net Position -- June 30	\$ 11,408.17

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Pine Hill School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms and two members from the sending districts. These terms of the nine members are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-Kindergarten through twelve at its four schools. The School District has an approximate enrollment at June 30, 2016 of 1,894.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has determined that the following component unit is not significant and, therefore, has not been included in the basic financial statements:

Pine Hill Education Foundation
1003 Turnerville Road
Pine Hill, New Jersey 08021

Complete financial statements of the individual component unit can be obtained from their administrative offices.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

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

Parent Saver Fund - This fund accounts for the financial activity related to providing day care services for School District students before school and after school.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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 property taxes.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes 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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

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

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

Tuition Receivable

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

Prepaid Expenses

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

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets (Cont'd)**

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Buildings and Improvements	20 - 50 Years
Land Improvements	15 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

Loss on Refunding of Debt - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

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

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 measurable and the School District is eligible to realize the revenue.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

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

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 fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into 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 the 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 School 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.

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

Fund Balance

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

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

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

Interfund Activity

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

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*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

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. The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 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. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

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. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balances of \$5,181,129.18 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	<u>\$ 5,181,129.18</u>
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Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 in September, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the 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	\$ 1,441,519.13
Increased by:	
Interest Earnings	<u>44.20</u>
	1,441,563.33
Decreased by:	
Withdrawals	<u>1,401,266.00</u>
Ending Balance, June 30, 2016	<u>\$ 40,297.33</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$13,205,562.83. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2016, the School District transferred \$630,666.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 5: ACCOUNTS RECEIVABLE (CONT'D)

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards	\$ 37,705.04	\$ 426,903.25		\$ 464,608.29	\$ 20,438.48	\$ 485,046.77
State Awards	288,344.85		\$ 221,625.58	509,970.43	315.67	510,286.10
Tuition Charges	168,130.22			168,130.22		168,130.22
Other	30,614.59			30,614.59	4,238.91	34,853.50
	<u>\$ 524,794.70</u>	<u>\$ 426,903.25</u>	<u>\$ 221,625.58</u>	<u>\$1,173,323.53</u>	<u>\$ 24,993.06</u>	<u>\$1,198,316.59</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 9,559.97
Supplies	<u>2,414.12</u>
	<u>\$ 11,974.09</u>

Note 7: CAPITAL ASSETS

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 400,000.00			\$ 400,000.00
Construction in Progress	6,434,723.28	\$ 509,385.64		6,944,108.92
Total Capital Assets, not being Depreciated	6,834,723.28	509,385.64	-	7,344,108.92
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	2,957,635.69	127,066.18		3,084,701.87
Buildings and Improvements	24,041,495.63	82,560.00		24,124,055.63
Land Improvements	1,895,060.79			1,895,060.79
Total Capital Assets, being Depreciated	28,894,192.11	209,626.18	-	29,103,818.29
Total Capital Assets, Cost	35,728,915.39	719,011.82	-	36,447,927.21
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(2,579,310.87)	(95,519.23)		(2,674,830.10)
Buildings and Improvements	(13,501,550.87)	(492,408.51)		(13,993,959.38)
Land Improvements	(1,396,977.38)	(42,853.89)		(1,439,831.27)
Total Accumulated Depreciation	(17,477,839.12)	(630,781.63)	-	(18,108,620.75)
Total Capital Assets, being Depreciated, Net	11,416,352.99	(421,155.45)	-	10,995,197.54
Governmental Activities Capital Assets, Net	<u>\$ 18,251,076.27</u>	<u>\$ 88,230.19</u>	<u>-</u>	<u>\$ 18,339,306.46</u>
	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Balance June 30, 2016</u>
Business-Type Activities:				
Capital Assets:				
Furniture, Fixtures and Equipment	\$ 775,970.00			\$ 775,970.00
Less Accumulated Depreciation	(672,197.48)	\$ (20,867.98)		(693,065.46)
Business-Type Activities Capital Assets, Net	<u>\$ 103,772.52</u>	<u>\$ (20,867.98)</u>	<u>-</u>	<u>\$ 82,904.54</u>

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Instruction	\$ 43,014.22
Transportation	25,976.63
General and Business Administrative Services	3,472.01
Plant Operations and Maintenance	14,508.79
Unallocated	543,809.98
Total Depreciation Expense - Governmental Activities	<u>\$ 630,781.63</u>
Business-Type Activities:	
Food Service	<u>\$ 20,867.98</u>

Note 8: LONG-TERM LIABILITIES

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

Governmental Activities:	Balance July 1, 2015	Adjustments/ Additions	Reductions	Balance June 30, 2016	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 11,260,000.00	-	\$ (1,560,000.00)	\$ 9,700,000.00	\$ 1,610,000.00
Other Liabilities:					
Net Pension Liability	8,420,995.00	\$ 2,518,363.00	(967,615.00)	9,971,743.00	
Obligations under Capital Lease	306,036.81		(143,052.84)	162,983.97	81,012.79
Compensated Absences	1,352,282.11	270,456.42	(597,443.74)	1,025,294.79	205,058.96
Early Retirement Pension Obligations	318,771.57		(45,658.14)	273,113.43	47,512.25
Total Other Liabilities	10,398,085.49	2,788,819.42	(1,753,769.72)	11,433,135.19	333,584.00
Other Adjustments to Debt:					
Unamortized Premium on Bonds	525,875.54	-	(74,782.11)	451,093.43	-
Governmental Activity Long-Term Liabilities	\$ 22,183,961.03	\$ 2,788,819.42	\$ (3,388,551.83)	\$ 21,584,228.62	\$ 1,943,584.00

The bonds payable are generally liquidated by the debt service fund, while capital leases, energy savings improvement bonds, compensated absences, net pension liability, and early retirement pension obligations are liquidated by the general fund.

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

On February 24, 2005, the School District issued \$12,595,000.00 of refunding bonds at interest rates varying from 3.00% to 4.00%. The proceeds were used to advance refund and redeem on May 1, 2009 all of the District's outstanding callable School Bonds Series 1999. The final maturity of these bonds was originally May 1, 2019, however the School District issued refunding bonds on January 16, 2014.

On December 15, 2012, the School District issued \$6,470,000.00 of School Refunding Bonds at interest rates varying from 2.00% to 4.00%. The proceeds were used to provide funds for energy improvements throughout the District. The final maturity of these bonds is December 15, 2032. The bonds will be paid from property taxes.

On January 16, 2014, the School District issued \$6,680,000.00 of Refunding School Bonds to provide funding to refund the callable portion of the outstanding 2005 Bond Issue. The Refunding Bonds were issued at interest rates varying from 2.00% to 3.00%. The final maturity of these bonds is May 1, 2019.

Note 8: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,610,000.00	\$ 278,425.00	\$ 1,888,425.00
2018	1,655,000.00	232,825.00	1,887,825.00
2019	1,700,000.00	186,025.00	1,886,025.00
2020	335,000.00	137,975.00	472,975.00
2021	350,000.00	130,687.50	480,687.50
2022-2026	2,080,000.00	499,281.25	2,579,281.25
2027-2031	1,550,000.00	187,156.27	1,737,156.27
2032-2033	420,000.00	17,000.00	437,000.00
	<u>\$ 9,700,000.00</u>	<u>\$ 1,669,375.02</u>	<u>\$ 11,369,375.02</u>

Bonds Authorized but not Issued - As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing IT equipment totaling \$405,120.00 under a capital lease. The capital lease is for a term of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 81,012.79	\$ 1,928.10	\$ 82,940.89
2018	81,971.18	969.72	82,940.90
	<u>\$ 162,983.97</u>	<u>\$ 2,897.82</u>	<u>\$ 165,881.79</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 15 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 10. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

Note 9: OPERATING LEASES

At June 30, 2016, the School District had operating lease agreements in effect for copy machines and mail machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2017	\$ 63,187.56
2018	62,401.56
2019	34,599.90
2020	6,201.20
2021	<u>2,412.00</u>
	<u>\$ 168,802.22</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$60,148.36.

Note 10: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - 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.

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

The membership tiers for PERS are the same as previously noted for TPAF.

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

Note 10: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.67% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$798,886.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$1,009,868.98.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.36% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$381,906.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$201,591.29.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$10,724.62, and the School District recognized pension expense of \$5,851.40. There were no forfeitures during the fiscal year.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

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

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>93,953,229.00</u>
	<u>\$ 93,953,229.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1486501281%, which was a decrease of 0.0022689199% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$5,736,691.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$9,971,743.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was 0.0444215275%, which was a decrease of 0.0005558484% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$621,573.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 237,891.00	\$ -
Changes of Assumptions	1,070,886.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	160,326.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	160,582.00
School District Contributions Subsequent to the Measurement Date	375,448.00	-
	<u>\$ 1,684,225.00</u>	<u>\$ 320,908.00</u>

\$375,448.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2017	\$ 174,304.00
2018	174,304.00
2019	174,302.00
2020	299,764.00
2021	165,195.00
	<u>\$ 987,869.00</u>

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) – The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

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

For PERS, 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.

For TPAF and PERS, 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 TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years 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 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 10: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	111,659,901.00	93,953,229.00	78,697,872.00
	<u>\$ 111,659,901.00</u>	<u>\$ 93,953,229.00</u>	<u>\$ 78,697,872.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	\$ 12,393,656.00	\$ 9,971,743.00	\$ 7,941,228.00

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/annrpts.shtml.

Note 11: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal pension costs, post-retirement medical costs, and non-contributory insurance costs were \$1,059,576.00, \$1,324,510.00 and \$52,781.00, respectively.

Note 13: RISK MANAGEMENT

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

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2016	\$ 40,000.00	\$ 30,782.44	\$ 40.02	\$ 88,058.69	\$ 11,408.17
2015	-	32,563.20	50.16	37,245.59	28,644.40
2014	-	31,017.04	35.81	10,425.83	33,276.63

Note 13: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Property (Including Crime and Physical Damage)
 Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles
 School Board Legal Liability
 Boiler and Machinery
 Pollution / Environmental Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property (Including Crime and Physical Damage)
 Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles
 School Board Legal Liability
 Boiler and Machinery
 Pollution / Environmental Legal Liability

Contributions to the Fund, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

School Alliance Insurance Fund
 51 Everett Drive, Suite B-40
 West Windsor, New Jersey 08550

Note 14: DEFERRED COMPENSATION

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

AXA
 Fidelity Investments
 Lincoln Investment Planning
 Midland National

Note 15: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$1,025,294.79. No liability exists as of June 30, 2016 for the proprietary funds.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 318,533.22	
Special Revenue		\$ 290,736.79
Food Service		9,206.84
Fiduciary	3,472.96	22,062.55
	<u>\$ 322,006.18</u>	<u>\$ 322,006.18</u>

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

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Cont'd)

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Fiduciary Fund</u>
General Fund		\$ 770,600.00	\$ 40,000.00
Parent Saver Program	\$ 25,463.82		
Total Transfers	<u>\$ 25,463.82</u>	<u>\$ 770,600.00</u>	<u>\$ 40,000.00</u>

The \$770,600.00 transfer from general fund to the capital projects fund is the required local share of capital projects. The \$40,000.00 transfer from general fund to the fiduciary fund is school district contribution to the unemployment fund. The \$25,463.82 transfer from the Parent Saver Program proprietary fund to the general fund was the remaining amount to close the program for the discontinuance of its operations.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2016 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Tozour-Trane:		
ESIP Project	2013	\$ 236,998.05
Gen II Contracting:		
Albert Bean Roof Replacement	07/14/15	13,376.11
John Glenn Roof Replacement	07/14/15	36,734.28
Duall Building Restoration:		
Overbrook High School Security Upgrades	02/23/16	98,600.00
John Glenn Security Upgrades	02/23/16	136,000.00
Middle School Security Upgrades	02/23/16	54,400.00
Diamond Construction:		
Overbrook High School Dry Well	04/26/16	333,445.00
DA Nolt, Inc.:		
Overbrook High School Roof Replacement	05/24/16	605,067.84
Open System Integrators, Inc.:		
Overbrook High School Security Upgrades	05/24/16	46,353.00
John Glenn Security Upgrades	05/24/16	46,748.00
Middle School Security Upgrades	05/24/16	22,855.00
		<u>\$ 1,630,577.28</u>

Note 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$874,609.22 in the general fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$874,609.22 less than the June state aid payments.

Note 21: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$166,294.97.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$40,297.33. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2016, the balance in the maintenance reserve account is \$1,600,933.35. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Special Revenue Fund - As of June 30, 2016, the fund balance of the special revenue fund was \$18,052.01.

Capital Projects Fund On December 15, 2012, the School District issued \$6,470,000.00 of refunding bonds pursuant to (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Board on November 27, 2012. The Bonds were authorized through an Energy Savings Improvement Program. The bond issuance was for various energy savings projects at the District's four schools. In addition, the district authorized several other projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2016, the restricted fund balance amount was \$730,362.59.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$84,293.84 of debt service fund balance at June 30, 2016.

Note 21: FUND BALANCES (CONT'D)**ASSIGNED**

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$816,629.00 of general fund balance at June 30, 2016. The School District plans to appropriate as anticipated revenue for the fiscal year ending June 30, 2018, \$25,862.29 of general fund balance at June 30, 2016, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

Other Purposes - As of June 30, 2016, the School District had \$1,382,721.35 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2016, the general fund balance deficit of \$874,609.22 was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,136,664.00		\$ 11,136,664.00	\$ 11,136,664.00	
Tuition from Other LEAs Within the State	4,601,550.00		4,601,550.00	4,787,981.02	\$ 186,431.02
Transportation Fees from Other LEAs	45,000.00		45,000.00	53,218.38	8,218.38
Interest Earned on Capital Reserve Funds				44.20	44.20
Interest Earned on Maintenance Reserve Funds				878.45	878.45
Unrestricted Miscellaneous Revenues	91,691.00		91,691.00	86,370.67	(5,320.33)
Total - Local Sources	15,874,905.00	-	15,874,905.00	16,065,156.72	190,251.72
State Sources:					
Equalization Aid	14,483,942.00		14,483,942.00	14,483,942.00	
Special Education Aid	866,509.00		866,509.00	866,509.00	
Security Aid	411,232.00		411,232.00	411,232.00	
Transportation Aid	223,925.00		223,925.00	223,925.00	
Extraordinary Aid	70,000.00	\$ 82,703.12	152,703.12	212,162.00	59,458.88
School Choice Aid	275,670.00		275,670.00	275,670.00	
PARCC Readiness Aid	15,735.00		15,735.00	15,735.00	
Per Pupil Growth Aid	15,735.00		15,735.00	15,735.00	
Homeless Aid				16,504.00	16,504.00
Additional Non-Public Transportation Aid				8,562.00	8,562.00
On-behalf TPAF Pension Contributions (non-budgeted)				1,059,576.00	1,059,576.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				52,781.00	52,781.00
On-behalf TPAF Medical Contributions (non-budgeted)				1,324,510.00	1,324,510.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,010,774.30	1,010,774.30
Total - State Sources	16,362,748.00	82,703.12	16,445,451.12	19,977,617.30	3,532,166.18
Federal Sources:					
Special Education Medicaid Initiative	62,948.00		62,948.00	108,842.25	45,894.25
Medicaid Administrative Claiming Aid				8,948.33	8,948.33
Total - Federal Sources	62,948.00	-	62,948.00	117,790.58	54,842.58
Total Revenues	32,300,601.00	82,703.12	32,383,304.12	36,160,564.60	3,777,260.48

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 6,300.00	\$ (5,003.10)	\$ 1,296.90		\$ 1,296.90
Kindergarten	477,295.00	2,323.90	479,618.90	\$ 472,878.00	6,740.90
Grades 1 - 5	2,769,779.00	(140,317.14)	2,629,461.86	2,625,363.50	4,098.36
Grades 6 - 8	1,924,589.00	49,432.07	1,974,021.07	1,878,658.57	95,362.50
Grades 9 - 12	3,235,786.00	(125,361.36)	3,110,424.64	3,068,119.78	42,304.86
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	(28,172.50)	21,827.50	21,827.50	
Purchased Professional - Educational Services	50,000.00	46,557.60	96,557.60	96,557.60	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	154,785.00	118,789.82	273,574.82	273,574.82	
Purchased Professional - Educational Services	16,576.00	68,625.73	85,201.73	83,190.10	2,011.63
Purchased Technical Services	7,700.00	34,447.10	42,147.10	35,991.57	6,155.53
Other Purchased Services	265,850.00	53,484.35	319,334.35	311,852.16	7,482.19
General Supplies	397,128.00	107,764.78	504,892.78	454,912.29	49,980.49
Textbooks	1,000.00	2.29	1,002.29	972.84	29.45
Other Objects	7,650.00	1,891.75	9,541.75	9,541.75	
Total - Regular Programs	9,364,438.00	184,465.29	9,548,903.29	9,333,440.48	215,462.81
Learning and/or Language Disabilities:					
Salaries of Teachers	1,162,570.00	(325,507.48)	837,062.52	827,084.24	9,978.28
Other Salaries for Instruction	230,116.00	(70,058.37)	160,057.63	157,765.81	2,291.82
General Supplies	3,500.00	610.00	4,110.00	4,077.68	32.32
Total - Learning and/or Language Disabilities	1,396,186.00	(394,955.85)	1,001,230.15	988,927.73	12,302.42
Behavioral Disabilities:					
Salaries of Teachers	184,545.00	(19,716.52)	164,828.48	164,828.48	
Other Salaries for Instruction	42,117.00	6,899.30	49,016.30	49,016.30	
General Supplies	2,850.00	(210.00)	2,640.00	2,536.41	103.59
Total - Behavioral Disabilities	229,512.00	(13,027.22)	216,484.78	216,381.19	103.59

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Special Education(Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 491,204.00	\$(39,999.85)	\$ 451,204.15	\$ 433,736.40	\$ 17,467.75
Other Salaries for Instruction	302,808.00	(107,285.75)	195,522.25	193,032.44	2,489.81
General Supplies	11,000.00	(938.70)	10,061.30	9,758.08	303.22
Total - Multiple Disabilities	805,012.00	(148,224.30)	656,787.70	636,526.92	20,260.78
Resource Room/Center:					
Salaries of Teachers	967,302.00	193,837.73	1,161,139.73	1,160,642.18	497.55
Other Salaries for Instruction	25,350.00	23,849.58	49,199.58	46,306.44	2,893.14
General Supplies	5,000.00		5,000.00	2,400.00	2,600.00
Total - Resource Room/Center	997,652.00	217,687.31	1,215,339.31	1,209,348.62	5,990.69
Preschool Disabilities - Part-Time:					
Salaries of Teachers		56,718.00	56,718.00	56,168.00	550.00
Other Salaries for Instruction		29,766.34	29,766.34	29,765.89	0.45
General Supplies		4,761.76	4,761.76	4,012.46	749.30
Total - Preschool Disabilities - Part-Time	-	91,246.10	91,246.10	89,946.35	1,299.75
Preschool Disabilities - Full-Time					
Salaries of Teachers	81,237.00	(81,237.00)			
Other Salaries for Instruction	21,686.00	(21,686.00)			
General Supplies	4,761.00	(4,761.00)			
Total - Pre School Disabilities - Full-Time	107,684.00	(107,684.00)	-	-	-
Home Instruction:					
Purchased Professional - Educational Services	-	83,777.36	83,777.36	78,903.52	4,873.84
Total - Special Education	3,536,046.00	(271,180.60)	3,264,865.40	3,220,034.33	44,831.07
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	205,614.00	151,285.85	356,899.85	356,899.85	
Other Salaries for Instruction	104,037.00	(80,607.77)	23,429.23	22,166.00	1,263.23
Total - Basic Skills / Remedial - Instruction	309,651.00	70,678.08	380,329.08	379,065.85	1,263.23
Bilingual Education:					
Salaries of Teachers	50,584.00	(0.19)	50,583.81	50,230.40	353.41
General Supplies	500.00		500.00	500.00	-
Total - Bilingual Education	51,084.00	(0.19)	51,083.81	50,230.40	853.41

(Continued)

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 112,000.00	\$ 13,989.00	\$ 125,989.00	\$ 114,422.80	\$ 11,566.20
Purchased Services	34,687.00	(7,025.00)	27,662.00	17,320.42	10,341.58
Supplies and Materials	7,000.00	2,220.50	9,220.50	6,521.00	2,699.50
Other Objects	10,500.00	4,968.50	15,468.50	11,568.50	3,900.00
Total - School Sponsored Cocurricular Activities - Instruction	164,187.00	14,153.00	178,340.00	149,832.72	28,507.28
School Sponsored Athletics - Instruction:					
Salaries	378,067.00	(3,585.58)	374,481.42	338,222.10	36,259.32
Purchased Services	62,200.00	(10,518.00)	51,682.00	50,531.31	1,150.69
Supplies and Materials	33,200.00	19,196.72	52,396.72	47,267.16	5,129.56
Other Objects	17,425.00	(128.00)	17,297.00	15,896.95	1,400.05
Total - School Sponsored Athletics - Instruction	490,892.00	4,965.14	495,857.14	451,917.52	43,939.62
Community Services Programs/Operations					
Supplies and Materials	1,000.00	-	1,000.00	460.00	540.00
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	172,171.00	(50,960.20)	121,220.80	107,817.93	13,402.87
Tuition to Other LEAs within the State - Special	7,200.00	54,213.57	61,413.57	58,177.87	3,235.70
Tuition to County Voc. School Dist. - Regular	193,778.00		193,778.00	193,778.00	
Tuition to CSSD & Reg. Day Schools	530,620.00	(178,498.37)	352,121.63	223,800.66	128,320.97
Tuition to Private School for the Disabled within State	1,311,143.00	10,940.13	1,322,083.13	1,126,807.47	195,275.66
Tuition to Private School for the Disabled & Other LEAs Outside State		14,928.00	14,928.00	14,928.00	
Tuition -- State Facilities	36,806.00		36,806.00	36,806.00	
Total - Undistributed Expenditures - Instruction	2,251,718.00	(149,366.87)	2,102,351.13	1,762,115.93	340,235.20
Total - Instruction	16,169,016.00	(146,286.15)	16,022,729.85	15,347,097.23	675,632.62

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 57,936.00	\$ (7,366.20)	\$ 50,569.80	\$ 41,998.62	\$ 8,571.18
Health Services:					
Salaries	299,229.00	(2,303.75)	296,925.25	292,405.00	4,520.25
Purchased Professional and Technical Services	29,419.00	18,026.31	47,445.31	47,445.31	
Supplies and Materials	4,780.00		4,780.00	4,653.98	126.02
Other Objects	200.00		200.00		200.00
Total - Health Services	333,628.00	15,722.56	349,350.56	344,504.29	4,846.27
Other Support Services - Students - Related Services:					
Salaries	343,872.00	(9,774.00)	334,098.00	334,098.00	
Purchased Professional - Educational Services	30,000.00	23,003.13	53,003.13	48,753.13	4,250.00
Supplies and Materials	2,531.00	(27.23)	2,503.77	2,131.09	372.68
Total - Other Support Services-Students-Related Services	376,403.00	13,201.90	389,604.90	384,982.22	4,622.68
Other Support Services - Students - Extra Services:					
Salaries	74,740.54		74,740.54	74,740.54	
Purchased Professional - Educational Services	181,000.00	(10,857.94)	170,142.06	163,193.31	6,948.75
Supplies and Materials		3,095.85	3,095.85	3,094.75	1.10
Total - Other Support Services - Students - Extra Services	181,000.00	66,978.45	247,978.45	241,028.60	6,949.85
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	554,192.00	(10,571.20)	543,620.80	543,620.80	
Salaries of Secretarial and Clerical Assistants	63,723.00	29.38	63,752.38	63,752.38	
Other Purchased Professional and Technical Services	725.00	8,821.60	9,546.60	9,546.60	
Supplies and Materials	3,100.00	21,517.27	24,617.27	21,949.80	2,667.47
Total - Other Support Services - Students - Regular	621,740.00	19,797.05	641,537.05	638,869.58	2,667.47
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	493,599.00	(67,870.17)	425,728.83	424,378.83	1,350.00
Salaries of Secretarial and Clerical Assistants	161,602.00	(4,962.43)	156,639.57	156,639.57	
Purchased Professional - Educational Services		8,568.94	8,568.94	8,568.94	
Travel		624.71	624.71	624.71	
Miscellaneous Purchased Services	1,700.00	(167.48)	1,532.52	1,415.00	117.52
Supplies and Materials	8,000.00	1,023.02	9,023.02	9,023.02	
Other Objects	984.00		984.00	820.00	164.00
Total - Other Support Services - Students - Special Services	665,885.00	(62,783.41)	603,101.59	601,470.07	1,631.52

(Continued)

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Contd):					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 286,030.00	\$ 16,902.64	\$ 302,932.64	\$ 296,740.87	\$ 6,191.77
Salaries of Secretarial and Clerical Assistants	42,436.00	663.00	43,099.00	42,849.00	250.00
Other Salaries	136,496.00	(93,813.32)	42,682.68	9,037.50	33,645.18
Salaries of Facilitators, Math & Literacy Coaches	1,960.00	19,066.12	19,066.12	19,066.12	
Purchased Professional - Educational Services	4,200.00	4,200.00	6,160.00	5,457.13	702.87
Other Purchased Services	500.00	340.00	840.00		840.00
Supplies and Materials	27,790.00	1,581.64	29,371.64	29,371.64	
Other Objects	5,200.00	(2,380.00)	2,820.00	2,630.10	189.90
Total - Improvement of Instruction Services	500,412.00	(53,439.92)	446,972.08	405,152.36	41,819.72
Educational Media Services/School Library:					
Salaries	175,389.00	(4,151.00)	171,238.00	171,238.00	
Other Purchased Services	7,230.00	(460.18)	6,769.82	6,037.00	732.82
Supplies and Materials	14,700.00	6,549.87	21,249.87	18,075.96	3,173.91
Total - Educational Media Services/School Library	197,319.00	1,938.69	199,257.69	195,350.96	3,906.73
Instructional Staff Training Services:					
Purchased Professional - Educational Services	2,500.00	4,012.00	6,512.00	6,512.00	
Other Purchased Services		555.00	555.00	554.99	0.01
Total - Instructional Staff Training Services	2,500.00	4,567.00	7,067.00	7,066.99	0.01
Support Services General Administration:					
Salaries	213,968.00	0.72	213,968.72	186,219.56	27,749.16
Legal Services	200,000.00	(45,991.56)	154,008.44	119,008.44	35,000.00
Audit Fees	35,000.00	(700.00)	34,300.00	34,300.00	
Architectural/Engineering Services	50,000.00	(15,050.59)	34,949.41	7,226.00	27,723.41
Other Purchased Professional Services	6,500.00	3,500.00	10,000.00	9,300.00	700.00
Communications/Telephone/ Postage	71,000.00	3,519.67	74,519.67	70,109.56	4,410.11
Travel		722.80	722.80		722.80
BOE Other Purchased Services	2,000.00	366.00	2,366.00	2,220.50	145.50
Other Purchased Services	30,388.00	1,356.85	31,744.85	31,744.85	
General Supplies	6,860.00	1,000.00	6,860.00	6,608.84	251.16
BOE In-House Training / Meeting Supplies	1,000.00	999.00	1,999.00	1,263.75	735.25
Miscellaneous Expenditures	4,100.00		4,100.00	2,112.05	1,987.95
BOE Membership Dues and Fees	11,500.00	(105.00)	11,395.00	11,213.80	181.20
Total - Support Services General Administration	631,316.00	(50,382.11)	580,933.89	481,327.35	99,606.54

(Continued)

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Contd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 576,371.00	\$ 107,421.65	\$ 683,792.65	\$ 683,792.65	
Salaries of Other Professional Staff	211,525.00	15,000.26	226,525.26	226,524.96	\$ 0.30
Salaries of Secretarial and Clerical Assistants	282,425.00	2,363.19	284,788.19	284,788.19	
Purchased Professional and Technical Services		20.00	20.00	20.00	
Other Purchased Services	16,350.00	(5,695.50)	10,654.50	9,014.50	1,640.00
Supplies and Materials	15,000.00	(1,539.58)	13,460.42	13,460.42	
Other Objects	13,200.00	(6,082.89)	7,117.11	7,117.11	
Total - Support Services School Administration	1,114,871.00	111,487.13	1,226,358.13	1,224,717.83	1,640.30
Central Services:					
Salaries	238,105.00	8,674.53	246,779.53	245,187.53	1,592.00
Purchased Professional Services		1,250.00	1,250.00	1,250.00	
Purchased Technical Services	65,000.00	(23,900.58)	41,099.42	28,826.80	12,272.62
Miscellaneous Purchased Services	900.00		900.00	900.00	
Supplies and Materials	6,000.00	2,246.00	8,246.00	7,995.45	250.55
Miscellaneous Expenditures	1,100.00	(246.00)	854.00	244.95	609.05
Total - Central Services	311,105.00	(11,976.05)	299,128.95	283,504.73	15,624.22
Administrative Information Technology:					
Salaries	245,367.00	(4,594.92)	240,772.08	234,326.89	6,445.19
Purchased Technical Services	405.00	4,595.00	5,000.00	4,999.98	0.02
Other Purchased Services	400.00		400.00	400.00	
Supplies and Materials	10,300.00		10,300.00	1,922.00	8,378.00
Total - Administrative Information Technology	256,472.00	0.08	256,472.08	241,248.87	15,223.21
Required Maintenance for School Facilities:					
Salaries	254,944.00	9,152.68	264,096.68	264,096.68	
Cleaning, Repair & Maintenance Services	151,000.00	563,275.35	714,275.35	387,399.37	326,875.98
General Supplies	119,000.00	(71,137.62)	47,862.38	42,537.38	5,325.00
Total - Required Maintenance for School Facilities	524,944.00	501,290.41	1,026,234.41	694,033.43	332,200.98

(Continued)

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Contd):					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 1,005,679.00	\$ (205,930.27)	\$ 799,748.73	799,748.73	
Salaries of Non-Instructional Aides		9.28	9.28	9.28	
Purchased Professional and Technical Services	65,174.00	42,693.20	107,867.20	84,770.18	\$ 23,097.02
Cleaning, Repair and Maintenance Services	129,000.00	(42,023.18)	86,976.82	86,976.82	
Other Purchased Property Services	104,000.00	(39,486.60)	64,513.40	64,513.40	
Insurance	201,471.00	(31,887.00)	169,584.00	169,584.00	
Miscellaneous Purchased Services	900.00	2,860.45	3,760.45	3,760.45	
General Supplies	143,000.00	84,485.28	227,485.28	194,077.06	33,408.22
Energy (Natural Gas)	300,000.00	(189,617.36)	110,382.64	110,382.64	
Energy (Electricity)	560,000.00	(134,623.65)	425,376.35	425,376.35	
Other Objects		185.00	185.00	185.00	
ESIP Interest Payment	162,025.00		162,025.00	162,025.00	
ESIP Principal Payment	270,000.00		270,000.00	270,000.00	
Total - Other Operation and Maintenance of Plant Services	2,941,249.00	(513,334.85)	2,427,914.15	2,371,408.91	56,505.24
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	180,616.00	(22,521.99)	158,094.01	158,094.01	
Purchased Professional and Technical Services		1,565.36	1,565.36	1,565.36	
Cleaning, Repair and Maintenance Services		1,856.31	1,856.31	1,856.31	
General Supplies		25,662.93	25,662.93	25,662.93	
Total - Care & Upkeep of Grounds	180,616.00	6,562.61	187,178.61	187,178.61	-
Undistributed Expenditures - Security					
Salaries	105,108.00	(31,178.11)	73,929.89	73,929.89	
Purchased Professional and Technical Services		103,984.50	103,984.50	86,736.00	17,248.50
General Supplies		27,047.20	27,047.20	27,047.20	
Total - Security	105,108.00	99,853.59	204,961.59	187,713.09	17,248.50

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Contd):					
Student Transportation Services:					
Salaries of Non-Instructional Aids	\$ 56,965.00	\$ (9,719.83)	\$ 47,245.17	\$ 34,810.18	\$ 12,434.99
Salaries for Pupil Transportation (Between Home & School) - Regular	58,778.00	(3,139.93)	55,638.07	56,638.07	
Salaries for Pupil Transportation (Between Home & School) - Special Education	165,968.00	(38,880.36)	127,087.64	127,087.64	
Management Fee - ESC & CTSA Transportation Program	20,000.00	(2,560.00)	17,440.00	10,000.00	7,440.00
Other Purchased Professional and Technical Services	300.00		300.00	300.00	
Cleaning, Repair and Maintenance Services	4,000.00		4,000.00	2,251.45	1,748.55
Lease Purchase Payments - School Buses	20,000.00	(7,440.00)	12,560.00	12,091.22	468.78
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	67,184.00	(817.70)	66,366.30	66,366.30	
Contracted Services (Between Home & School) - Vendors	423,315.00	34,010.17	457,325.17	457,325.17	
Contracted Services (Other Than Between Home & School) - Vendors	74,700.00	(60,790.34)	13,909.66	10,064.68	3,844.98
Contracted Services (Between Home & School) - Joint Agreements		25,723.89	25,723.89	19,787.89	5,936.00
Contracted Services (Special Education Students) - Vendors	22,000.00	(19,300.00)	2,700.00	2,700.00	
Contracted Services (Special Education Students) - Joint Agreements	13,000.00	(13,000.00)			
Contracted Services (Regular Education Students) - Joint Agreements		47,836.11	47,836.11	25,160.00	22,676.11
Contracted Services (Regular Education Students) - ESCs & CTSA	360,000.00	172,302.06	532,302.06	515,326.09	16,975.97
Contracted Services (Special Education Students) - ESCs & CTSA	4,100.00	752.25	4,852.25	4,852.25	
Miscellaneous Purchased Services - Transportation	1,200.00		1,200.00	1,172.96	27.04
General Supplies	41,000.00		41,000.00	22,562.51	18,437.49
Transportation Supplies	500.00		500.00	250.00	250.00
Other Objects					
Total - Student Transportation Services	1,333,010.00	124,976.32	1,457,986.32	1,367,446.41	90,539.91
Unallocated Benefits - Employee Benefits:					
Group Insurance					
Social Security Contributions	509,297.39	55,900.00	55,900.00	19,796.40	36,103.60
TPAF Contributions - ERIP	70,000.00	(34,219.99)	475,077.40	385,459.18	89,618.22
Other Retirement Contributions - PERS	450,000.00	6,435.00	76,435.00	56,607.80	19,827.20
Other Retirement Contributions - ERIP	2,100.00	10,495.53	460,495.53	388,913.47	71,582.06
Unemployment Compensation	150,000.00		2,100.00	2,028.00	72.00
Workers Compensation	250,000.00	(100,000.00)	50,000.00		50,000.00
Health Benefits	4,596,727.00	12,000.00	262,000.00	261,202.00	798.00
Tuition Reimbursements	70,000.00	(188,032.98)	4,408,694.02	4,143,595.98	265,098.04
Other Employee Benefits	70,000.00		70,000.00	46,302.28	23,697.72
Unused Sick Payment to Terminated/Retired Staff	357,600.00	(144,942.11)	212,657.89	201,629.16	11,028.73
		201,831.25	201,831.25	201,831.25	
Total - Unallocated Benefits - Employee Benefits	6,455,724.39	(180,533.30)	6,275,191.09	5,707,365.52	567,825.57

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Contd):					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 1,059,576.00	\$ (1,059,576.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				52,781.00	(52,781.00)
On-behalf TPAF Medical Contributions (non-budgeted)				1,324,510.00	(1,324,510.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,010,774.30	(1,010,774.30)
Total TPAF Contributions	-	-	-	3,447,641.30	(3,447,641.30)
Total Undistributed Expenses	\$ 16,791,238.39	\$ 86,559.95	\$ 16,877,798.34	19,054,009.74	(2,176,211.40)
Total Expenditures - Current Expense	32,960,254.39	(59,726.20)	32,900,528.19	34,401,106.97	(1,500,578.78)
CAPITAL OUTLAY:					
Capital Reserve	1,401,266.00	(1,401,266.00)	-	-	-
Transfer to Capital Projects					
Equipment:					
Grades 9-12		15,778.72	15,778.72	15,778.72	
School-Sponsored and Other Instructional Program		29,936.55	29,936.55	29,936.55	29,936.55
Undistributed Expenditures - Admin Info Tech.		8,658.12	8,658.12	8,658.12	
Undistributed Expended - Custodial Services		38,064.00	38,064.00	35,531.34	2,532.66
Undistributed Expended - Care and Upkeep of Grounds		26,338.00	26,338.00	26,338.00	
Total - Equipment	-	118,775.39	118,775.39	86,306.18	32,469.21
Facilities Acquisition and Construction Services:					
Supplies and Material	21,000.00		21,000.00	20,395.00	605.00
Construction services	463,336.20	511,890.61	511,890.61	57,110.00	454,780.61
Infrastructure	8,383.00	4,050.00	467,386.20	61,659.95	405,726.25
Assessment for Debt Service on SDA Funding			8,383.00	8,383.00	
Total - Facilities Acquisition and Construction Services	492,719.20	515,940.61	1,008,659.81	147,547.95	861,111.86
Total Capital Outlay	1,893,985.20	(766,550.00)	1,127,435.20	233,854.13	893,581.07

PINE HILL BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
Transfer of Funds to Charter Schools	\$ 133,943.00	\$ 121,157.00	\$ 255,100.00	\$ 255,100.00	\$ -
Total Expenditures	<u>34,988,182.59</u>	<u>(705,119.20)</u>	<u>34,283,063.39</u>	<u>34,890,061.10</u>	<u>\$ (606,997.71)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,687,581.59)</u>	<u>787,822.32</u>	<u>(1,899,759.27)</u>	<u>1,270,503.50</u>	<u>3,170,262.77</u>
Other Financing Sources (Uses):					
Transfers in from Parent Saver Program				25,463.82	(25,463.82)
Capital Reserve Transferred to Capital Projects		(770,600.00)	(770,600.00)	(770,600.00)	
Transfers out to Unemployment Fund		<u>(40,000.00)</u>	<u>(40,000.00)</u>	<u>(40,000.00)</u>	
Total - Other Financing Sources (Uses)	<u>-</u>	<u>(810,600.00)</u>	<u>(810,600.00)</u>	<u>(785,136.18)</u>	<u>(25,463.82)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,687,581.59)</u>	<u>(22,777.68)</u>	<u>(2,710,359.27)</u>	<u>485,367.32</u>	<u>3,195,726.59</u>
Fund Balances, July 1	<u>4,259,652.85</u>	<u>-</u>	<u>4,259,652.85</u>	<u>4,259,652.85</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,572,071.26</u>	<u>\$ (22,777.68)</u>	<u>\$ 1,549,293.58</u>	<u>\$ 4,745,020.17</u>	<u>\$ 3,195,726.59</u>

Recapitulation:

Restricted Fund Balance:	
Excess Surplus	\$ 166,294.97
Capital Reserve	40,297.33
Maintenance Reserve	1,600,933.35
Assigned Fund Balance:	
Other Purposes	1,382,721.35
Designated for Subsequent Years Expenditures	816,629.00
SEMI Cost Settlement 7/1/13 - 6/30/14 Designated for Subsequent Year's Expenditures	25,862.29
Unassigned Fund Balance	<u>712,281.88</u>
	4,745,020.17
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(1,586,891.10)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,158,129.07</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	\$ 33,770.08	\$ 33,770.08	\$ 22,775.20	\$ 10,994.88
State Sources:					
Preschool Education Aid	\$ 267,030.80	\$ -	\$ 267,030.80	\$ 234,949.77	\$ 32,081.03
Federal Sources:					
Title I	478,460.00	86,037.00	564,497.00	501,468.25	63,028.75
Title II Part A	41,578.00	6,125.00	47,703.00	47,703.00	
Title III	5,218.00	(5,218.00)			
I.D.E.A., Part B Basic	364,171.00	95,984.11	460,155.11	460,155.11	
I.D.E.A., Part B, Preschool Incentive		25,003.00	25,003.00	25,003.00	
Total - Federal Sources	889,427.00	207,931.11	1,097,358.11	1,034,329.36	63,028.75
Total Revenues	\$ 1,156,457.80	\$ 241,701.19	\$ 1,398,158.99	\$ 1,292,054.33	\$ 106,104.66
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 478,344.20	\$ 108,060.80	\$ 586,405.00	\$ 565,463.00	\$ 20,942.00
Other Salaries for Instruction	47,006.15	710.15	47,716.30	47,716.30	
Purchased Professional & Technical Services		8,666.00	8,666.00	400.00	8,266.00
Other Purchased Services		317.68	317.68	317.68	
Tuition	348,178.24	71,283.87	419,462.11	419,462.11	
General Supplies	53,654.85	60,235.55	113,890.40	76,213.10	37,677.30
Total Instruction	927,183.44	249,274.05	1,176,457.49	1,109,572.19	66,885.30
Support Services:					
Salaries of Supervisors of Instruction	81,115.98	(69,263.98)	11,852.00		11,852.00
Salaries of Other Professional Staff	31,029.55	(28,295.34)	2,734.21		2,734.21
Salaries of Secretarial and Clerical Assistants	8,815.80	0.20	8,816.00		8,816.00
Other Salaries	21,852.00	(21,852.00)			
Personal Services - Employee Benefits	37,414.00	102,510.29	139,924.29	134,781.80	5,142.49
Purchased Professional Technical Service	9,678.59	(3,078.59)	6,600.00	600.00	6,000.00
Cleaning, Repair & Maintenance Services	10,000.00	(10,000.00)			
Other Purchased Services	7,766.43	3,733.57	11,500.00	8,433.00	3,067.00
Transportation Other than Bet Home & School		1,000.00	1,000.00	1,000.00	
Supplies and Materials	21,602.01	1,859.99	23,462.00	21,854.34	1,607.66
Total Support Services	229,274.36	(23,385.86)	205,888.50	166,669.14	39,219.36
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	15,813.00	15,813.00	15,813.00	-
Total Expenditures	\$ 1,156,457.80	\$ 241,701.19	\$ 1,398,158.99	\$ 1,292,054.33	\$ 106,104.66

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 36,160,564.60	\$ 1,292,054.33
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(24,854.85)
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		20,718.11
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2015.	1,597,894.80	22,145.20
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2016.	<u>(1,586,891.10)</u>	<u>(24,517.90)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 36,171,568.30</u>	<u>\$ 1,285,544.89</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 34,890,061.10	\$ 1,292,054.33
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>(24,854.85)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 34,890,061.10</u>	<u>\$ 1,267,199.48</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0444215275%	0.0449773759%	0.0455259852%
School District's Proportionate Share of the Net Pension Liability	\$ 9,971,743.00	\$ 8,420,995.00	\$ 8,700,920.00
School District's Covered Payroll (Plan Measurement Period)	\$ 3,106,124.00	\$ 3,264,788.00	\$ 3,279,480.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	321.03%	257.93%	265.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 375,448.00	\$ 381,906.00	\$ 370,787.00
Contributions in Relation to the Contractually Required Contribution	<u>(375,448.00)</u>	<u>(381,906.00)</u>	<u>(370,787.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,810,170.00	\$ 2,855,519.00	\$ 3,011,121.00
Contributions as a Percentage of School District's Covered Payroll	13.36%	13.37%	12.31%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Three Fiscal Years

	Measurement Date Ending June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	-	-	-
State's Proportionate Share of the School District's Net Pension Liability	<u>\$ 93,953,229.00</u>	<u>\$ 80,661,319.00</u>	<u>\$ 79,096,752.00</u>
	<u><u>\$ 93,953,229.00</u></u>	<u><u>\$ 80,661,319.00</u></u>	<u><u>\$ 79,096,752.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 16,600,632.00	\$ 17,514,144.00	\$ 17,285,724.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	565.96%	460.55%	457.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

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

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	N.C.L.B.			I.D.E.A. Part B		Total Brought Forward
	Total	Title I	Title II Part A	Basic	Preschool	
REVENUES:						
Federal Sources	\$ 1,034,329.36	\$ 501,468.25	\$ 47,703.00	\$ 460,155.11	\$ 25,003.00	\$ 234,949.77
State Sources	234,949.77					22,775.20
Local Sources	22,775.20					
Total Revenues	\$ 1,292,054.33	\$ 501,468.25	\$ 47,703.00	\$ 460,155.11	\$ 25,003.00	\$ 257,724.97
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 565,463.00	\$ 389,106.00	\$ 37,859.00			\$ 138,498.00
Other Salaries for Instruction	47,716.30					47,716.30
Purchased Professional & Technical Services	400.00					400.00
Other Purchased Services	317.68					317.68
Tuition	419,462.11	9,951.40		\$ 419,462.11		
General Supplies	76,213.10			24,693.00	19,190.00	22,378.70
Total Instruction	1,109,572.19	399,057.40	37,859.00	444,155.11	19,190.00	209,310.68
Support Services:						
Personal Services - Employee Benefits	134,781.80	87,523.51	9,844.00			37,414.29
Purchased Professional Technical Services	600.00	600.00				
Other Purchased Services	8,433.00	8,433.00				
Transportation Other than Bet Home & School	1,000.00					1,000.00
Supplies and Materials	21,854.34	5,854.34		16,000.00		
Total Support Services	166,669.14	102,410.85	9,844.00	16,000.00	-	38,414.29
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment	15,813.00	-	-	-	5,813.00	10,000.00
Total Expenditures	\$ 1,292,054.33	\$ 501,468.25	\$ 47,703.00	\$ 460,155.11	\$ 25,003.00	\$ 257,724.97

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	Total Carried Forward	Preschool Education Aid	Fuel Up 60 Grant	OHS Sumner Grant	Rupp Grant	Total Brought Forward
REVENUES:						
Federal Sources	\$ 234,949.77	\$ 234,949.77	\$ 59.60	\$ 18,844.95	\$ 500.00	\$ 3,370.65
State Sources	22,775.20					
Local Sources						
Total Revenues	\$ 257,724.97	\$ 234,949.77	\$ 59.60	\$ 18,844.95	\$ 500.00	\$ 3,370.65
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 138,498.00	\$ 138,498.00				
Other Salaries for Instruction	47,716.30	47,716.30				
Purchased Professional & Technical Services	400.00	400.00				
Other Purchased Services	317.68					\$ 317.68
Tuition						
General Supplies	22,378.70	921.18	59.60	18,844.95	500.00	2,052.97
Total Instruction	209,310.68	187,535.48	59.60	18,844.95	500.00	2,370.65
Support Services:						
Personal Services - Employee Benefits	37,414.29	37,414.29				
Purchased Professional Technical Services						
Other Purchased Services						
Transportation Other than Bet Home & School Supplies and Materials	1,000.00					1,000.00
Total Support Services	38,414.29	37,414.29	-	-	-	1,000.00
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment	10,000.00	10,000.00	-	-	-	-
Total Expenditures	\$ 257,724.97	\$ 234,949.77	\$ 59.60	\$ 18,844.95	\$ 500.00	\$ 3,370.65

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	Total Carried Forward	Philadelphia Zoo Grant	Energy for the Arts Grant	NCAA Grant	Library Grant
REVENUES:					
Federal Sources					
State Sources					
Local Sources					
Total Revenues	\$ 3,370.65	\$ 127.41	\$ 190.27	\$ 2,100.00	\$ 952.97
	\$ 3,370.65	\$ 127.41	\$ 190.27	\$ 2,100.00	\$ 952.97
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction					
Purchased Professional & Technical Services					
Other Purchased Services	\$ 317.68	\$ 127.41	\$ 190.27		
Tuition					
General Supplies	2,052.97			\$ 1,100.00	\$ 952.97
Total Instruction	2,370.65	127.41	190.27	1,100.00	952.97
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional Technical Services					
Other Purchased Services				1,000.00	
Transportation Other than Bet Home & School Supplies and Materials	1,000.00				
Total Support Services	1,000.00	-	-	1,000.00	-
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	-	-	-	-
Total Expenditures	\$ 3,370.65	\$ 127.41	\$ 190.27	\$ 2,100.00	\$ 952.97

PINE HILL BOROUGH SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 138,498.00	\$ 138,498.00	
Other Salaries for Instruction	47,716.30	47,716.30	
Purchased Professional - Technical Services	400.00	400.00	
General Supplies	<u>9,600.00</u>	<u>921.18</u>	<u>\$ 8,678.82</u>
Total Instruction	<u>196,214.30</u>	<u>187,535.48</u>	<u>8,678.82</u>
Support Services:			
Salaries of Supervisors of Instruction	11,852.00		11,852.00
Salaries of Other Professional Staff	2,734.21		2,734.21
Salaries of Secretarial and Clerical Assistants	8,816.00		8,816.00
Personal Services - Employee Benefits	<u>37,414.29</u>	<u>37,414.29</u>	
Total Support Services	<u>60,816.50</u>	<u>37,414.29</u>	<u>23,402.21</u>
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
Total Expenditures	<u><u>\$ 267,030.80</u></u>	<u><u>\$ 234,949.77</u></u>	<u><u>\$ 32,081.03</u></u>

Calculation of Budget and Carryover

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 245,179.00
Add: Actual ECPA Carryover (June 30, 2015)	21,851.80
Add: Budgeted Transfer from the General Fund 2015-16	<u>-</u>
Total Preschool Education Aid Funds Available for 2015-16 Budget	267,030.80
Less: 2015-16 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(267,030.80)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016	-
Add: 2015-2016 Unexpended Preschool Education Aid	32,081.03
Less: 2015-2016 Commissioner Approved Transfer to General Fund	<u>-</u>
2015-2016 Carryover -- Preschool Education Aid	<u><u>\$ 32,081.03</u></u>
2015-2016 Preschool Education Aid Carryover Budgeted in 2016-2017	<u><u>-</u></u>

CAPITAL PROJECTS FUND

PINE HILL BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2016

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2016
			Prior Years	Current Year	
Energy Savings Improvement Program - Energy Projects - Middle School	12/15/2012	\$ 972,323.00	\$ 937,436.34	\$	34,886.66
Energy Savings Improvement Program - Energy Projects - Albert Bean	12/15/2012	845,222.00	814,895.69		30,326.31
Energy Savings Improvement Program - Energy Projects - John Glenn	12/15/2012	1,393,235.00	1,343,246.15		49,988.85
Energy Savings Improvement Program - Energy Projects - High School	12/15/2012	3,463,502.43	3,331,181.60		132,320.83
Overbrook High School Roof Replacement	7/1/2015	795,926.00	\$	72,171.06	723,754.94
Albert Bean Roof Replacement	7/1/2015	172,362.25		154,576.42	17,785.83
John Glenn Roof Replacement	7/1/2015	267,882.75		221,839.16	46,043.59
Overbrook High School Dry Well	7/1/2015	378,000.00		27,919.00	350,081.00
Overbrook High School Security Upgrades	7/1/2015	190,750.00		11,660.00	179,090.00
John Glenn Security Upgrades	7/1/2015	254,253.00		14,940.00	239,313.00
Middle School Security Upgrades	7/1/2015	132,767.00		6,280.00	126,487.00
Total		\$ 8,866,223.43	\$ 6,426,759.78	\$ 509,385.64	\$ 1,930,078.01
Reconciliation to Governmental Funds Statements (GAAP):					
Unexpended Balance as of June 30, 2016					\$ 1,930,078.01
SDA Grant Revenue Not Recognized on GAAP Basis					(1,199,715.42)
Fund Balance per Governmental Funds (GAAP)					\$ 730,362.59

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2016

Revenues and Other Financing Sources		
State Sources--EDA Grant	\$ 1,421,341.00	
Bond Proceeds and Transfers		
Rebates		
Transfer from Capital Reserve	<u>770,600.00</u>	
 Total Revenues		 <u>\$ 2,191,941.00</u>
Expenditures and Other Financing Uses		
Expenditures:		
Legal Services	510.00	
Other Purchased Professional and Technical Services	121,499.87	
Construction Services	<u>387,375.77</u>	
 Total Expenditures		 <u>509,385.64</u>
Other Financing Uses:		
Cancellation of SDA Grant		
Transfer to General Fund -- Capital Reserve		
 Total Other Financing Uses		 <u>-</u>
 Total Expenditures and Other Financing Uses		 <u>509,385.64</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures		 1,682,555.36
 Fund Balance -- July 1		 <u>247,522.65</u>
 Fund Balance -- June 30		 <u>\$ 1,930,078.01</u>
 Reconciliation to Governmental Funds Statements (GAAP):		
Fund Balance as of June 30, 2016		\$ 1,930,078.01
SDA Grant Revenue Not Recognized on GAAP Basis		<u>(1,199,715.42)</u>
 Fund Balance per Governmental Funds (GAAP)		 <u>\$ 730,362.59</u>

Note: For F-2 Exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - Middle School
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 972,323.00		\$ 972,323.00	\$ 972,323.00
Total Revenues	<u>972,323.00</u>	<u>-</u>	<u>972,323.00</u>	<u>972,323.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	14,221.37		14,221.37	14,221.37
Construction Services	923,214.97		923,214.97	958,101.63
Total Expenditures	<u>937,436.34</u>	<u>-</u>	<u>937,436.34</u>	<u>972,323.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 34,886.66</u>	<u>-</u>	<u>\$ 34,886.66</u>	<u>-</u>
Encumbered			\$ 34,513.56	
Designated for Subsequent Years Expenditures			<u>373.10</u>	
			<u>\$ 34,886.66</u>	

Additional Project Information:

Project Number	4110-100-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 972,323.00
Bonds Issued	\$ 972,323.00
Original Authorized Cost	\$ 972,323.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2017

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - Albert Bean
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 845,222.00	_____	\$ 845,222.00	\$ 845,222.00
Total Revenues	<u>845,222.00</u>	<u>-</u>	<u>845,222.00</u>	<u>845,222.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	12,362.37	_____	12,362.37	12,362.37
Construction Services	802,533.32	_____	802,533.32	832,859.63
Total Expenditures	<u>814,895.69</u>	<u>-</u>	<u>814,895.69</u>	<u>845,222.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 30,326.31</u>	<u>-</u>	<u>\$ 30,326.31</u>	<u>-</u>
Encumbered			\$ 30,001.98	
Designated for Subsequent Years Expenditures			<u>324.33</u>	
			<u>\$ 30,326.31</u>	

Additional Project Information:

Project Number	4110-060-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 845,222.00
Bonds Issued	\$ 845,222.00
Original Authorized Cost	\$ 845,222.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2017

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - John Glenn
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 1,393,235.00		\$ 1,393,235.00	\$ 1,393,235.00
Total Revenues	<u>1,393,235.00</u>	<u>-</u>	<u>1,393,235.00</u>	<u>1,393,235.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	20,377.71		20,377.71	20,377.71
Construction Services	1,322,868.44		1,322,868.44	1,372,857.29
Total Expenditures	<u>1,343,246.15</u>	<u>-</u>	<u>1,343,246.15</u>	<u>1,393,235.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 49,988.85</u>	<u>-</u>	<u>\$ 49,988.85</u>	<u>-</u>
Encumbered			\$ 49,454.23	
Designated for Subsequent Years Expenditures			<u>534.62</u>	
			<u>\$ 49,988.85</u>	

Additional Project Information:

Project Number	4110-070-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 1,393,235.00
Bonds Issued	\$ 1,393,235.00
Original Authorized Cost	\$ 1,393,235.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2017

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - High School
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 3,463,502.43		\$ 3,463,502.43	\$ 3,463,502.43
Rebates	7,963.50		7,963.50	7,963.50
	<u>3,471,465.93</u>	<u>-</u>	<u>3,471,465.93</u>	<u>3,471,465.93</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	50,653.70		50,653.70	50,653.70
Construction Services	3,288,491.40		3,288,491.40	3,420,812.23
	<u>3,339,145.10</u>	<u>-</u>	<u>3,339,145.10</u>	<u>3,471,465.93</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 132,320.83</u>	<u>-</u>	<u>\$ 132,320.83</u>	<u>-</u>
Encumbered			\$ 123,028.28	
Designated for Subsequent Years Expenditures			<u>9,292.55</u>	
			<u>\$ 132,320.83</u>	

Additional Project Information:

Project Number	4110-100-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 3,471,465.93
Bonds Issued	\$ 3,471,465.93
Original Authorized Cost	\$ 3,471,465.93
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.19%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2017

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 516,117.00	\$ 516,117.00	\$ 516,117.00
Transfer from Capital Reserve		279,809.00	279,809.00	279,809.00
Total Revenues	-	795,926.00	795,926.00	795,926.00
Expenditures and Other Financing Uses				
Legal Services		442.00	442.00	1,000.00
Other Purchased Professional and Technical Services		44,492.90	44,492.90	47,500.00
Construction Services		27,236.16	27,236.16	747,426.00
Total Expenditures	-	72,171.06	72,171.06	795,926.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 723,754.94	\$ 723,754.94	-
Encumbered			\$ 605,067.84	
Designated for Subsequent Years Expenditures			118,687.10	
			<u>\$ 723,754.94</u>	

Additional Project Information:

Project Number	4110-100-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 795,926.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 795,926.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	9.07%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Albert Bean Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 111,760.00	\$ 111,760.00	\$ 111,760.00
Transfer from Capital Reserve		60,602.25	60,602.25	60,602.25
Total Revenues	-	172,362.25	172,362.25	172,362.25
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		7,590.28	7,590.28	12,000.00
Construction Services		146,986.14	146,986.14	160,362.25
Total Expenditures	-	154,576.42	154,576.42	172,362.25
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 17,785.83	\$ 17,785.83	-
Encumbered			\$ 13,376.11	
Designated for Subsequent Years Expenditures			4,409.72	
			\$ 17,785.83	

Additional Project Information:

Project Number	4110-060-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,362.25
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,362.25
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	89.68%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 John Glenn Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 173,695.00	\$ 173,695.00	\$ 173,695.00
Transfer from Capital Reserve		94,187.75	94,187.75	94,187.75
Total Revenues	-	267,882.75	267,882.75	267,882.75
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		8,685.69	8,685.69	13,000.00
Construction Services		213,153.47	213,153.47	254,882.75
Total Expenditures	-	221,839.16	221,839.16	267,882.75
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 46,043.59	\$ 46,043.59	-
Encumbered			\$ 36,734.28	
Designated for Subsequent Years Expenditures			9,309.31	
			\$ 46,043.59	

Additional Project Information:

Project Number	4110-070-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 267,882.75
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 267,882.75
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	82.81%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Dry Well
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 245,114.00	\$ 245,114.00	\$ 245,114.00
Transfer from Capital Reserve		132,886.00	132,886.00	132,886.00
Total Revenues	-	378,000.00	378,000.00	378,000.00
Expenditures and Other Financing Uses				
Legal Services		68.00	68.00	1,000.00
Other Purchased Professional and Technical Services		27,851.00	27,851.00	29,000.00
Construction Services				348,000.00
Total Expenditures	-	27,919.00	27,919.00	378,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 350,081.00	\$ 350,081.00	-
Encumbered			\$ 333,445.00	
Designated for Subsequent Years Expenditures			16,636.00	
			\$ 350,081.00	

Additional Project Information:

Project Number	4110-010-14-1006-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 378,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 378,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	7.39%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 123,692.00	\$ 123,692.00	\$ 123,692.00
Transfer from Capital Reserve		67,058.00	67,058.00	67,058.00
Total Revenues	-	190,750.00	190,750.00	190,750.00
Expenditures and Other Financing Uses				
Legal Services				500.00
Other Purchased Professional and Technical Services		11,660.00	11,660.00	14,200.00
Construction Services				176,050.00
Total Expenditures	-	11,660.00	11,660.00	190,750.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 179,090.00	\$ 179,090.00	-
			\$ 146,293.00	
Encumbered			32,797.00	
Designated for Subsequent Years Expenditures				
			\$ 179,090.00	

Additional Project Information:

Project Number	4110-010-14-1010-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 190,750.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 190,750.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	6.11%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 John Glenn Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 164,870.00	\$ 164,870.00	\$ 164,870.00
Transfer from Capital Reserve		89,383.00	89,383.00	89,383.00
Total Revenues	-	254,253.00	254,253.00	254,253.00
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		14,940.00	14,940.00	18,460.00
Construction Services				235,793.00
Total Expenditures	-	14,940.00	14,940.00	254,253.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 239,313.00	\$ 239,313.00	-
Encumbered			\$ 184,308.00	
Designated for Subsequent Years Expenditures			55,005.00	
			<u>\$ 239,313.00</u>	

Additional Project Information:

Project Number	4110-070-14-1012-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 254,253.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 254,253.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	5.88%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Pine Hill Middle School Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources		\$ 86,093.00	\$ 86,093.00	\$ 86,093.00
Transfer from Capital Reserve		46,674.00	46,674.00	46,674.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	132,767.00	132,767.00	132,767.00
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		6,280.00	6,280.00	9,100.00
Construction Services				123,667.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	6,280.00	6,280.00	132,767.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	\$ 126,487.00	\$ 126,487.00	-
Encumbered			\$ 78,075.00	
Designated for Subsequent Years Expenditures			48,412.00	
			<hr/>	
			\$ 126,487.00	
			<hr/>	

Additional Project Information:

Project Number	4110-100-14-1013-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 132,767.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 132,767.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	4.73%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2016

PROPRIETARY FUNDS

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2016

	<u>Food Service</u>	<u>Parent Saver Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 169,815.05		\$ 169,815.05
Accounts Receivable:			
State	315.67		315.67
Federal	20,438.48		20,438.48
Other	4,238.91		4,238.91
Inventories	11,974.09		11,974.09
Total Current Assets	206,782.20	-	206,782.20
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	775,970.00		775,970.00
Less Accumulated Depreciation	(693,065.46)		(693,065.46)
Total Noncurrent Assets	82,904.54	-	82,904.54
Total Assets	289,686.74	-	289,686.74
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund	9,206.84		9,206.84
Unearned Revenue	6,714.75		6,714.75
Total Liabilities	15,921.59	-	15,921.59
NET POSITION:			
Net Investment in Capital Assets	82,904.54		82,904.54
Unrestricted	190,860.61		190,860.61
Total Net Position	\$ 273,765.15	-	\$ 273,765.15

BOROUGH OF PINE HILL SCHOOL DISTRICT

Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Parent Saver Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 165,431.91		\$ 165,431.91
School Breakfast Program	13,780.64		13,780.64
Special Milk Program	800.50		800.50
Daily Sales - Non-Reimbursable Programs	134,368.39		134,368.39
Special Functions	11,619.00		11,619.00
Program Fees		\$ 1,009.88	1,009.88
Total Operating Revenues	<u>326,000.44</u>	<u>1,009.88</u>	<u>327,010.32</u>
OPERATING EXPENSES:			
Salaries	306,325.21		306,325.21
Employee Benefits	81,338.41		81,338.41
Management Fee	43,377.26		43,377.26
General Supplies	39,637.94		39,637.94
Depreciation	20,867.98		20,867.98
Cleaning, Repairs & Maintenance Services	11,118.39		11,118.39
Other Purchased Services	25,775.22	3,000.00	28,775.22
Cost of Sales - Reimbursable Programs	392,149.72		392,149.72
Cost of Sales - Non-Reimbursable Programs	65,963.96		65,963.96
Miscellaneous	431.15	57,433.94	57,865.09
Total Operating Expenses	<u>986,985.24</u>	<u>60,433.94</u>	<u>1,047,419.18</u>
Operating Income / (Loss)	<u>(660,984.80)</u>	<u>(59,424.06)</u>	<u>(720,408.86)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	10,391.44		10,391.44
Federal Sources:			
National School Lunch Program	434,052.51		434,052.51
After School Snack Program	31,761.24		31,761.24
National School Breakfast Program	115,884.50		115,884.50
Special Milk Program	760.22		760.22
Food Distribution Program	95,018.72		95,018.72
Interest Revenue	94.06	63.58	157.64
Total Nonoperating Revenues (Expenses)	<u>687,962.69</u>	<u>63.58</u>	<u>688,026.27</u>
Income (Loss) before Contributions and Transfers	<u>26,977.89</u>	<u>(59,360.48)</u>	<u>(32,382.59)</u>
Transfers Out -- General Fund	<u>-</u>	<u>(25,463.82)</u>	<u>(25,463.82)</u>
Change in Net Position	26,977.89	(84,824.30)	(57,846.41)
Net Position -- July 1	<u>246,787.26</u>	<u>84,824.30</u>	<u>331,611.56</u>
Net Position -- June 30	<u>\$ 273,765.15</u>	<u>-</u>	<u>\$ 273,765.15</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Parent Saver Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 325,907.72	\$ 1,009.88	\$ 326,917.60
Payments to Employees	(306,325.21)		(306,325.21)
Payments for Employee Benefits	(81,338.41)		(81,338.41)
Payments for Supplies and Services	<u>(580,387.57)</u>	<u>(60,433.94)</u>	<u>(640,821.51)</u>
Net Cash Provided by (used for) Operating Activities	<u>(642,143.47)</u>	<u>(59,424.06)</u>	<u>(701,567.53)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	10,658.11		10,658.11
Federal Sources	693,246.33		693,246.33
Operating Subsidies and Transfers	<u>7,546.65</u>	<u>(141,994.43)</u>	<u>(134,447.78)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>711,451.09</u>	<u>(141,994.43)</u>	<u>569,456.66</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	<u>94.06</u>	<u>63.58</u>	<u>157.64</u>
Net Increase (Decrease) in Cash and Cash Equivalents	69,401.68	(201,354.91)	(131,953.23)
Cash and Cash Equivalents -- July 1	<u>100,413.37</u>	<u>201,354.91</u>	<u>301,768.28</u>
Cash and Equivalents -- June 30	<u>\$ 169,815.05</u>	<u>-</u>	<u>\$ 169,815.05</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (660,984.80)	\$ (59,424.06)	\$ (720,408.86)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	20,867.98		20,867.98
(Increase) Decrease in Inventories	(1,933.93)		(1,933.93)
Increase (Decrease) in Unearned Revenue	136.84		136.84
(Increase) Decrease in Accounts Receivable	<u>(229.56)</u>		<u>(229.56)</u>
Total Adjustments	<u>18,841.33</u>	<u>-</u>	<u>18,841.33</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (642,143.47)</u>	<u>\$ (59,424.06)</u>	<u>\$ (701,567.53)</u>

FIDUCIARY FUNDS

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Private Purpose Trust Fund	Agency Funds		Total
	Unemployment Compensation Trust	Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 39,087.08	\$ 193,674.48	\$ 51,653.75	\$ 284,415.31
Accounts Receivable:				
Interfund Accounts Receivable:				
Due Unemployment Fund	-	-	3,472.96	3,472.96
Total Assets	<u>39,087.08</u>	<u>\$ 193,674.48</u>	<u>\$ 55,126.71</u>	<u>287,888.27</u>
LIABILITIES:				
Accounts Payable	5,616.36			5,616.36
Interfund Accounts Payable:				
Due General Fund	18,589.59			18,589.59
Due Payroll Fund	3,472.96			3,472.96
Payable to Student Groups		\$ 193,674.48		193,674.48
Payroll Deductions and Withholdings			\$ 55,126.71	55,126.71
Total Liabilities	<u>27,678.91</u>	<u>\$ 193,674.48</u>	<u>\$ 55,126.71</u>	<u>276,480.10</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 11,408.17</u>			<u>\$ 11,408.17</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Contributions and Donations from	
Payroll Deductions Withheld	\$ 30,782.44
Employer Contributions	40,000.00
Investment Earnings:	
Interest	40.02
Total Additions	70,822.46
DEDUCTIONS:	
Unemployment Claims	88,058.69
Change in Net Position	(17,236.23)
Net Position -- July 1	28,644.40
Net Position -- June 30	\$ 11,408.17

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Bean School	\$ 18,000.46	\$ 10,183.03	\$ 6,595.54	\$ 21,587.95
Glenn School	4,168.24	7,339.39	7,266.89	4,240.74
Middle School	12,421.28	7,044.06	8,990.86	10,474.48
High School	147,191.60	227,287.58	238,064.82	136,414.36
Athletic Program	16,196.86	54,355.16	49,595.07	20,956.95
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 197,978.44</u>	<u>\$ 306,209.22</u>	<u>\$ 310,513.18</u>	<u>\$ 193,674.48</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 26,148.49	\$ 20,470,912.34	\$ 20,445,407.08	\$ 51,653.75
Interfund Accounts Receivable:				
Due Unemployment		3,472.96		3,472.96
Total Assets	<u>\$ 26,148.49</u>	<u>\$ 20,474,385.30</u>	<u>\$ 20,445,407.08</u>	<u>\$ 55,126.71</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 25,656.57	\$ 9,339,406.61	\$ 9,309,936.47	\$ 55,126.71
Net Payroll		11,100,366.76	11,100,366.76	
Interfund Accounts Payable:				
General Fund		356.53	356.53	
Due Unemployment Fund	491.92	34,255.40	34,747.32	
Total Liabilities	<u>\$ 26,148.49</u>	<u>\$ 20,474,385.30</u>	<u>\$ 20,445,407.08</u>	<u>\$ 55,126.71</u>

LONG-TERM DEBT

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>	
2012 Energy Savings Improvement Program Energy Projects	12/15/12	\$ 3,260,000.00	12/15/16	\$ 160,000.00	2.000%					
			12/15/17	170,000.00	2.000%					
			12/15/18	180,000.00	2.000%					
			12/15/19	195,000.00	2.000%					
			12/15/20	200,000.00	2.250%					
			12/15/21	215,000.00	2.500%					
			12/15/22	225,000.00	2.750%					
			12/15/23	240,000.00	2.750%					
			12/15/24	255,000.00	3.000%					
			12/15/25	270,000.00	3.000%					
			12/15/26	285,000.00	3.125%					
			12/15/27	305,000.00	3.125%	\$ 2,855,000.00		\$ 155,000.00	\$ 2,700,000.00	
	2012 Energy Savings Improvement Program Co-Gen Projects	12/15/12	3,210,000.00	12/15/16	125,000.00	2.000%				
				12/15/17	130,000.00	2.000%				
				12/15/18	135,000.00	2.000%				
				12/15/19	140,000.00	2.000%				
				12/15/20	150,000.00	2.250%				
			12/15/21	155,000.00	2.500%					
			12/15/22	165,000.00	2.750%					
			12/15/23	175,000.00	2.750%					
			12/15/24	185,000.00	3.000%					
			12/15/25	195,000.00	3.000%					
			12/15/26	205,000.00	3.125%					
			12/15/27	215,000.00	3.125%					
			12/15/28	170,000.00	3.500%					
			12/15/29	180,000.00	3.500%					
			12/15/30	190,000.00	4.000%					
			12/15/31	205,000.00	4.000%					
			12/15/32	215,000.00	4.000%	3,050,000.00		115,000.00	2,935,000.00	
Refunding Bonds 2014	1/16/2014	6,680,000.00	05/01/17	1,325,000.00	3.000%					
			05/01/18	1,355,000.00	3.000%					
			05/01/19	1,385,000.00	3.000%	5,355,000.00		1,290,000.00	4,065,000.00	
						<u>\$ 11,260,000.00</u>	<u>-</u>	<u>\$ 1,560,000.00</u>	<u>\$ 9,700,000.00</u>	
Debt Service Fund General Fund								\$ 1,290,000.00 270,000.00	\$ 1,560,000.00	

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2016

Series	Date of Lease	Term of Lease	Amount of Original Issue Principal	Interest	Interest Rate Payable	Amount Outstanding June 30, 2015	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2016 (a)
1 - Sixteen Passenger School Bus	10/01/11	5 Year	\$ 56,556.00	\$ 3,900.10	3.45%	\$ 11,687.98		\$ 11,687.98	
Security System (John Glenn Elementary)	06/07/12	5 Year	46,953.52	12,162.48	9.90%	25,685.49		25,685.49	
Security System (Dr. Albert Bean Elementary)	06/07/12	5 Year	46,858.93	12,017.07	9.80%	25,613.75		25,613.75	
Miscellaneous IT Equipment	07/15/13	5 Year	405,120.00	9,584.48	1.18%	243,049.59		80,065.62	\$ 162,983.97
						<u>\$ 306,036.81</u>	<u>-</u>	<u>\$ 143,052.84</u>	<u>\$ 162,983.97</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 776,971.00		\$ 776,971.00	\$ 776,971.00	
State Sources:					
Debt Service Aid Type II	634,205.00		634,205.00	634,205.00	
Total Revenues	1,411,176.00	-	1,411,176.00	1,411,176.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	160,650.00		160,650.00	160,650.00	
Redemption of Principal	1,290,000.00		1,290,000.00	1,290,000.00	
Total Expenditures	1,450,650.00	-	1,450,650.00	1,450,650.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,474.00)	-	(39,474.00)	(39,474.00)	-
Fund Balance, July 1	123,767.84	-	123,767.84	123,767.84	-
Fund Balance, June 30	\$ 84,293.84	-	\$ 84,293.84	\$ 84,293.84	-

STATISTICAL SECTION

Financial Trends Information

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

PINE HILL BOROUGH SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 8,396,746.59	\$ 6,636,829.31	\$ 5,538,817.85	\$ 3,94,097.68	\$ 4,433,372.80	\$ 3,351,259.60	\$ 2,158,827.16	\$ 1,466,403.06	\$ 812,108.99	\$ 134,619.88
Restricted	3,456,100.59	3,407,281.59	2,748,338.99	6,097,897.13	1,028,063.90	810,045.50	728,617.03	486,743.92	111,647.26	(15,101.86)
Unrestricted	(9,776,017.85)	(10,833,279.84)	(2,461,226.05)	(2,261,390.60)	(782,167.17)	(1,340,318.60)	(1,735,152.31)	(1,359,000.52)	(1,285,812.43)	(1,470,268.66)
Total Governmental Activities Net Position	\$ 2,076,829.33	\$ (789,168.94)	\$ 5,825,930.79	\$ 4,230,804.21	\$ 4,679,269.53	\$ 2,820,986.50	\$ 1,152,291.88	\$ 594,146.46	\$ (362,056.16)	\$ (1,350,750.64)
Business-Type Activities:										
Net Investment in Capital Assets	\$ 82,904.54	\$ 103,772.52	\$ 124,640.50	\$ 145,508.48	\$ 182,808.00	\$ 210,578.00	\$ 157,694.00	\$ 179,888.00	\$ 202,975.00	\$ 225,509.00
Unrestricted	190,860.61	227,839.04	201,161.06	150,482.79	130,602.74	112,957.85	112,510.57	26,449.23	18,821.77	40,640.08
Total Business-type Activities Net Assets	\$ 273,765.15	\$ 331,611.56	\$ 325,801.56	\$ 295,991.27	\$ 313,410.74	\$ 323,535.85	\$ 270,204.57	\$ 206,337.23	\$ 221,796.77	\$ 266,149.08
District-wide:										
Net Investment in Capital Assets	\$ 8,479,651.13	\$ 6,740,601.83	\$ 5,663,458.35	\$ 539,606.16	\$ 4,616,180.80	\$ 3,561,837.60	\$ 2,316,521.16	\$ 1,646,291.06	\$ 1,015,083.99	\$ 360,128.88
Restricted	3,456,100.59	3,407,281.59	2,748,338.99	6,097,897.13	1,028,063.90	810,045.50	728,617.03	486,743.92	111,647.26	(15,101.86)
Unrestricted	(9,585,157.24)	(10,605,440.80)	(2,260,064.99)	(2,110,907.81)	(651,564.43)	(1,227,360.75)	(1,622,641.74)	(1,332,551.29)	(1,266,990.66)	(1,429,628.58)
Total District-wide Net Position	\$ 2,350,594.48	\$ (457,557.38)	\$ 6,151,732.35	\$ 4,526,595.48	\$ 4,992,680.27	\$ 3,144,522.35	\$ 1,422,496.45	\$ 800,483.69	\$ (140,259.41)	\$ (1,084,601.56)

Source: Exhibit A-1

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

PINE HILL BOROUGH SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,121,549.23	\$ 9,245,692.72	\$ 9,837,853.64	\$ 9,277,047.96	\$ 12,843,277.16	\$ 13,188,486.01	\$ 13,313,159.35	\$ 13,038,951.08	\$ 11,620,618.15	\$ 11,847,433.87
Special Education	3,804,832.85	4,011,383.51	4,147,991.57	4,469,482.97	6,462,691.58	6,575,624.55	6,576,860.84	5,625,824.82	6,884,336.40	6,432,465.23
Other Special Education	429,296.25	379,478.54	363,786.92	364,739.19	1,365,931.07	1,347,920.00	1,415,265.46	1,391,551.04	1,269,482.09	1,261,161.28
Other Instruction	602,210.24	644,922.54	602,570.22	637,654.59	1,970,370.64	1,811,127.30	1,947,641.01	2,067,034.84	1,631,444.31	1,422,871.60
Tuition	2,181,576.04	2,502,393.56	1,873,789.76	1,642,796.50	1,970,370.64	1,811,127.30	1,947,641.01	2,067,034.84	1,631,444.31	1,422,871.60
Support Services:										
Student and Instruction Related Services	2,891,311.03	3,480,610.94	3,413,941.96	3,336,359.99	4,295,745.87	3,930,677.06	4,109,385.63	3,685,810.17	3,746,438.18	3,373,639.43
School Administrative Services	1,224,717.83	1,246,654.19	1,204,866.29	1,239,093.74	1,649,388.23	1,644,184.66	1,727,471.44	1,749,777.97	1,913,896.31	1,925,617.03
Other Administrative Services	926,603.91	928,366.99	884,173.82	1,000,471.36	1,362,276.45	1,202,364.77	1,363,746.46	1,191,821.11	1,031,190.33	1,112,789.20
Plant Operations and Maintenance	3,022,817.83	3,051,042.16	3,234,003.40	3,226,962.40	3,738,724.60	3,801,639.95	4,380,039.30	3,760,126.92	3,533,629.88	3,479,817.79
Pupil Transportation	1,382,735.06	1,298,971.55	1,177,550.29	1,147,150.54	1,107,354.07	1,202,158.76	1,261,465.16	1,413,057.75	1,298,581.10	1,173,750.71
Unallocated Benefits	6,033,754.18	5,466,577.14	5,338,858.01	7,013,596.83	3,260,019.16	3,103,716.84	2,716,470.74	1,107,354.07	1,298,581.10	1,173,750.71
Reimbursed TPAF and Social Security	3,447,641.30	3,103,716.84	2,716,470.74	3,260,019.16	140,004.00	151,823.00	151,823.00	151,823.00	151,823.00	151,823.00
Transfer to Charter Schools	255,100.00	186,007.00	140,004.00	151,823.00	101,241.09	74,062.43	74,062.43	74,062.43	74,062.43	74,062.43
Payment of Bond Issue Costs	341,422.59	386,355.89	412,273.65	480,540.30	480,225.15	511,917.05	499,880.55	508,750.76	555,887.31	592,414.08
Interest on Long-term Debt	543,809.98	556,076.55	698,057.81	558,002.07	558,002.07	558,002.07	558,002.07	558,002.07	558,002.07	558,002.07
Unallocated Depreciation										
Total Governmental Activities Expenses	36,209,380.32	36,488,226.12	36,147,433.17	37,879,625.23	35,275,984.82	35,416,100.11	36,594,915.20	34,432,706.46	33,485,504.06	32,621,960.22
Business-type Activities:										
Food Service	986,985.24	969,612.30	934,982.97	939,677.53	908,869.06	859,166.12	891,295.26	842,718.63	882,586.08	831,003.63
Parent Saver Program	60,433.94	228,991.97	202,874.40	179,153.51	12,999.82					
Community Education and Recreation										
Other										
Total Business-type Activities Expense	1,047,419.18	1,198,604.27	1,137,857.37	1,118,831.04	921,868.88	859,166.12	891,295.26	842,718.63	882,586.08	831,003.63
Total District Expenses	\$ 37,256,799.50	\$ 37,686,830.39	\$ 37,285,290.54	\$ 39,011,456.27	\$ 36,207,853.70	\$ 36,275,266.23	\$ 37,486,210.46	\$ 35,275,425.09	\$ 34,368,090.14	\$ 33,452,963.85
Program Revenues:										
Governmental Activities:										
Changes for Services	\$ 4,787,981.02	\$ 5,150,244.12	\$ 5,606,727.70	\$ 5,294,185.79	\$ 54,923.19	\$ 96,214.28	\$ 100,853.31	\$ 99,520.43	\$ 93,338.28	\$ 90,078.35
Operating Grants and Contributions	4,785,074.84	4,561,891.44	4,039,097.10	4,798,434.38	1,986,547.61	2,421,783.06	2,625,696.21	2,244,548.90	3,382,111.65	3,285,408.72
Capital Grants and Contributions					17,423.69	686,249.96	51,284.31			
Total Governmental Activities Program Revenues	9,573,055.86	9,712,135.56	9,645,824.80	10,092,620.17	2,058,994.49	3,174,247.30	2,777,813.83	2,344,069.33	3,475,449.93	3,375,487.07
Business-Type Activities:										
Changes for Services	326,000.44	316,119.45	320,032.75	326,499.41	327,139.34	346,887.56	355,792.27	336,809.27	383,182.80	407,648.76
Food Service	1,009.88	226,702.76	237,565.18	182,464.52	120,685.41	132,255.02	132,555.26	21,616.16	30,455.34	27,519.04
Parent Saver Program			12,997.01	11,026.22	22,796.32	34,836.72	34,836.72	21,616.16	30,455.34	27,519.04
Community Education	687,868.63	669,945.46	609,424.86	594,027.55	569,666.98	514,145.74	552,679.08	484,389.28	454,309.38	400,949.09
Operating Grants and Contributions										
Total Business-type Activities Program Revenues	1,014,878.95	1,212,867.67	1,180,019.80	1,114,017.70	1,040,288.05	993,288.32	1,075,663.33	842,814.71	867,947.52	836,116.89
Total District Program Revenues	\$ 10,587,934.81	\$ 10,924,803.23	\$ 10,825,844.60	\$ 11,206,637.87	\$ 3,099,182.54	\$ 4,167,535.62	\$ 3,853,677.16	\$ 3,186,884.04	\$ 4,343,397.45	\$ 4,211,603.96
Net (Expense)/Revenue:										
Governmental Activities	\$ (26,636,324.46)	\$ (26,776,090.56)	\$ (26,501,608.37)	\$ (27,787,005.06)	\$ (33,217,090.33)	\$ (32,241,852.81)	\$ (33,817,101.37)	\$ (32,088,637.13)	\$ (30,010,054.13)	\$ (29,246,473.15)
Business-type Activities	(32,540.23)	14,063.40	29,526.06	(17,813.16)	(10,433.92)	7,165.15	60,115.09	(23,620.77)	(45,703.31)	(20,740.00)
Total District-wide Net Expense	\$ (26,668,864.69)	\$ (26,762,027.16)	\$ (26,472,082.31)	\$ (27,804,818.22)	\$ (33,227,524.25)	\$ (32,234,687.66)	\$ (33,756,986.28)	\$ (32,112,257.90)	\$ (30,055,757.44)	\$ (29,267,213.15)

(Continued)

PINE HILL BOROUGH SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes: Net	\$ 11,136,664.00	\$ 10,534,434.00	\$ 10,327,876.00	\$ 10,051,631.00	\$ 9,854,540.00	\$ 9,769,157.00	\$ 9,445,343.00	\$ 9,082,061.00	\$ 9,184,495.00	\$ 9,066,552.00
Taxes Levied for Debt Service	776,971.00	806,772.00	809,905.00	813,663.00	816,444.00	818,493.00	553,125.00	612,983.00	515,798.00	627,268.00
Unrestricted Grants and Contributions	16,658,770.28	16,661,076.15	645,670.32	15,726,407.29	18,921,588.29	17,673,034.96	18,733,980.76	17,807,424.13	16,051,305.52	15,078,937.20
Restricted Grants and Contributions	803,941.93	645,555.47	16,185,738.96	564,000.85						
Other	140,511.70	205,852.14	127,746.67	115,050.56	5,482,801.07	5,649,862.47	5,646,550.28	5,563,089.87	5,267,904.84	5,323,021.00
Disposal/Adjustment of Assets				62,029.50			(3,752.25)	(12,857.00)	(19,403.77)	
Transfers	(14,536.16)	8,421.07		5,557.54				(8,161.23)	(1,351.00)	(8,000.00)
Total Governmental Activities	29,502,322.73	28,861,910.83	28,096,934.95	27,338,339.74	35,075,373.36	33,910,547.43	34,375,246.79	33,044,839.77	30,998,748.59	30,087,778.20
Business-type Activities:										
Investment Earnings	157.64	167.67	284.23	393.69	308.81	254.41				(3,141.00)
Adjustment to Fixed Assets	(25,463.82)	(8,421.07)				45,911.72	3,752.25	8,161.23	1,351.00	8,000.00
Transfers										
Total Business-type Activities	(25,306.18)	(8,253.40)	284.23	393.69	308.81	46,166.13	3,752.25	8,161.23	1,351.00	4,859.00
Total District-wide	\$ 29,477,016.55	\$ 28,853,657.43	\$ 28,097,219.18	\$ 27,338,733.43	\$ 35,075,682.17	\$ 33,956,713.56	\$ 34,378,999.04	\$ 33,053,001.00	\$ 31,000,099.59	\$ 30,092,637.20
Change in Net Position:										
Governmental Activities	\$ 2,865,998.27	\$ 2,085,820.27	\$ 1,595,326.58	\$ (448,665.32)	\$ 1,858,283.03	\$ 1,668,694.62	\$ 558,145.42	\$ 956,202.64	\$ 988,694.46	\$ 841,305.05
Business-type Activities	(57,946.41)	5,810.00	29,810.29	(17,419.47)	(10,125.11)	53,331.28	63,867.34	(15,459.54)	(44,352.31)	(15,881.00)
Total District	\$ 2,808,151.86	\$ 2,091,630.27	\$ 1,625,136.87	\$ (466,084.79)	\$ 1,848,157.92	\$ 1,722,025.90	\$ 622,012.76	\$ 940,743.10	\$ 944,342.15	\$ 825,424.05

Source: Exhibit A-2

In accordance with GASB 85, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

PINE HILL BOROUGH SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 1,807,525.65	\$ 2,482,076.41	\$ 2,506,676.46	\$ 1,501,289.35	\$ 1,375,098.38	\$ 317,067.46	\$ 1,107,106.50	\$ 1,203,126.76	\$ 839,293.02	\$ 634,349.00
Committed					25,000.00					
Assigned	2,225,212.64	1,068,590.57	551,574.59	20,712.90	889,016.00	640,500.00				
Unassigned	(874,609.22)	(888,908.93)	(926,113.85)		(897,495.26)	(763,183.50)	(846,072.86)	(882,354.49)	(15,959.33)	19,803.62
Total General Fund	\$ 3,158,129.07	\$ 2,661,758.05	\$ 2,132,137.20	\$ 1,522,002.25	\$ 1,391,619.12	\$ 194,383.96	\$ 261,033.64	\$ 320,772.27	\$ 823,333.69	\$ 654,152.62
All Other Governmental Funds:										
Restricted	\$ 832,708.44	\$ 371,290.49	\$ 279,033.99	\$ 4,596,607.78	\$ (20,499.74)	\$ 274,698.54	\$ 150.00			\$ 31,766.34
Committed						286,959.50				
Assigned					1.00	320.00				
Unassigned, Reported in:										
Capital Projects Fund							248,040.75	\$ 51,093.92	\$ 40,197.26	45,186.80
Special Revenue Fund		(293.40)	(1,084.30)	(23,888.60)			(20,500.00)	(19,500.00)	(69,200.00)	(61,585.00)
Debt Service Fund							319.78			
Total All Other Governmental Funds	\$ 832,708.44	\$ 370,997.09	\$ 277,949.69	\$ 4,572,719.18	\$ (20,498.74)	\$ 561,978.04	\$ 228,010.53	\$ 31,593.92	\$ (29,002.74)	\$ 15,368.14

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

PINE HILL BOROUGH SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 11,913,635.00	\$ 11,341,206.00	\$ 11,137,781.00	\$ 10,865,294.00	\$ 10,670,984.00	\$ 10,587,650.00	\$ 9,998,488.00	\$ 9,695,044.00	\$ 9,700,293.00	\$ 9,693,820.00
Other Local Revenue	4,951,267.92	5,385,478.59	5,758,772.65	5,700,553.36	5,658,619.06	5,749,339.75	5,747,035.80	5,662,610.30	5,382,245.12	5,413,099.35
Proceeds from the Issuance of Bonds	21,087,257.880	20,537,569.84	19,922,527.74	19,295,160.43	19,203,048.69	19,203,048.69	17,154,203.07	18,921,122.86	18,327,689.81	17,122,282.62
State Sources	1,137,753.97	1,301,370.89	1,025,678.36	1,166,102.26	1,606,120.30	1,544,756.29	4,256,738.21	1,130,850.17	1,104,725.36	1,242,063.30
Federal Sources										
Total Revenue	39,089,914.77	38,565,625.32	37,742,759.75	44,124,689.88	37,230,883.79	37,084,794.73	37,156,445.08	35,409,627.33	34,494,953.29	33,471,265.27
Expenditures:										
Instruction										
Regular Instruction	9,349,285.43	9,500,090.82	9,375,325.05	9,240,975.37	9,070,519.88	9,288,776.12	9,838,676.54	9,890,451.87	8,561,331.24	8,346,035.88
Special Education Instruction	3,901,102.56	4,120,126.22	4,170,982.91	4,469,482.97	4,556,692.60	4,748,033.18	4,864,185.37	4,315,280.78	4,865,001.79	4,567,256.05
Other Special Instruction	429,296.25	379,478.54	363,786.92	364,739.19	963,086.03	983,781.87	1,044,565.34	1,096,875.51	923,629.41	915,646.69
Other Instruction	602,210.24	644,922.54	602,570.22	637,654.59						
Tuition	2,181,578.04	2,502,369.56	1,873,789.76	1,642,798.50	1,899,908.64	1,775,817.30	1,932,082.01	2,067,034.84	1,631,444.31	1,422,871.60
Support Services:										
Student and Instruction Related Services	2,891,311.03	3,480,610.94	3,413,941.96	3,336,359.99	3,028,829.88	2,832,132.27	3,033,015.30	2,900,382.49	2,696,078.15	2,410,268.72
School Administrative Services	1,224,717.83	1,246,654.19	1,204,866.29	1,238,015.98	940,875.56	1,289,405.33	1,274,985.29	1,314,847.45	1,340,507.47	1,346,538.33
Other Administrative Services	1,014,463.95	986,632.62	912,091.48	1,000,471.36	1,182,578.72	919,968.53	1,006,540.70	1,096,922.00	1,183,962.63	1,420,899.78
Plant Operations and Maintenance	3,440,334.04	3,524,918.85	3,638,494.52	3,214,081.55	3,063,519.86	3,065,383.81	3,266,383.87	3,200,558.23	2,892,432.36	2,830,016.92
Pupil Transportation	1,368,446.41	1,284,293.12	1,225,119.31	1,143,664.60	1,116,780.80	1,104,404.47	1,190,592.79	1,344,672.41	1,220,109.70	1,100,679.91
Unallocated Benefits	5,842,147.32	5,464,764.24	5,381,020.60	5,903,889.40	8,522,185.37	8,476,037.53	7,838,311.58	6,967,388.00	7,504,456.26	7,589,053.60
Reimbursed TPAP Pension and Social Security	3,447,641.30	3,103,716.84	2,716,470.74	3,260,019.16						
Transfer to Charter Schools	255,100.00	186,007.00	140,004.00	151,623.00	70,462.00	35,310.00	15,559.00			
Debt Service:										
Principal	1,290,000.00	1,275,000.00	1,270,000.00	1,180,000.00	1,150,000.00	1,120,000.00	1,000,000.00	990,163.35	922,832.50	865,501.65
Interest and Other Charges	160,650.00	186,150.00	241,969.66	378,643.76	414,581.26	448,181.26	470,842.39	517,669.48	558,237.06	596,223.83
Capital Outlay	719,011.82	65,440.66	5,302,080.87	2,402,055.48	539,488.87	730,245.23	250,632.46	141,184.45	48,769.22	34,477.57
Total Expenditures	38,117,296.22	37,951,378.14	41,832,514.29	39,564,474.70	36,519,509.47	36,817,476.90	37,016,382.64	35,843,430.86	34,368,792.10	33,445,470.53
Excess (Deficiency) of Revenues Over (Under) Expenditures	972,618.55	614,247.18	(4,089,754.54)	4,560,215.18	711,374.32	267,317.83	140,062.44	(433,803.53)	126,161.19	25,794.74
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)			405,120.00	157,828.33	(96,615.94)					
Capital Project Fund Cancellations		8,421.07		5,557.54	9,004.82		265,097.00	42,258.00	75,784.22	(8,000.00)
Transfers In	(810,600.00)				(9,004.82)		(288,481.46)	(50,419.23)	(77,135.22)	
Transfers Out										
Total Other Financing Sources (Uses)	(14,536.18)	8,421.07	405,120.00	163,385.87	(96,615.94)	-	(3,384.46)	(8,161.23)	(1,351.00)	(8,000.00)
Net Change in Fund Balances	\$ 958,082.37	\$ 622,668.25	\$ (3,684,634.54)	\$ 4,723,601.05	\$ 614,758.38	\$ 267,317.83	\$ 136,677.98	\$ (441,964.76)	\$ 124,810.19	\$ 17,794.74
Debt Service as a Percentage of Noncapital Expenditures	3.9%	3.9%	4.1%	4.2%	4.3%	4.3%	4.0%	4.2%	4.3%	4.4%

Source: Exhibit B-2

PINE HILL BOROUGH SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Rental of Facilities	\$ 1,500.00	\$ 28,540.00	\$ 2,850.00	\$ 2,400.92						
Sale of District Assets	237.50	5,950.00		10,284.00						
Refund of Prior Year Expenditures	11,407.64	42,540.91	31,655.68	10,148.26						
Other	1,636.17	56,356.88	11,758.27	8,636.54	\$ 300,702.01	\$ 189,455.47	\$ 240,368.99	\$ 50,941.72	\$ 350.22	\$ 7,231.24
Transportation Fees	53,218.38	60,777.24	43,191.52	53,188.28	54,923.19	96,214.28	100,853.31	127,921.55	75,144.35	63,671.86
E-Rate Refunds	67,655.05			23,937.39				99,520.43	93,338.28	90,078.35
Settlement			33,769.55							
Premium on Sale of Bonds				87,034.58						
Interest Earned on Deposits	4,856.96	3,783.61	4,521.65	6,455.17	2,000.00	2,000.00	2,000.00	3,430.77	41,078.05	68,517.90
Total Miscellaneous Revenues	\$ 140,511.70	\$ 197,888.64	\$ 127,746.67	\$ 202,085.14	\$ 357,625.20	\$ 287,669.75	\$ 343,222.30	\$ 281,814.47	\$ 209,910.90	\$ 229,499.35

Source: District Records

Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2016	\$ 14,525,500.00	\$ 453,896,600.00	\$ 1,734,500.00	\$ 17,212,100.00	\$ 950,400.00	\$ 38,985,500.00	\$ 527,304,600.00	\$ 517,602.00	\$ 527,822,202.00	\$ 119,315,902.00	\$ 461,932,198.00	\$ 2.271
2015	14,922,700.00	457,726,300.00	1,734,500.00	17,493,900.00	950,400.00	36,120,900.00	528,948,700.00	536,881.00	529,485,581.00	117,254,400.00	467,764,776.00	2.196
2014	15,764,200.00	460,410,000.00	1,734,500.00	16,754,800.00	1,137,000.00	34,664,500.00	530,464,800.00	513,771.00	530,978,571.00	117,567,800.00	478,625,353.00	2.116
2013	16,778,100.00	463,651,900.00	1,734,500.00	15,419,700.00	1,137,000.00	28,288,700.00	527,009,900.00	747,660.00	527,757,560.00	118,966,900.00	490,033,613.02	2.084
2012	17,119,900.00	465,951,900.00	1,734,500.00	15,933,900.00	1,137,000.00	30,238,700.00	529,615,900.00	771,734.00	530,387,634.00	119,178,200.00	520,308,618.00	2.030
2011	17,478,700.00	467,055,900.00	1,734,500.00	15,139,200.00	1,137,000.00	30,238,700.00	532,784,000.00	774,765.00	533,558,765.00	119,610,600.00	537,830,16.00	1.992
2010	17,711,100.00	468,088,900.00	1,734,500.00	14,803,800.00	1,137,000.00	35,071,200.00	538,546,500.00	943,064.00	539,489,564.00	74,815,580.00	558,284,964.00	1.908
2009	8,097,400.00	245,331,300.00	960,500.00	7,829,200.00	694,700.00	13,288,900.00	276,202,000.00	463,560.00	276,665,560.00	74,393,980.00	501,297,567.00	3.559
2008	8,189,500.00	244,839,400.00	960,500.00	7,667,600.00	694,700.00	13,288,900.00	275,640,600.00	434,843.00	276,075,443.00	74,035,580.00	501,297,567.00	3.513
2007	7,996,500.00	244,952,000.00	1,008,400.00	7,613,400.00	772,800.00	13,288,900.00	275,632,000.00	448,556.00	276,080,556.00	72,432,380.00	427,219,658.00	3.512

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Camden County Board of Taxation

PINE HILL BOROUGH SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Service	Total Direct School Tax Rate	Borough of Pine Hill	Borough of Pine Hill Fire District	Camden County	
2016	\$ 2.123	\$ 0.148	\$ 2.271	\$ 0.995	\$ 0.181	0.769	\$ 4.216
2015	2.040	0.156	2.196	0.960	0.169	0.775	4.100
2014	1.962	0.154	2.116	0.930	0.165	0.771	3.982
2013	1.928	0.156	2.084	0.894	0.166	0.770	3.914
2012	1.876	0.154	2.030	0.858	0.162	0.759	3.809
2011	1.839	0.153	1.992	0.823	0.145	0.718	3.678
2010	1.781	0.127	1.908	0.783	0.138	0.673	3.502
2009	3.348	0.211	3.559	1.376	0.259	1.251	6.445
2008	3.291	0.222	3.513	1.306	0.250	1.261	6.330
2007	3.286	0.226	3.512	1.116	0.238	1.277	6.143

(1) Revaluation

Source: Municipal Tax Collector

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chalet Gardens Realty Corp (Chalet Apartments)	\$ 15,000,000.00	1	2.84%	\$ 8,466,000.00	1	3.07%
Pine Hill Redevelopment Associates	12,414,500.00	2	2.35%			
Aion Chateau Ridge, LLC	11,000,000.00	3	2.08%	4,500,000.00	2	1.63%
Federal Nation Mortgage Assoc.	2,454,200.00	4	0.46%			
Messer Holding, LLC	1,622,300.00	5	0.31%			
AB Woodcrest Fields, LLC	1,531,400.00	6	0.29%			
US Bank Trust NA	1,281,200.00	7	0.24%			
Wells Fargo Bank NA	1,247,700.00	8	0.24%			
National Paving Company, LLC	1,230,900.00	9	0.23%			
Carl Pursell	1,034,600.00	10	0.20%			
Foxmoor at Woodcrest				765,000.00	3	0.28%
Verizon				448,556.00	4	0.16%
International Seal and Packing Company				426,500.00	5	0.15%
Individual Taxpayer				424,600.00	6	0.15%
Pine Hill Market, Inc.				421,300.00	7	0.15%
Individual Taxpayer				417,800.00	8	0.15%
Parsflip LLP - Dental Office				382,400.00	9	0.14%
Jay Ashram, Inc. - Country Farms				325,000.00	10	0.12%
Total	\$ 48,816,800.00		9.25%	\$ 16,577,156.00		6.00%

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School District</u> <u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2016	\$ 11,913,635.00	\$ 11,913,635.00	100.00%	-
2015	11,341,206.00	11,341,206.00	100.00%	-
2014	11,137,781.00	11,137,781.00	100.00%	-
2013	10,865,294.00	10,865,294.00	100.00%	-
2012	10,670,984.00	10,670,984.00	100.00%	-
2011	10,587,650.00	10,587,650.00	100.00%	-
2010	9,998,468.00	9,998,468.00	100.00%	-
2009	9,695,044.00	9,695,044.00	100.00%	-
2008	9,700,293.00	9,700,293.00	100.00%	-
2007	9,693,820.00	9,693,820.00	100.00%	-

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Bond Anticipation Notes	Capital Leases	Unavailable			
2016	\$ 9,700,000.00	\$ 162,983.97	-	-	9,862,983.97	Unavailable	Unavailable	
2015	11,260,000.00	306,036.81	-	-	11,566,036.81	Unavailable	\$ 1,100.48	
2014	12,855,000.00	418,718.72	-	-	13,273,718.72	2.70%	1,264.16	
2013	14,495,000.00	127,720.04	-	-	14,622,720.04	3.10%	1,395.70	
2012	9,205,000.00	-	-	-	9,205,000.00	1.98%	886.63	
2011	10,355,000.00	-	-	-	10,355,000.00	2.30%	1,014.50	
2010	11,475,000.00	-	-	-	11,475,000.00	2.67%	1,121.81	
2009	12,475,000.00	-	-	-	12,475,000.00	2.64%	1,101.06	
2008	13,410,000.00	55,352.00	-	-	13,465,352.00	2.88%	1,190.36	
2007	14,280,000.00	108,184.00	-	-	14,388,184.00	3.18%	1,273.07	

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published

PINE HILL BOROUGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2016	\$ 9,700,000.00	-	\$ 9,700,000.00	1.84%	Unavailable
2015	11,260,000.00	-	11,260,000.00	2.13%	\$ 1,071.36
2014	12,855,000.00	-	12,855,000.00	2.42%	1,224.29
2013	14,495,000.00	-	14,495,000.00	2.75%	1,383.51
2012	9,205,000.00	-	9,205,000.00	1.74%	886.63
2011	11,475,000.00	-	11,475,000.00	2.15%	1,124.23
2010	12,475,000.00	-	12,475,000.00	2.31%	1,219.57
2009	11,605,000.00	-	11,605,000.00	4.19%	1,024.27
2008	12,475,000.00	-	12,475,000.00	4.52%	1,102.81
2007	13,410,000.00	-	13,410,000.00	4.86%	1,186.52

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

PINE HILL BOROUGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Pine Hill</u>
Municipal Debt: (1)				
Pine Hill Borough School District	\$ 10,990,000.00	\$ 10,990,000.00		
Borough of Pine Hill	4,934,287.28		\$ 4,934,287.28	\$ 4,934,287.28
	<u>15,924,287.28</u>	<u>10,990,000.00</u>	<u>4,934,287.28</u>	<u>4,934,287.28</u>
Overlapping Debt Apportioned to the Municipality: (2)				
County of Camden:				
General:				
Bonds	35,695,000.00	12,761,633.00 (3)	22,933,367.00	293,345.28 (5)
Loan Agreement	269,003,014.00		269,003,014.00	3,440,871.34 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	471,754,632.00	471,754,632.00 (4)		
Pine Hill MUA - Sewer	1,707,495.12		1,707,495.12	1,707,495.12
Pine Hill MUA - Water	1,592,308.31		1,592,308.31	1,592,308.31
	<u>779,752,449.43</u>	<u>484,516,265.00</u>	<u>295,236,184.43</u>	<u>7,034,020.05</u>
	\$ <u>795,676,736.71</u>	\$ <u>495,506,265.00</u>	\$ <u>300,170,471.71</u>	\$ <u>11,968,307.33</u>

Sources:

- (1) 2015 Annual Debt Statement
- (2) Entity's Respective 2015 Reports of Audit
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2015 Equalized Value, which is 1.28%.
 The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis (1)		Fiscal Year Ended June 30,										
			<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	462,853,255.00	2015	\$ 18,752,240.00	\$ 19,136,935.44	\$ 19,857,970.17	\$ 20,739,921.29	\$ 21,580,301.00	\$ 22,021,399.00	\$ 22,116,217.00	\$ 22,116,217.00	\$ 19,555,727.00	\$ 17,102,370.00
	468,567,088.00	2014										
	474,997,657.00	2013										
	<u>\$ 1,406,418,000.00</u>											
\$	468,806,000.00	Average equalized valuation of taxable property										
\$	18,752,240.00	Debt limit 4% \$ 468,806,000.00 (2)										
	<u>9,700,000.00</u>	Total Net Debt Applicable to Limit										
\$	<u>9,052,240.00</u>	Legal Debt Margin										
Fiscal Year Ended June 30,												
<u>2012</u>												
Debt limit	\$ 18,752,240.00	\$ 19,136,935.44	\$ 19,857,970.17	\$ 20,739,921.29	\$ 21,580,301.00	\$ 22,021,399.00	\$ 22,116,217.00	\$ 22,116,217.00	\$ 19,555,727.00	\$ 17,102,370.00		
Total net debt applicable to limit (3)	9,700,000.00	11,260,000.00	12,855,000.00	14,495,000.00	9,205,000.00	10,355,000.00	11,475,000.00	12,475,000.00	12,540,000.00	13,410,000.00		
Legal debt margin	<u>\$ 9,052,240.00</u>	<u>\$ 7,876,935.44</u>	<u>\$ 7,002,970.17</u>	<u>\$ 6,244,921.29</u>	<u>\$ 12,375,301.00</u>	<u>\$ 11,666,399.00</u>	<u>\$ 10,641,217.00</u>	<u>\$ 9,641,217.00</u>	<u>\$ 7,015,727.00</u>	<u>\$ 3,692,370.00</u>		
Total net debt applicable to the limit as a percentage of debt limit	51.73%	58.84%	64.73%	69.89%	42.65%	47.02%	51.89%	56.41%	64.12%	78.41%		

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
 (3) District Records

Demographic and Economic Information

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

PINE HILL BOROUGH SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	10,510	Unavailable	Unavailable	8.20%
2014	10,500	\$ 492,303,000.00	\$ 46,886.00	10.70%
2013	10,477	472,271,729.00	45,077.00	9.80%
2012	10,382	464,511,444.00	44,742.00	12.40%
2011	10,207	450,281,805.00	44,115.00	12.60%
2010	10,229	429,546,397.00	41,993.00	12.00%
2009	11,330	471,792,530.00	41,641.00	7.70%
2008	11,312	468,011,376.00	41,373.00	5.90%
2007	11,302	452,147,812.00	40,006.00	6.40%
2006	11,262	434,690,676.00	38,598.00	5.90%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

PINE HILL BOROUGH SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Pine Hill Golf Club	100	1	1.88%	100	1	
Pine Hill Market	30	2	0.56%	30	2	0.49%
Kentucky Fried Chicken	29	3	0.55%	29	3	0.48%
Wawa, Inc.	20	4	0.38%	20	4,5	0.33%
Carl Pursell	12	5	0.23%			
International Seal and Packing	11	6	0.21%	11	8	0.18%
Pine Hill Printing	10	7,8	0.19%			
Accelerated Services Systems	10	7,8	0.19%			
DeSorte Assoc. - Asphalt & Paving				20	4,5	0.33%
Glenn Habina and Son				14	6	0.23%
Wawa, Inc.				13	7	0.21%
	<u>222</u>		<u>4.18%</u>	<u>237</u>		<u>2.25%</u>

Source: Individual Employers

Operating Information

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

PINE HILL BOROUGH SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	147.0	156.0	157.0	143.0	149.0	152.0	152.0	156.0	153.0	150.0
Regular	52.0	57.0	57.0	65.0	71.0	75.0	72.5	68.5	64.0	60.5
Special education	25.0	4.0	4.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
Other special education	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Vocational	2.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other instruction										
Support Services:										
Tuition	14.0	20.0	20.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Student & instruction related services	3.0	4.0	4.0	4.0	7.0	7.0	7.0	7.0	7.0	7.0
General administrative services	17.0	17.0	17.0	17.0	21.0	22.0	22.0	22.0	20.0	20.0
School administrative services	5.0	5.0	5.0	5.0	7.0	7.0	8.0	8.0	8.0	8.0
Business administrative services	26.0	29.0	29.5	34.5	34.0	34.0	34.0	34.0	34.0	34.0
Plant operations and maintenance	3.0	6.0	8.0	6.0	6.0	6.0	6.0	4.0	3.5	3.5
Pupil transportation										
Total	297.0	307.0	310.5	309.5	331.0	339.0	337.5	335.5	325.5	319.0

Source: District Records

PINE HILL BOROUGH SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2016	1,894	\$ 35,947,634.40	\$ 18,979.74	0.72%	164	14/1	8/1	11/1	1,894.0	1,790.0	-2.32%	94.51%
2015	1,933	36,424,787.48	18,843.66	2.35%	226	18/1	18/1	18/1	1,939.0	1,831.5	2.03%	94.46%
2014	1,902	35,018,463.76	18,411.39	-0.97%	227	18/1	18/1	18/1	1,900.5	1,792.9	2.09%	94.34%
2013	1,915	35,603,775.46	18,592.05	3.83%	233	18/1	19/1	18/1	1,861.5	1,756.8	-2.54%	94.38%
2012	1,922	34,415,439.00	17,906.06	3.85%	235	17/1	17/1	18/1	1,910.0	1,784.0	-1.95%	93.40%
2011	2,002	34,519,050.00	17,242.28	-0.83%	233	20/1	25/1	20/1	1,948.0	1,817.0	-3.13%	93.28%
2010	2,030	35,294,414.00	17,386.41	6.32%	235	20/1	26/1	20/1	2,011.0	1,973.0	-0.40%	98.11%
2009	2,091	34,194,414.00	16,353.14	6.77%	235	20/1	26/1	20/1	2,019.0	1,887.0	-6.05%	93.46%
2008	2,144	32,838,953.00	15,316.68	4.17%	230	20/1	26/1	20/1	2,149.0	2,017.0	-1.10%	93.86%
2007	2,173	31,949,267.00	14,702.84	5.31%	232	20/1	26/1	20/1	2,173.0	2,025.0	-0.96%	93.19%

Sources: District Records

PINE HILL BOROUGH SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District Building										
Elementary										
Albert Bean (1952)										
Square Feet	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	369	401	360	380	383	368	363	384	388	359
John Glenn (1964)										
Square Feet	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	502	480	390	419	415	424	418	441	452	472
Middle School										
Pine Hill Middle School (2002)										
Square Feet	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	317	332	349	352	367	365	364	364	385	396
High School										
Overbrook High School (2002)										
Square Feet	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Capacity (students)	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Enrollment	706	720	803	764	728	776	817	866	919	988
Other										
Garage/Storage (2002)										
Square Feet	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624
Technology (2002)										
Square Feet	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Garage/Ticket Booth (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Garage/Field Bathrooms (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600

Number of Schools at June 30, 2016
 Elementary = 2
 Middle School = 1
 High School = 1
 Other = 4

Source: District Records

PINE HILL BOROUGH SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

* School Facilities	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
John H Glenn School	\$ 199,492.91	\$ 99,142.00	\$ 156,858.17	\$ 148,381.58	\$ 126,497.00	\$ 166,915.00	\$ 138,491.00	\$ 208,302.00	\$ 130,080.00	\$ 117,664.00
Albert Bean School	108,665.75	102,528.00	146,059.19	122,847.51	137,408.00	105,403.00	136,996.00	178,949.00	135,686.00	116,066.00
Middle School	121,594.69	145,185.00	136,662.60	125,718.41	219,067.00	192,597.00	159,601.00	165,302.00	120,241.00	108,362.00
High School	264,280.08	256,124.12	169,207.31	408,977.73	218,768.00	204,397.00	214,008.00	264,598.00	239,623.00	240,458.00
	694,033.43	602,979.12	608,787.27	805,925.23	701,740.00	669,312.00	649,096.00	817,151.00	625,600.00	582,540.00
Other Facilities	-	-	78,485.11	28,588.80	-	-	-	-	-	-
Grand Total	\$ 694,033.43	\$ 602,979.12	\$ 687,272.38	\$ 834,514.03	\$ 701,740.00	\$ 669,312.00	\$ 649,096.00	\$ 817,151.00	\$ 625,600.00	\$ 582,540.00

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

Source: District Records

PINE HILL BOROUGH SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

		<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:			
Blanket Property & Business Personal Property	(B)	\$250,000,000.00	\$2,500.00
Boiler and Machinery	(B)	100,000,000.00	2,500.00
Crime and Fidelity:			
Crime Coverage	(B)	500,000.00	
Computer Fraud	(B)	50,000.00	
Forgery and Alteration	(B)	50,000.00	
General and Automobile Liability	(B)	5,000,000.00	
Workers Compensation		Statutory	
Employers' Liability	(A)	5,000,000.00	
Environmental Impairment	(A)	25,000,000.00	10,000.00
Excess Liability	(A)	5,000,000.00	
School Leaders Professional Liability	(A)	5,000,000.00	5,000.00
Zurich Insurance Company			
Student Accident	(B)	5,000,000.00	
Selective Insurance Company of America:			
Treasurer		250,000.00	
School Business Administrator		105,000.00	
(A) Per Claim/Annual Aggregate			
(B) Per Occurrence			

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Pine Hill School District
County of Camden
1003 Turnerville Road
Pine Hill, New Jersey 08021

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Pine Hill School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Pine Hill School District's, in the County of Camden, State of New Jersey, 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 the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, 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 fiscal year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item 2016-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, 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 the 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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
November 28, 2016

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover / (Walkover) Amount
					From	To		
General Fund								
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	\$ 25,862.29	7-1-13	6-30-14		
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	149,731.52	7-1-14	6-30-15	\$ (22,703.12)	
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	82,979.96	7-1-15	6-30-16		
Medicaid Administrative Claiming Aid	93.778	1605NJ5MAP	N/A	8,948.33	7-1-15	6-30-16		
Total Medical Assistance Program (Medicaid)							(22,703.12)	-
Total General Fund								
							(22,703.12)	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I, Part A	84.010A	S010A150030	NCLB411015	562,894.00	7-1-14	6-30-15	(347,143.00)	
Title I, Part A	84.010A	S010A150030	NCLB411016	564,497.00	7-1-15	6-30-16		
Total Title I, Part A							(347,143.00)	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	NCLB411016	47,703.00	7-1-15	6-30-16	-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A150100	FT411015	428,436.00	7-1-14	6-30-15	(19,936.89)	\$ (2,754.11)
Basic	84.027	H027A150100	FT411016	457,401.00	7-1-15	6-30-16		2,754.11
Preschool	84.173	H173A150114	PS411015	14,193.00	7-1-14	6-30-15	(0.33)	
Preschool	84.173	H173A150114	PS411016	14,856.00	7-1-15	6-30-16		
Total I.D.E.A. Part B Special Education Cluster							(19,937.22)	-
Total Special Revenue Fund							(367,080.22)	-
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	119,532.69	7-1-14	6-30-15	(9,271.11)	
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	115,884.50	7-1-15	6-30-16		
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	447,011.78	7-1-14	6-30-15	(25,235.96)	
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	434,052.51	7-1-15	6-30-16		
Food Distribution Program	10.555	16161NJ304N1099	Unavailable	62,804.63	7-1-14	6-30-15	3,769.16	
Food Distribution Program	10.555	16161NJ304N1099	Unavailable	95,018.72	7-1-15	6-30-16		
After School Snack Program	10.555	16161NJ304N1099	Unavailable	27,590.54	7-1-14	6-30-15	(1,576.86)	
After School Snack Program	10.555	16161NJ304N1099	Unavailable	31,761.24	7-1-15	6-30-16		
Special Milk Program	10.556	16161NJ304N1099	Unavailable	1,827.15	7-1-14	6-30-15	(123.69)	
Special Milk Program	10.556	16161NJ304N1099	Unavailable	760.22	7-1-15	6-30-16		
Total Child Nutrition Cluster							(32,438.46)	-
Total Enterprise Fund							(32,438.46)	-
Total Federal Financial Assistance							\$ (422,221.80)	-

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 22,703.12	\$ 25,862.29		\$ 25,862.29				\$ (25,862.29)		
71,137.21	82,979.96		82,979.96				(11,842.75)		
8,948.33	8,948.33		8,948.33						
102,788.66	117,790.58	-	117,790.58	-	-	-	(37,705.04)	-	-
102,788.66	117,790.58	-	117,790.58	-	-	-	(37,705.04)	-	-
347,143.00									
232,646.00	501,468.25		501,468.25				(331,851.00)	\$ 63,028.75	
579,789.00	501,468.25	-	501,468.25	-	-	-	(331,851.00)	63,028.75	-
26,342.00	47,703.00	-	47,703.00	-	-	-	(21,361.00)	-	-
22,691.00									
340,295.00	460,155.11		460,155.11		\$ 0.33		(117,106.00)		
5,389.00	25,003.00		25,003.00				(19,614.00)		
368,375.00	485,158.11	-	485,158.11	-	0.33	-	(136,720.00)	-	-
974,506.00	1,034,329.36	-	1,034,329.36	-	0.33	-	(489,932.00)	63,028.75	-
9,271.11									
110,155.45	115,884.50		115,884.50				(5,729.05)		
25,235.96									
420,320.33	434,052.51		434,052.51				(13,732.18)		
	3,769.16		3,769.16						
95,018.72	88,690.40		88,690.40					6,328.32	
1,576.86									
30,824.64	31,761.24		31,761.24				(936.60)		
123.69									
719.57	760.22		760.22				(40.65)		
693,246.33	674,918.03	-	674,918.03	-	-	-	(20,438.48)	6,328.32	-
693,246.33	674,918.03	-	674,918.03	-	-	-	(20,438.48)	6,328.32	-
\$ 1,770,540.99	\$ 1,827,037.97	-	\$ 1,827,037.97	-	\$ 0.33	-	\$ (548,075.52)	\$ 69,357.07	-

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2015	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	15-495-034-5120-078	\$ 14,483,942.00	N/A	7-1-14	6-30-15	\$ (1,421,388.71)	
Equalization Aid	16-495-034-5120-078	14,483,942.00	N/A	7-1-15	6-30-16		
Categorical Special Education Aid	15-495-034-5120-089	866,509.00	N/A	7-1-14	6-30-15	(85,035.28)	
Categorical Special Education Aid	16-495-034-5120-089	866,509.00	N/A	7-1-15	6-30-16		
Categorical Security Aid	15-495-034-5120-084	411,232.00	N/A	7-1-14	6-30-15	(40,356.45)	
Categorical Security Aid	16-495-034-5120-084	411,232.00	N/A	7-1-15	6-30-16		
School Choice Aid	15-495-034-5120-068	265,460.00	N/A	7-1-14	6-30-15	(26,051.05)	
School Choice Aid	16-495-034-5120-068	275,670.00	N/A	7-1-15	6-30-16		
PARCC Readiness Aid	15-495-034-5120-098	15,735.00	N/A	7-1-14	6-30-15	(1,544.16)	
PARCC Readiness Aid	16-495-034-5120-098	15,735.00	N/A	7-1-15	6-30-16		
Per Pupil Growth Aid	15-495-034-5120-097	15,735.00	N/A	7-1-14	6-30-15	(1,544.16)	
Per Pupil Growth Aid	16-495-034-5120-097	15,735.00	N/A	7-1-15	6-30-16		
Total State Aid - Public Cluster						(1,575,919.81)	-
State Aid - Transportation:							
Categorical Transportation Aid	15-495-034-5120-014	223,925.00	N/A	7-1-14	6-30-15	(21,974.99)	
Categorical Transportation Aid	16-495-034-5120-014	223,925.00	N/A	7-1-15	6-30-16		
Additional Non-Public Transportation Aid	15-495-034-5120-014	6,399.00	N/A	7-1-14	6-30-15	(6,399.00)	
Additional Non-Public Transportation Aid	16-495-034-5120-014	8,562.00	N/A	7-1-15	6-30-16		
Total State Aid - Transportation						(28,373.99)	-
Extraordinary Aid							
Extraordinary Aid	15-100-034-5120-044	186,259.00	N/A	7-1-14	6-30-15	(186,259.00)	
Extraordinary Aid	16-100-034-5120-044	212,162.00	N/A	7-1-15	6-30-16		
Total Extraordinary Aid						(186,259.00)	-
Homeless Tuition Aid							
Homeless Tuition Aid	15-495-034-5120-005	27,881.00	N/A	7-1-14	6-30-15	(27,881.00)	
Homeless Tuition Aid	16-495-034-5120-005	16,504.00	N/A	7-1-15	6-30-16		
Total Homeless Tuition Aid						(27,881.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,024,253.84	N/A	7-1-14	6-30-15	(71,112.78)	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,010,774.30	N/A	7-1-15	6-30-16		
Total Reimbursed TPAF Social Security Contributions						(71,112.78)	-
Total General Fund						(1,889,546.58)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	14-495-034-5120-086	229,361.00	N/A	7-1-13	6-30-14	21,851.80	
Preschool Education Aid	15-495-034-5120-086	221,452.00	N/A	7-1-14	6-30-15	(22,145.20)	
Preschool Education Aid	16-495-034-5120-086	245,179.00	N/A	7-1-15	6-30-16		
Total Preschool Education Aid						(293.40)	-
Total Special Revenue Fund						(293.40)	-
Capital Projects Fund:							
New Jersey School Development Authority:							
School Facility Project - Overbrook High School Roof Replacement	4110-100-14-1003-G04	516,117.00	\$ 279,809.00	7-1-15	Completion		
School Facility Project - Albert Bean Roof Replacement	4110-060-14-1004-G04	111,760.00	60,602.25	7-1-15	Completion		
School Facility Project - John Glenn Roof Replacement	4110-070-14-1005-G04	173,695.00	94,187.75	7-1-15	Completion		
School Facility Project - Overbrook High School Dry Well	4110-010-14-1006-G04	245,114.00	132,886.00	7-1-15	Completion		
School Facility Project - Overbrook High School Security Upgrades	4110-010-14-1010-G04	123,692.00	67,058.00	7-1-15	Completion		
School Facility Project - John Glenn Security Upgrades	4110-070-14-1012-G04	164,870.00	89,383.00	7-1-15	Completion		
School Facility Project - Middle School Security Upgrades	4110-070-14-1013-G04	86,093.00	46,674.00	7-1-15	Completion		
Total Capital Projects Fund							
Debt Service Fund:							
New Jersey Department of Education:							
School Construction Debt Service Aid	16-495-034-5120-075	634,205.00	N/A	7-1-15	6-30-16	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Aid	15-100-010-3350-023	11,078.67	N/A	7-1-14	6-30-15	(582.34)	
State School Lunch Aid	16-100-010-3350-023	10,391.44	N/A	7-1-15	6-30-16		
Total Enterprise Fund						(582.34)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(1,890,422.32)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
TPAF Post Retirement Medical	16-495-034-5094-001	1,324,510.00	N/A	7-1-15	6-30-16		
Teacher's Pension & Annuity Fund	16-495-034-5094-002	1,059,576.00	N/A	7-1-15	6-30-16		
TPAF Non-Contributory Insurance	16-495-034-5094-004	52,781.00	N/A	7-1-15	6-30-16		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance						\$ (1,890,422.32)	-

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016			Memo		
						(Accounts Receivable)	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures	
	\$ 1,421,388.71										
	13,073,226.11	\$ 14,483,942.00				\$ (1,410,715.89)			\$ (1,410,715.89)	\$ 14,483,942.00	
	85,035.28										
	782,112.22	866,509.00				(84,396.78)			(84,396.78)	866,509.00	
	40,356.45										
	371,178.57	411,232.00				(40,053.43)			(40,053.43)	411,232.00	
	26,051.05										
	248,820.12	275,670.00				(26,849.88)			(26,849.88)	275,670.00	
	1,544.16										
	14,202.43	15,735.00				(1,532.57)			(1,532.57)	15,735.00	
	1,544.16										
	14,202.43	15,735.00				(1,532.57)			(1,532.57)	15,735.00	
-	16,079,661.69	16,068,823.00	-	-	-	(1,565,081.12)	-	-	(1,565,081.12)	16,068,823.00	
	21,974.99										
	202,115.02	223,925.00				(21,809.98)			(21,809.98)	223,925.00	
	6,399.00										
		8,562.00				(8,562.00)				8,562.00	
-	230,489.01	232,487.00	-	-	-	(30,371.98)	-	-	(21,809.98)	232,487.00	
	186,259.00										
		212,162.00				(212,162.00)				212,162.00	
-	186,259.00	212,162.00	-	-	-	(212,162.00)	-	-	-	212,162.00	
	27,881.00										
		16,504.00				(16,504.00)				16,504.00	
-	27,881.00	16,504.00	-	-	-	(16,504.00)	-	-	-	16,504.00	
	71,112.78										
	959,657.45	1,010,774.30				(51,116.85)				1,010,774.30	
-	1,030,770.23	1,010,774.30	-	-	-	(51,116.85)	-	-	-	1,010,774.30	
-	17,555,060.93	17,540,750.30	-	-	-	(1,875,235.95)	-	-	(1,586,891.10)	17,540,750.30	
\$ (21,851.80)										207,509.20	
	22,145.20									221,452.00	
21,851.80	220,661.10	234,949.77				(24,517.90)	\$ 32,081.03		(24,517.90)	234,949.77	
-	242,806.30	234,949.77	-	-	-	(24,517.90)	32,081.03	-	(24,517.90)	663,910.97	
-	242,806.30	234,949.77	-	-	-	(24,517.90)	32,081.03	-	(24,517.90)	665,402.97	
		72,171.06		\$ 279,809.00		(516,117.00)	723,754.94			72,171.06	
		154,576.42		60,602.25		(111,760.00)	17,785.83			154,576.42	
		221,839.16		94,187.75		(173,695.00)	46,043.59			221,839.16	
		27,919.00		132,886.00		(245,114.00)	350,081.00			27,919.00	
		11,660.00		67,058.00		(123,692.00)	179,090.00			11,660.00	
		14,940.00		89,383.00		(164,870.00)	239,313.00			14,940.00	
		6,280.00		46,674.00		(86,093.00)	126,487.00			6,280.00	
-	-	509,385.64	-	770,600.00	-	(1,421,341.00)	1,682,555.36	-	-	509,385.64	
-	634,205.00	634,205.00	-	-	-	-	-	-	-	634,205.00	
	582.34										
	10,075.77	10,391.44				(315.67)				10,391.44	
-	10,658.11	10,391.44	-	-	-	(315.67)	-	-	-	10,391.44	
-	18,442,730.34	18,929,682.15	-	770,600.00	-	(3,321,410.52)	1,714,636.39	-	(1,611,409.00)	19,360,135.35	
	1,324,510.00	1,324,510.00								1,324,510.00	
	1,059,576.00	1,059,576.00								1,059,576.00	
	52,781.00	52,781.00								52,781.00	
-	2,436,867.00	2,436,867.00	-	-	-	-	-	-	-	2,436,867.00	
-	\$ 20,879,597.34	\$ 21,366,549.15	-	\$ 770,600.00	-	\$ (3,321,410.52)	\$ 1,714,636.39	-	\$ (1,611,409.00)	\$ 21,797,002.35	

BOROUGH OF PINE HILL SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended 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 Borough of Pine Hill School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. The capital projects fund is presented in the accompanying schedules on the modified accrual basis of accounting.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and (\$24,854.85) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 117,790.58	\$ 19,988,621.00	\$ 20,106,411.58
Special Revenue	1,019,963.39	242,806.30	1,262,769.69
Capital Projects		221,625.58	221,625.58
Debt Service		634,205.00	634,205.00
Food Service	674,918.03	10,391.44	685,309.47
	<u>674,918.03</u>	<u>10,391.44</u>	<u>685,309.47</u>
Total Awards and Financial Assistance	<u>\$ 1,812,672.00</u>	<u>\$ 21,097,649.32</u>	<u>\$ 22,910,321.32</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" in the Schedule of Expenditures of Federal Awards represent minor rounding differences. The amounts reported in the column entitled "adjustments" in the Schedule of Expenditures of State Financial Assistance represent the required match on capital projects.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**PINE HILL BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ___ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - School Breakfast Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - Food Distribution Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - After School Snack Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - National School Lunch Program</u>
<u>10.556</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - Special Milk Program</u>

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? X yes ___ no

PINE HILL BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-089</u>	<u>State Aid Public - Special Education Aid</u>
<u>16-495-034-5120-078</u>	<u>State Aid Public - Equalization Aid</u>
<u>16-495-034-5120-084</u>	<u>State Aid Public - Security Aid</u>
<u>16-495-034-5120-068</u>	<u>State Aid Public Cluster -- School Choice Aid</u>
<u>16-495-034-5120-098</u>	<u>State Aid Public - PARCC Readiness Aid</u>
<u>16-495-034-5120-097</u>	<u>State Aid Public - Per Pupil Growth Aid</u>
<u>16-495-034-5094-003</u>	<u>Reimbursed T.P.A.F. Social Security Contributions</u>

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? yes _____ no

PINE HILL BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings

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

None.

PINE HILL BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

PINE HILL BOROUGH SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2016

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Finding No. 2016-001 (Prior Year Finding No. 2015-001)

Information on the State Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)
- PARCC Readiness Aid (GMIS No. 495-034-5120-098)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)

Criteria or Specific Requirement

The Local Public Contracts Law requires that bids be obtained, contracts are advertised and contracts are awarded in the minute record for purchases in excess of the bid threshold.

Condition

Our audit of compliance with the Local Public Contracts Law revealed that one contract was not bid, two contracts were not awarded in the minutes and two contract awards were not advertised.

Questioned Costs

None.

Context

Of the fifteen contracts tested, one contract was not bid, two contracts were not awarded in the minutes and two contracts were not advertised. The sample was statistically valid.

Effect

The School District did not fully comply with the Local Public Contracts Law.

Cause

Oversight by the responsible official.

Recommendation

That the district ensure compliance with all facets of the regulations set forth in the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

PINE HILL BOROUGH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings and
Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2015-001

Information on the State Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)
- PARCC Readiness Aid (GMIS No. 495-034-5120-098)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)

Condition

Our audit of compliance with the Local Public Contracts Law and Pay to Play Law revealed that one contract was not bid, three contracts were not awarded in the minutes and three contract awards were not advertised.

Current Status

This condition remains unchanged as evidenced by finding number 2016-001.

