

Board of Education
Of the
CITY OF PORT REPUBLIC
School District

County of Atlantic
Port Republic, New Jersey



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2016

BOARD OF EDUCATION

**CITY OF PORT REPUBLIC
SCHOOL DISTRICT**

**County of Atlantic
Port Republic, New Jersey**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2016**

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)

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INTRODUCTORY SECTION

CITY OF PORT REPUBLIC DISTRICT
POMONA AVENUE
PORT REPUBLIC, NEW JERSEY 08241

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

The Comprehensive Annual Financial Report of the City of Port Republic School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section in which the District is required to undergo an annual single audit in conformity with provisions of the U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and State of New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1). REPORTING ENTITY AND ITS SERVICES

The District is a component unit of the City of Port Republic as set forth in Section 2100 of the Governmental Standards Board (GASB). All funds of the District are included in this report. The City of Port Republic Board of Education and all its schools constitute the District's reporting entity. The District is a Type I District and, as such, meets the criteria to be considered a component unit of the City of Port Republic. However, the City reports on a regulatory basis of accounting which does not recognize component units.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular education, as well as special education for disabled youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 120 students. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Increase/(Decrease)
2015-2016	120	(4.7%)
2014-2015	126	(.01)%
2013-2014	127	6.72%
2012-2013	119	0.01%
2011-2012	118	0.85%
2010-2011	117	12.50%
2009-2010	104	1.96%
2008-2009	102	(15.70)%
2007-2008	121	(4.72)%
2006-2007	127	(3.79)%

2). ECONOMIC CONDITION AND OUTLOOK

The District continues to see only very limited potential for growth due to Wetlands and Pinelands restrictions.

Enrollment has been in a decreasing trend for 2 years and looks to stabilize or increase in the next 3 years. As a revenue gaining measure, Port Republic School District now participates as a Choice School, where we have 13 Choice seats available. Although there will be no growth in the State Choice Program, we may increase our choice enrollment due to sibling entries.

The District continues to take advantage of opportunities to share services and minimize costs and will be exploring other considerations.

The impact of the NJDOE's budget deficit is uncertain; therefore the funding plan will remain unchanged.

3). MAJOR INITIATIVES

Student progress indicators continue to indicate that the District's educational program is an effective one, but we are striving for greater success. The District will be implementing new District and Board goal setting in 2016-2017 to develop a 5 year strategic plan for curriculum, technology, facility and finance. The Board recently hired a new permanent Superintendent that is very supportive of full technological integration and is excited about charting an exciting path forward. This will provide an exciting new chapter, as we welcome new ideas and initiatives.

4). INTERNAL CONTROLS

Management of the District is responsible for establishing and maintaining internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws a regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable law and regulations.

5). BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6). ACCOUNTING SYSTEM AND REPORTS

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

7). CASH MANAGEMENT

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

8). RISK MANAGEMENT

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

9). OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Preziosi Nicholson & Associates, PA 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 U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10). ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the City of Port Republic 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 administration and business staff.

Respectfully submitted,

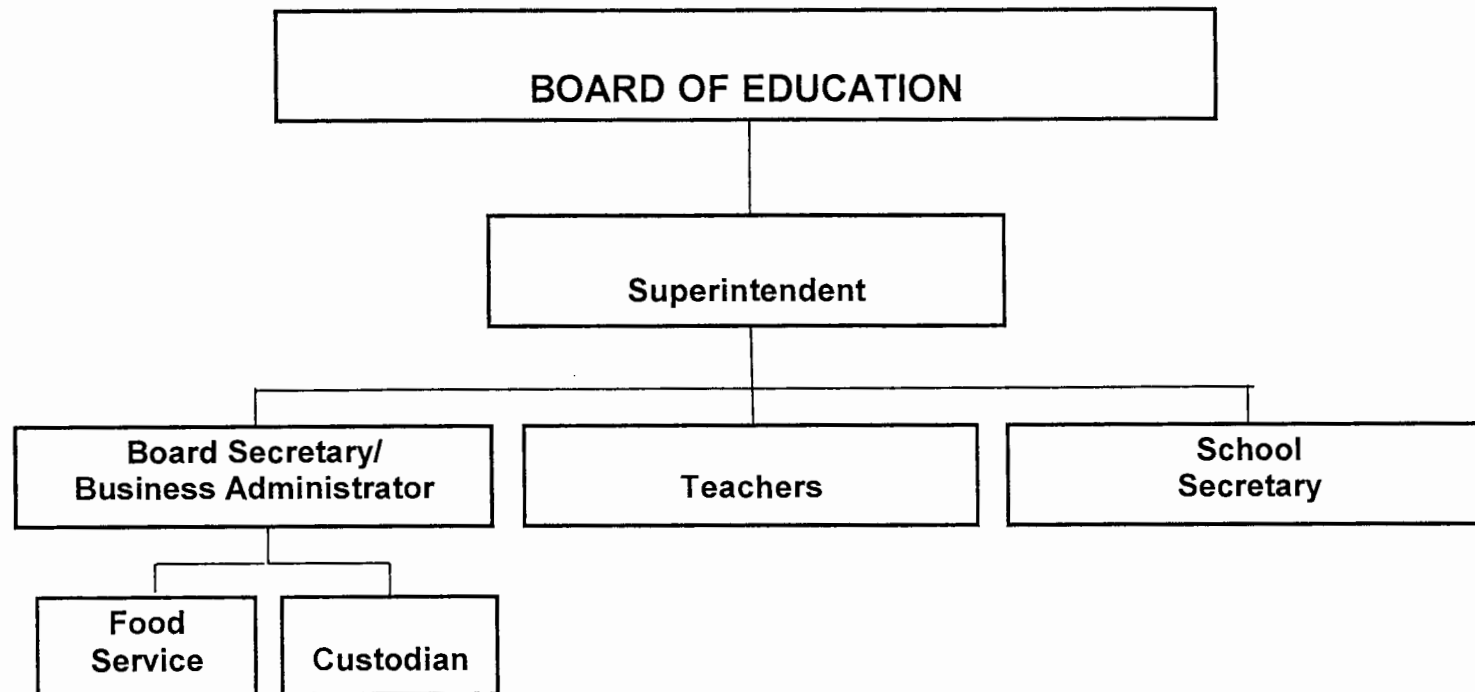
John Davis
John Davis
Superintendent

Todd D'Anna
Todd D'Anna
Business Administrator/
Board Secretary

CITY OF PORT REPUBLIC SCHOOL DISTRICT

County of Atlantic
Port Republic, New Jersey

ORGANIZATIONAL CHART



CITY OF PORT REPUBLIC SCHOOL DISTRICT

**County of Atlantic
Port Republic, New Jersey**

ROSTER OF OFFICIALS

June 30, 2016

Members of the Board of Education		Term Expires
Joy Hooper	President	2016
Jeff Ropiecki	Vice-President	2016
Thomas Kurtz	Board Member	2018
Niki Giberson	Board Member	2018
Alex Martin	Board Member	2018
 Other Officials		
John Davis	Superintendent	
Todd D'Anna	Business Administrator/Board Secretary	
Jessica Thompson	Treasurer	

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Consultants and Advisors

Attorney

Cooper Levenson Attorneys at Law
1125 Atlantic Avenue - 3rd Floor
Atlantic City, New Jersey 08401

Audit Firm

James M. Preziosi, MS, CPA, PSA
Preziosi Nicholson & Associates, P.A.
Certified Public Accountants
1101 Wheaton Avenue
Suite 100
Millville, New Jersey 08332

Official Depository

Cape Bank
320 East Jimmie Leads Road
Galloway, NJ 08205

Insurance Agent

Glenn Insurance, Inc.
P.O. Box 365
Absecon, New Jersey 08201

FINANCIAL SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the City of Port Republic Board of Education (a component unit of the City of Port Republic) in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 City of Port Republic School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Schedule of State Financial Assistance as required by NJ OMB 15-08 and the introductory and statistical sections are 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 Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

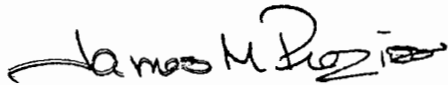
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2016 on our consideration of the City of Port Republic School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Port Republic School District's internal control over financial reporting and compliance.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

November 3, 2016
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

This section of the City of Port Republic School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

Exhibit A-1

Net Position for Governmental and Business-Type activities were \$281,221 and (\$640) respectively

Exhibit A-2

Net Position for both activities increased by \$22,803.

Exhibit B-1

The General Fund, fund balance as of June 30, 2016 was \$364,437 an increase of \$46,454 when compared with the beginning balance as of July 1, 2015 of \$317,983.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

1. District-Wide Financial Statements
2. Fund Financial Statements
3. Notes to Basic Financial Statements

This report also contains other supplementary information in addition to the basic financial statements.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government'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 district-wide statements report net position and net financial position has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*. The district-wide financial statements include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

The District has the following kinds of funds:

Governmental Funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary Funds - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

Fiduciary Funds - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components - the amount due within one year and the amount due in more than one year. The difference between the District's assets and liabilities is its net position.

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position

Comparative Summary of Net Position	Governmental Activities		Business-Type Activities	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Assets				
Current and Other Assets	\$ 367,424	\$ 354,357	\$ 3,151	\$ 5,401
Capital Assets; net	211,832	235,316		
Deferred Outflows	<u>49,898</u>	<u>7,006</u>		
Total Assets	<u>629,154</u>	<u>596,679</u>	<u>3,151</u>	<u>5,401</u>
Liabilities				
Other Liabilities	2,988	36,374	3,791	3,791
Net Pension Liability	284,813	222,796		
Deferred Inflows	<u>60,132</u>	<u>81,341</u>		
Total Liabilities	<u>347,933</u>	<u>340,511</u>	<u>3,791</u>	<u>3,791</u>
Net Position				
Invested in Capital Assets, Net of Debt	211,832	235,316		
Restricted	218,066	183,873		
Unrestricted	<u>(148,677)</u>	<u>(163,021)</u>	<u>(640)</u>	<u>3,860</u>
TOTAL NET POSITION	<u>\$ 281,221</u>	<u>\$ 256,168</u>	<u>\$ (640)</u>	<u>\$ 1,610</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS

Change in Net Position

	Governmental Activities		Business-Type Activities	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
COMPARATIVE SUMMARY OF CHANGE IN NET POSITION				
Program Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Grants and Contributions	798,325	404,126		
General Revenues				
Property Taxes	1,705,464	1,666,762		
Grants and Entitlements	905,690	851,346		
Other	6,996	8,622		
Total Revenues	<u>3,416,475</u>	<u>2,930,856</u>	<u>0</u>	<u>0</u>
Program Expenses				
Instruction	1,610,588	1,245,828		
Support Services	1,757,349	1,696,613		
Unallocated Depreciation	23,484	26,543		
Enterprise			2,250	2,250
Total Expenses	<u>3,391,421</u>	<u>2,968,984</u>	<u>2,250</u>	<u>2,250</u>
Change in Net Position	25,054	(38,128)	(2,250)	(2,250)
Transfers				
Net Position, July 1	<u>256,168</u>	<u>294,296</u>	<u>1,610</u>	<u>3,860</u>
Net Position, June 30	<u>\$ 281,222</u>	<u>\$ 256,168</u>	<u>\$ (640)</u>	<u>\$ 1,610</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As of the end of the current fiscal year, the District's governmental funds reported combining ending fund balances of:

	June 30, 2016	June 30, 2015	Change
Restricted			
Capital Reserve	\$ 614	\$ 614	\$.
Excess Surplus	217,452	149,258	68,194.
Assigned			
Excess Surplus			
Other Purposes		17,000	(17,000.)
Unassigned			
General Fund	146,370	151,111	(4,741)
Total	\$ 364,436	\$ 317,983	\$ (46,453)

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Revenues

The General Fund proposed budget, estimated revenues at \$2,749,677. Actual revenues, not including on-behalf contributions for Pension and Social Security, were \$2,753,673.

Expenditures

The General Fund adopted expenditures were budgeted at \$2,780,866. Actual expenditures, not including on-behalf contributions for Pension and Social Security, were \$2,702,478.

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016, the School District had \$2,298,475 invested in land, building, furniture and equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

In accordance with the statutes governing Type 1 School Districts, the bonded debt is assumed by the City of Port Republic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the city budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a summary of the financial condition of School District. Questions concerning any of the information provided in this report should be addressed to:

School Business Administrator/Board Secretary
City of Port Republic School District
Pomona Avenue
Port Republic, NJ 08241
609.652.3664

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)

Statement of Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS	\$ 265,048.79	\$ 3,151.08	\$ 268,199.87
Cash and Cash Equivalents			268,199.87
Accounts Receivable	18,676.17		18,676.17
Due From Other Funds	64,910.94		64,910.94
Due From Other Governments	6,880.04		6,880.04
Tax Levy	11,295.00		11,295.00
Other			
Restricted Assets	613.63		613.63
Cash Reserve Accounts	211,831.91		211,831.91
Capital Assets, Net			
	579,256.48	3,151.08	582,407.56
Total Assets			
DEFERRED OUTFLOWS OF RESOURCES	49,898.00		49,898.00
Pension Deferred Outflows	49,898.00		49,898.00
LIABILITIES			
Liabilities	2,988.00		2,988.00
Accounts Payable	284,813.00		284,813.00
Net Pension Liability		3,790.78	3,790.78
Due to Other Funds			
	287,801.00	3,790.78	291,591.78
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES	60,132.00		60,132.00
Pension Deferred Inflows	60,132.00		60,132.00
NET POSITION	211,831.91		211,831.91
Invested in Capital Assets, Net of Related Debt			
Restricted	613.63		613.63
Capital Projects	217,452.90		217,452.90
Other Purposes	(148,676.96)	(639.70)	(149,316.66)
Unrestricted			
	211,831.91	(639.70)	211,192.21
Total Net Position	\$ 281,221.48	\$ (639.70)	\$ 280,581.78

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
Statement of Activities
 For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 1,496,277.41	\$ -	\$ -	\$ 570,550.33	\$ (925,727.07)	\$ -	\$ (925,727.07)
Special Education	113,610.74			96,970.39	(16,640.35)		(16,640.35)
School Sponsored Activities	700.00				(700.00)		(700.00)
Other Special	-				-		-
Support Services							
Tuition	868,372.40				(868,372.40)		(868,372.40)
Student and Instruction	430,463.39			61,542.20	(368,921.19)		(368,921.19)
General Administration	109,110.84			13,284.76	(95,826.08)		(95,826.08)
School Administrative	71,922.56			8,592.79	(63,329.77)		(63,329.77)
Central Services	45,050.00				(45,050.00)		(45,050.00)
Plant Operations and Maintenance	160,252.46				(160,252.46)		(160,252.46)
Pupil Transportation	72,177.41			47,385.00	(24,792.41)		(24,792.41)
Other Support Services	-				-		-
Jnallocated Depreciation	23,484.18				(23,484.18)		(23,484.18)
Total Governmental Activities	3,391,421.38	-	-	798,325.47	(2,593,095.91)	-	(2,593,095.91)
Business-Type Activities							
Food Service	2,250.00					(2,250.00)	(2,250.00)
Total Business-Type Activities	2,250.00	-	-	-	-	(2,250.00)	(2,250.00)
Total Primary Government	\$ 3,393,671.38	\$ -	\$ -	\$ 798,325.47	(2,593,095.91)	(2,250.00)	(2,595,345.91)
General Revenues							
Tax Levy					1,705,464.00		1,705,464.00
Unrestricted Federal and State Aid					905,690.00		905,690.00
Investment Earnings					1,144.78		1,144.78
Other Income					5,850.43		5,850.43
Transfers							
Total General Revenues And Transfers					2,618,149.21	-	2,618,149.21
Change in Net Position					25,053.30	(2,250.00)	22,803.30
Net Position, July 1					256,168.18	1,610.30	257,778.48
Net Position, June 30					\$ 281,221.48	\$ (639.70)	\$ 280,581.78

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Governmental Funds
Balance Sheet
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 230,901.80	\$ 34,146.99	\$ -	\$ -	\$ 265,048.79
Accounts Receivable					
Due From Other Funds	109,665.16				109,665.16
Due From Other Governments	6,580.94	58,330.00			64,910.94
Tax Levy	6,880.04				6,880.04
Other	9,795.00	1,500.00			11,295.00
Restricted Cash and Cash Equivalents	613.63				613.63
Total Assets	\$ 364,436.57	\$ 93,976.99	\$ -	\$ -	\$ 458,413.56
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	\$ 2,988.00	\$ -	\$ -	\$ 2,988.00
Unearned Revenue					-
Due to Other Funds		90,988.99			90,988.99
Total Liabilities	-	93,976.99	-	-	93,976.99
FUNDS BALANCES					
Restricted					
Capital Reserve	613.63				613.63
Excess Surplus					
Designated For Subsequent Year	135,069.46				135,069.46
Current Year	82,383.44				82,383.44
Assigned					
Designated For Subsequent Year	-				-
Unassigned	146,370.04				146,370.04
Total Fund Balance	364,436.57	-	-	-	364,436.57
Total Liabilities and Fund Balances	\$ 364,436.57	\$ 93,976.99	\$ -	\$ -	\$ 458,413.56

Total Governmental Fund Balances \$ 364,436.57

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 as assets in governmental funds and consist of:

Cost of Capital Assets	2,293,904.72
Accumulated Depreciation	(2,082,072.81)

Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements 49,898.00

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements (344,945.00)

Total Net Position - Governmental Activities	\$ 281,221.48
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CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,705,464.00	\$ -	\$ -	\$ -	\$ 1,705,464.00
Interest Earned	1,144.78				1,144.78
Miscellaneous	5,850.43				5,850.43
	<u>1,712,459.21</u>	-	-	-	<u>1,712,459.21</u>
Federal Sources		73,181.00			73,181.00
State Sources	1,257,514.47				1,257,514.47
Total Revenues	<u>2,969,973.68</u>	<u>73,181.00</u>	<u>-</u>	<u>-</u>	<u>3,043,154.68</u>
EXPENDITURES					
Current					
Regular Instruction	749,352.87	63,067.47			812,420.34
Special Education Instruction	82,193.39				82,193.39
School Sponsored Activities	700.00				700.00
Other Instruction					-
Support Services					
Tuition	868,372.40				868,372.40
Student and Instruction	301,311.65	10,113.53			311,425.18
General Administration	80,445.57				80,445.57
School Administrative	52,033.45				52,033.45
Central Services	45,050.00				45,050.00
Plant Operations and Maintenance	160,252.46				160,252.46
Pupil Transportation	72,177.41				72,177.41
Other Support Services					-
Employee Benefits	511,631.00				511,631.00
Capital Outlay					-
Total Expenditures	<u>2,923,520.20</u>	<u>73,181.00</u>	<u>-</u>	<u>-</u>	<u>2,996,701.20</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>46,453.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,453.48</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					-
Transfers Out					-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>46,453.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,453.48</u>
Fund Balance, July 1	317,983.09	-	-	-	317,983.09
Fund Balance, June 30	<u>\$ 364,436.57</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,436.57</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to the Statement of Activities
 For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$	46,453.48
Amounts Reported for Governmental Activities in the Statement of Activities are different because:			
<p>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 current fiscal year.</p>			
Depreciation Expense			(23,484.18)
Capital Outlays			
<p>Pension contributions are reported in governmental funds as expenditures. However in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumptions. This is the amount by which net pension liability and deferred inflows/outflows related to pensions changed during the period.</p>			
			2,084.00
Change in Net Position of Governmental Activities			\$ 25,053.30

PROPRIETARY FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Proprietary Funds
Statement of Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	<u>Enterprise Fund</u> <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,151.08
Accounts Receivable	
State	-
Federal	-
	3,151.08
Total Current Assets	3,151.08
Noncurrent Assets	
Equipment	4,570.00
Less: Accumulated Depreciation	4,570.00
	-
Total Noncurrent Assets	-
Total Assets	3,151.08
LIABILITIES	
Current Liabilities	
Accounts Payable	
Interfund Payable	3,790.78
	3,790.78
Total Current Liabilities	3,790.78
NET POSITION	
Invested in Capital Assets Net of Related Debt	
Unrestricted	(639.70)
	(639.70)
Total Net Position	\$ (639.70)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Enterprise Fund Food Service
OPERATING REVENUES	
Charges For Services	
Daily Sales	\$ -
Reimbursable Programs	-
Non-Reimbursable Programs	-
	-
Total Operating Revenue	-
OPERATING EXPENSES	
Cost of Sales	-
Purchased Services	2,250.00
General Supplies	-
Depreciation	-
Other	-
	2,250.00
Total Operating Expenses	2,250.00
Operating Income (Loss)	(2,250.00)
NONOPERATING REVENUES (EXPENSES)	
State Sources	
State School Lunch Program	-
Federal Sources	
National School Lunch Program	-
Interest on Investments	-
	-
Total Nonoperating Revenues (Expenses)	-
Income (Loss) Before Contributions and Transfers	(2,250.00)
Capital Contributions	-
Transfers In/(Out)	-
	-
Change in Net Position	(2,250.00)
Net Position, July 1	1,610.30
Net Position, June 30	\$ (639.70)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Enterprise Fund Food Service
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts From Customers and Other Funds	\$ -
Purchased Services	(2,250.00)
Net Cash Provided By (Used In) Operating Activities	(2,250.00)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	-
Federal Sources	-
Operating Subsidies and Transfers to Other Funds	-
Net Cash Provided By (Used In) Noncapital Financing Activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	-
Net Cash Provided By (Used In) Investing Activities	-
Net Increase (Decrease) In Cash and Cash Equivalents	(2,250.00)
Cash and Cash Equivalents, July 1	5,401.08
Cash and Cash Equivalents, June 30	\$ 3,151.08
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (2,250.00)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Depreciation	-
(Increase) Decrease	
Accounts receivable	-
Inventories	-
Other Current Assets	-
Increase (Decrease)	
Accounts Payable	-
Accrued Expenses	-
Net Cash Provided By (Used In) Operating Activities	\$ (2,250.00)

FIDUCIARY FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Scholarship Trust	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 45,465.17
Investments	-	-
Interfunds Receivable	-	-
	-	-
Total Assets	-	45,465.17
LIABILITIES		
Payroll Deductions	-	18,644.97
Interfund Payable	-	14,885.39
Due to Student Groups	-	11,934.81
	-	45,465.17
Total Liabilities	-	45,465.17
NET POSITION		
Held in Trust	-	-
Total Net Position	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The City of Port Republic School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative controls of the District.

The financial statements of the Board of Education (Board) of the City of Port Republic School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

Description of the Reporting Entity

The City of Port Republic School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board consists of appointed officials and is responsible for the fiscal control of the District. The purpose of the District is to educate students in grades K-8. Students in grades 9-12 attend the Greater Egg Harbor Township High School.

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

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

Based on the aforementioned criteria, the District has no component units however, as a Type I School District would be considered a component unit of the City of Port Republic.

Government-Wide and Fund Financial Statements

The 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 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 taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for support

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 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 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.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 District.

The District reports the following major governmental funds:

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

General Fund

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

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

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

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

Proprietary Fund Types

Proprietary Funds are used to account for the 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 income. 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 District maintains the following major proprietary funds:

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The District retains no equity interest in these funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The District maintains a student activity fund, and payroll fund.

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016**

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.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.

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

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

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

Encumbrances

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

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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 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.

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets (Continued)

Depreciation is computed using the straight-line method under the full month convention over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

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 funds 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.

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 enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact. The "not 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 District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other government 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriated, in the following order: committed, assigned, then unassigned.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchanged transactions between funds are reported as revenues in the seller funds and as expenditure / expense 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.

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

Recent Accounting Pronouncements

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "Certain External Investment Pools and Pool Participants". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 30, 2016. Although not determinable, the impact on this statement on the net position of the District is anticipated to not be significant.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Districts' deposits might not be recovered. Although the 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. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are considered uninsured and uncollateralized.

As of June 30, 2016, none of the District's bank balances of \$369,215.77 are considered uninsured or uncollateralized.

Insured FDIC	\$	250,000.00
Uninsured but collateralized with bank – GUDPA		119,215.77
	\$	369,215.77

NOTE 3 RESERVE ACCOUNT

Capital Reserve

A capital reserve account was established by the District 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.

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Facility and Improvements	\$ 2,154,100.18	\$	\$	\$ 2,154,100.18
Equipment	139,804.54	_____	_____	139,804.54
Total at Historical Cost	2,293,904.72			2,293,904.72
Accumulated Depreciation	2,058,588.63	23,484.18	_____	2,082,072.81
Capital Assets, Net	\$ 235,316.09	\$ (23,484.18)	\$ 0.00	\$ 211,831.91

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Notes to Financial Statements
June 30, 2016

NOTE 4 CAPITAL ASSETS

Business-Type Activities

Equipment	\$ 4,570.00	\$ _____	\$ _____	\$ 4,570.00
Total at Historical Cost	4,570.00			4,570.00
Accumulated Depreciation	<u>4,570.00</u>	_____	_____	<u>4,570.00</u>
Capital Assets, Net	<u>\$ _____</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTE 5 PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for Public Employees Retirement System and Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension - At June 30, 2016, the District reported a liability of \$284,813 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, rolled forward to June 30, 2015. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the year ended June 30, 2015. At June 30, 2015, the District's proportion was 0.0012687678% which was a decrease of .000079% from its proportion measured as of June 30, 2014.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$8,824. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,795	\$ -
Changes of Assumptions	30,587	
Net Differences Between Projected and Actual Earnings on Investments		4,579
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	12,516	55,553
Total	\$ 49,898	\$ 60,132

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

June 30,	
2016	\$ 1,863
2017	1,863
2018	1,863
2019	2,967
2020	1,678
	\$ 10,234

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 3,578,755,666	\$ 952,194,675
Collective Deferred Inflows of Resources	\$ 999,410,455	\$ 1,479,224,662
Collective Net Pension Liability (Local Group)	\$ 22,447,996,119	\$ 18,722,735,003
District's Portion of Net Pension Liability	\$ 284,813	\$ 222,796
District's Proportion Percentage	0.00126876%	0.0011899%

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Notes to Financial Statements
June 30, 2016**

NOTE 6 PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions – The total pension liability for the July 1, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015 using the following assumptions:

Inflation:	3.04%
Salary Increase:	
2012-2021	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of investments and Division of pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016**

NOTE 6 PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that due date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's Proportionate Share of Net Pension Liability	\$ 353,988	\$ 284,813	\$ 226,817

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home-shtml>.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 6

PENSION PLANS

Teacher's Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement, death, and disability, and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees at the Department of Education who have titles that are unclassified, professional and certified.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the District employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployed contributing entity. Since the District (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the State's portion of the net pension liability that was associated with the District was \$6,112,606 as measured on June 30, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$373,320 and revenue of \$373,320 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS

Teacher's Pension and Annuity Fund (TPAF) (Continued)

Although the District does not report net pension liability or deferred outflows or inflows to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the District. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 7,200,153,386	\$ 2,306,623,861
Collective Deferred Inflows of Resources	\$ 544,399,005	\$ 1,763,205,593
Collective Net Pension Liability		
Nonemployer-State of New Jersey	\$ 63,577,864,440	\$ 53,446,745,367
State's Portion of the Net Pension Liability		
Associated with the District	\$ 6,112,606	\$ 5,524,613
State's Portion of Net Pension Liability		
Associated with the District as a		
Percentage of the Collective Net Pension		
Liability	0.0096711%	0.0103366%

Actuarial Assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases 2012 – 2021:	Varies based on Experience
Investment Rate of Return:	7.90%

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

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS

Teacher's Pension and Annuity Fund (TPAF)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plans investments of 7.9% 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 rate assumed that contributions from plan members will be made at current member contribution rates and that contributions from employers (State of New Jersey) will be made based on an average of the last five years. Based on those assumption, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit pay.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 6

PENSION PLANS

Teacher's Pension and Annuity Fund (TPAF)

Sensitivity of the District's proportionate share of net pension liability to change in the discount rate – Since the District has no proportionate share in the net person liability of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pesion/pdf/financial/gasb68-tpaf15.pdf>.

Pension plan fiduciary net position – Detailed information about the plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program ("DCRP") established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 45:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with tax-sheltered, defined contribution retirement benefits, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefits provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always 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.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016

NOTE 5 PENSION PLANS

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
06/30/2016	\$10,908	100%	-0-
06/30/2015	\$ 9,810	100%	-0-
06/30/2014	\$12,687	100%	-0-

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
06/30/2016	\$135,291	100%	-0-
06/30/2015	\$135,291	100%	-0-
06/30/2014	\$115,428	100%	-0-

During the fiscal year ended June 30, 2016, the State of New Jersey did contribute \$155,658 to he TPAF for pension and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$65,384.47, during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program ("DCRP") established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 45:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with tax-sheltered, defined contribution retirement benefits, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to normal rate when such surplus pension assets no longer exist

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Notes to Financial Statements
June 30, 2016

NOTE 6 POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990,c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c.62. Funding of post-retirement medical premiums changed from a prefunding 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 to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

NOTE 7 ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School Board has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$71,053 and \$84,605, respectively.

NOTE 8 DEFERRED COMPENSATION

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

Axa Equitable
American Express Financial
Syracusa Benefits Program

NOTE 9 RISK MANAGEMENT

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

Property and Liability Insurance

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

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Notes to Financial Statements
June 30, 2016**

NOTE 10 INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 109,665.16	\$
Special Revenue Fund		90,988.99
Fiduciary Fund		14,885.39
Enterprise Fund	<u> </u>	<u>3,790.78</u>
Total	<u>\$ 109,665.16</u>	<u>\$ 109,665.16</u>

NOTE 11 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 District's fund balance are summarized as follows:

General Fund

For Excess Surplus

Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund 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 \$217,452.90.

For Capital Reserve

As of June 30, 2016, the balance in the capital reserve account is \$613.63. These funds are restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan (LRFP).

Unassigned

As stated in Note 1, 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 District's unassigned fund balance is summarized as follows:

General Fund

As of June 30, 2016, \$146,370.04 of general fund balance was unassigned.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Notes to Financial Statements
June 30, 2016

NOTE 12 DEFICIT UNRESTRICTED NET POSITION

The governmental activities has a deficit in unrestricted net assets of \$148,676.96. This deficit is attributable to the allocation of deferred inflows and outflows of pension expense and net pension liability.

NOTE 13 CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

General

Per confirmation by the District's legal counsel, there are no material pending litigation, claims, assessments or contingent liabilities against the District.

NOTE 14 SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred as of November 3, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,705,464.00	\$ -	\$ 1,705,464.00	\$ 1,705,464.00	\$ -
Interest		-	-	1,144.78	1,144.78
Miscellaneous	3,000.00	-	3,000.00	5,850.43	2,850.43
Total Local Sources	1,708,464.00	-	1,708,464.00	1,712,459.21	3,995.21
State Sources					
Equalization Aid	239,382.00	-	239,382.00	239,382.00	-
Categorical Transportation Aid	47,385.00	-	47,385.00	47,385.00	-
Categorical Special Education Aid	83,397.00	-	83,397.00	83,397.00	-
Categorical Security Aid	12,595.00	-	12,595.00	12,595.00	-
Adjustment Aid	495,546.00	-	495,546.00	495,546.00	-
School Choice Aid	159,168.00	-	159,168.00	159,168.00	-
PARCC Readiness	1,870.00	-	1,870.00	1,870.00	-
Per Pupil Growth	1,870.00	-	1,870.00	1,870.00	-
On-Behalf Non-Budgeted				71,053.00	71,053.00
TPAF Pension Contribution (Non-Budgeted)				84,605.00	84,605.00
TPAF Post Retirement Benefits (Non-Budgeted)				65,384.47	65,384.47
Reimbursed TPAF Social Security (Non-Budgeted)					
Total State Sources	1,041,213.00	-	1,041,213.00	1,262,255.47	221,042.47
Federal Sources					
Federal Grants					
Total Federal Sources	-	-	-	-	-
Total Revenues	2,749,677.00	-	2,749,677.00	2,974,714.68	225,037.68

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expense					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	83,855.00	(10,630.00)	73,225.00	73,224.50	0.50
Grades 1-5 - Salaries of Teachers	396,787.00	(34,680.80)	362,106.20	347,255.20	14,851.00
Grades 6-8 - Salaries of Teachers	214,525.00	60,669.65	275,194.65	275,194.65	-
Regular Programs -Home Instruction					
Salaries of Teachers	2,000.00	(2,000.00)			-
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	7,050.00	(83.85)	6,966.15	6,650.50	315.65
Purchased Technical Services	24,850.00	-	24,850.00	19,977.34	4,872.66
Other Purchased Services (400-500 series)	10,512.00	-	10,512.00	10,250.38	261.62
General Supplies	21,800.00	-	21,800.00	16,120.19	5,679.81
Textbooks	12,000.00	(11,308.90)	691.10	680.11	10.99
Other Objects		-			-
Total Regular Programs - Instruction	<u>773,379.00</u>	<u>1,966.10</u>	<u>775,345.10</u>	<u>749,352.87</u>	<u>25,992.23</u>
Special Education - Instruction					
Resource Room/Resource Center					
Salaries of Teachers	78,199.00	3,967.00	82,166.00	71,160.02	11,005.98
Other Salaries for Instruction		12,766.90	12,766.90	10,956.52	1,810.38
General Supplies	600.00	-	600.00	76.85	523.15
Total Resource Room/Resource Center	<u>78,799.00</u>	<u>16,733.90</u>	<u>95,532.90</u>	<u>82,193.39</u>	<u>13,339.51</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills - Remedial Instruction					
Salaries of Teachers	18,700.00	(18,700.00)			-
General Supplies	500.00	-	500.00		500.00
Total Resource Room/Resource Center	19,200.00	(18,700.00)	500.00	-	500.00
Total Special Education - Instruction	97,999.00	(1,966.10)	96,032.90	82,193.39	13,839.51
School-Sponsored Cocurricular Activities - Instruction					
Salaries	700.00	-	700.00	700.00	-
General Supplies	300.00	-	300.00		300.00
Total School-Sponsored Cocurricular Activities - Instruction	1,000.00	-	1,000.00	700.00	300.00
School-Sponsored Cocurricular Athletics - Instruction					
Salaries	2,400.00	-	2,400.00		2,400.00
Other Purchased Services (400-500 series)	200.00	-	200.00		200.00
General Supplies	350.00	-	350.00		350.00
Total School-Sponsored Cocurricular Athletics - Instruction	2,950.00	-	2,950.00	-	2,950.00
Total Instruction and At-Risk Programs	875,328.00	0.00	875,328.00	832,246.26	43,081.74
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	780,810.00	27,189.40	807,999.40	807,999.40	-
Tuition to Other LEAs Within the State - Special	51,831.00	(27,189.40)	24,641.60	18,141.00	6,500.60
Tuition to County Vocational School - Regular	37,301.00	-	37,301.00	37,301.00	-
Tuition to CSSD - Regular Day Schools	4,931.00	-	4,931.00	4,931.00	-
Total Undistributed Expenditures - Instruction	874,873.00	0.00	874,873.00	868,372.40	6,500.60

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services					
Salaries	51,659.00	2,272.00	53,931.00	53,931.00	-
Supplies and Materials	2,500.00	(700.00)	1,800.00	1,726.02	73.98
Total Undistributed Expenditures - Health Services	<u>54,159.00</u>	<u>1,572.00</u>	<u>55,731.00</u>	<u>55,657.02</u>	<u>73.98</u>
Undistributed Expenditures - Speech-Occupational- Physical Therapy and Related Services					
Salaries	24,023.00	1,139.60	25,162.60	25,162.60	-
Supplies and Materials	500.00	-	500.00	197.95	302.05
Other Objects		-			-
Total Undistributed Expenditures - Speech-Occupational- Physical Therapy and Related Services	<u>24,523.00</u>	<u>1,139.60</u>	<u>25,662.60</u>	<u>25,360.55</u>	<u>302.05</u>
Undistributed Expenditures - Guidance Services					
Other Purchased Professional and Technical Services		-			-
Total Undistributed Expenditures - Guidance Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assistants		-			-
Purchased Professional-Educational Services	38,500.00	23,590.42	62,090.42	62,090.42	-
Miscellaneous Purchased Services	500.00	(500.00)			-
Total Undistributed Expenditures - Child Study Teams	<u>39,000.00</u>	<u>23,090.42</u>	<u>62,090.42</u>	<u>62,090.42</u>	<u>-</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Other Professional Staff	700.00	-	700.00		700.00
Salaries of Secretarial and Clerical Assist.	72,513.00	-	72,513.00	72,418.72	94.28
Other Purchased Services (400-500 Series - Other Than 444)	600.00	-	600.00	500.00	100.00
Supplies and Materials	500.00	-	500.00	44.97	455.03
Total Undistributed Expenditures - Improvement of Instructional Services	74,313.00	-	74,313.00	72,963.69	1,349.31
Undistributed Expenditures - Educational Media Services/School Library					
Salaries	51,749.00	-	51,749.00	50,996.31	752.69
Other Purchased Professional and Technical Services		-			-
Supplies and Materials	47,670.00	(12,851.55)	34,818.45	30,384.46	4,433.99
Total Undistributed Expenditures - Educational Media Services/School Library	99,419.00	(12,851.55)	86,567.45	81,380.77	5,186.68
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	1,500.00	-	1,500.00	500.00	1,000.00
Other Purchased Services (400-500 series)	4,500.00	-	4,500.00	3,359.20	1,140.80
Total Undistributed Expenditures - Instructional Staff Training Services	6,000.00	-	6,000.00	3,859.20	2,140.80
Undistributed Expenditures - Support Services - General Administration					
Salaries	49,400.00	-	49,400.00	49,400.00	-
Legal Services	10,000.00	(669.80)	9,330.20	9,330.20	-
Audit Fees	5,000.00	2,700.00	7,700.00	7,700.00	-
Communications/Telephone	8,900.00	660.51	9,560.51	9,560.51	-
Board of Education Other Purchased Services		1,750.00	1,750.00	1,750.00	-
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	100.00	1,421.22	1,521.22	1,521.22	-
Supplies and Materials		1,157.18	1,157.18	960.14	197.04
Other Objects		139.50	139.50	139.50	-
Board of Education Membership Dues and Fees		84.00	84.00	84.00	-
Total Undistributed Expenditures - Support Services - General Administration	73,400.00	7,242.61	80,642.61	80,445.57	197.04

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General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals	49,400.00	2,960.00	52,360.00	51,960.00	400.00
Other Purchased Services (400-500 series)		-			-
General Supplies		73.45	73.45	73.45	-
Total Undistributed Expenditures - Support Services - School Administration	<u>49,400.00</u>	<u>3,033.45</u>	<u>52,433.45</u>	<u>52,033.45</u>	<u>400.00</u>
Undistributed Expenditures - Central Services					
Salaries	41,200.00	3,600.00	44,800.00	44,800.00	-
Purchased Technical Services		250.00	250.00	250.00	-
Other Objects		200.00	200.00		200.00
Total Undistributed Expenditures - Central Services	<u>41,200.00</u>	<u>4,050.00</u>	<u>45,250.00</u>	<u>45,050.00</u>	<u>200.00</u>
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	31,600.00	-	31,600.00	31,600.00	-
Cleaning, Repair, and Maintenance Services	80,955.00	(38,953.23)	42,001.77	36,371.91	5,629.86
General Supplies	9,378.00	1,000.61	10,378.61	10,378.61	-
Other Objects		-			-
Total Undistributed Expenditures -Required Maintenance for School Facilities	<u>121,933.00</u>	<u>(37,952.62)</u>	<u>83,980.38</u>	<u>78,350.52</u>	<u>5,629.86</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
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General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	14,460.00	9,227.10	23,687.10	22,654.50	1,032.60
Insurance	19,280.00	488.83	19,768.83	19,768.83	-
Cleaning, Repair, and Maintenance Services	3,700.00	503.05	4,203.05	4,203.05	-
General Supplies	7,450.00	3,125.55	10,575.55	10,575.55	-
Energy - Electricity	18,720.00	5,000.00	23,720.00	23,650.51	69.49
Energy - Oil	3,000.00	(1,750.00)	1,250.00	1,049.50	200.50
	<u>66,610.00</u>	<u>16,594.53</u>	<u>83,204.53</u>	<u>81,901.94</u>	<u>1,302.59</u>
Total Undistributed Expenditures - Custodial Services					
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	500.00	(200.00)	300.00	-	300.00
Other Objects	-	-	-	-	-
	<u>500.00</u>	<u>(200.00)</u>	<u>300.00</u>	<u>-</u>	<u>300.00</u>
Total Undistributed Expenditures -Care & Upkeep of Grounds					
	<u>500.00</u>	<u>(200.00)</u>	<u>300.00</u>	<u>-</u>	<u>300.00</u>
Total Undistributed Expenditures - Operations & Maintenance of Plant	<u>189,043.00</u>	<u>(21,558.09)</u>	<u>167,484.91</u>	<u>160,252.46</u>	<u>7,232.45</u>
Undistributed Expenditures - Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	9,724.00	-	9,724.00	7,956.00	1,768.00
Contracted Services - (Between Home and School) - Vendors	44,430.00	2,083.33	46,513.33	45,356.92	1,156.41
Contracted Services (Other than Between Home and School)-Vendors	1,000.00	2,177.75	3,177.75	3,177.75	-
Contracted Services - (Special Education Students) - Joint Agreements	6,541.00	9,339.92	15,880.92	15,686.74	194.18
	<u>61,695.00</u>	<u>13,601.00</u>	<u>75,296.00</u>	<u>72,177.41</u>	<u>3,118.59</u>
Total Undistributed Expenditures - Student Transportation Services					

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits					
Social Security Contributions	25,000.00	462.96	25,462.96	25,462.96	-
Other Retirement Contributions - PERS	10,500.00	524.52	11,024.52	10,908.00	116.52
Unemployment Compensation	5,000.00	-	5,000.00	4,920.81	79.19
Workmen's Compensation	12,900.00	(2,000.00)	10,900.00	10,793.90	106.10
Health Benefits	252,513.00	(19,737.92)	232,775.08	232,558.86	216.22
Tuition Reimbursement	12,600.00	(3,500.00)	9,100.00	5,944.00	3,156.00
Other Employee Benefits	-	-	-	-	-
Total Unallocated Benefits	318,513.00	(24,250.44)	294,262.56	290,588.53	3,674.03
On-Behalf Contributions					
TPAF Pension Contribution (Non-Budgeted)	-	-	-	71,053.00	(71,053.00)
TPAF Post Retirement Benefits (Non-Budgeted)	-	-	-	84,605.00	(84,605.00)
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	65,384.47	(65,384.47)
Total On-Behalf Contributions	-	-	-	221,042.47	(221,042.47)
Total Personal Services - Employee Benefits	318,513.00	(24,250.44)	294,262.56	511,631.00	(217,368.44)
Total Undistributed Expenditures	1,905,538.00	(4,931.00)	1,900,607.00	2,091,273.94	(190,666.94)
Total Current Expense	2,780,866.00	(4,931.00)	2,775,935.00	2,923,520.20	(147,585.20)
Capital Outlay					
Equipment					
Undistributed Expenditures					
Instruction					
Support Services - Students - Regular		-			-
Operational and Maintenance of Plant Services		-			-
Total Equipment	-	-	-	-	-

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Salaries		-			-
Construction Services		-			-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures					
General Administration		-			-
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	2,780,866.00	(4,931.00)	2,775,935.00	2,923,520.20	(147,585.20)
Excess (Deficiency) of Revenues Over(Under) Expenditures	(31,189.00)	4,931.00	(26,258.00)	51,194.48	77,452.48
Other Financing Sources (Uses)					
Operating Transfer Out					
Transfer to Food Service Fund - Board Contribution	-	-	-	-	-
Capital Leases (Non-Budgeted)					
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,189.00)	4,931.00	(26,258.00)	51,194.48	77,452.48
Fund Balance, July 1	416,872.09	-	416,872.09	416,872.09	-
Fund Balance, June 30	\$ 385,683.09	\$ 4,931.00	\$ 390,614.09	\$ 468,066.57	\$ 77,452.48

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation					
Restricted Fund Balance					
Capital Reserves				\$ 613.63	
Excess Surplus - Designated for Subsequent Year's Expenditures				135,069.46	
Excess Surplus - Current Year				82,383.48	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures					
Encumbrances					
Unassigned Fund Balance				250,000.00	
				468,066.57	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				(103,630.00)	
				\$ 364,436.57	
Fund Balance Per Governmental Funds (GAAP)				364,436.57	

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Special Revenue Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources					
Federal Sources	37,067.00	36,114.00	73,181.00	73,181.00	-
Total Revenues	37,067.00	36,114.00	73,181.00	73,181.00	-
EXPENDITURES					
Instruction					
Salaries		26,832.47	26,832.47	26,832.47	-
Other Purchased Services	37,067.00	(35,587.00)	1,480.00	1,480.00	-
Tuition		34,755.00	34,755.00	34,755.00	-
Supplies and Materials		-			-
Total Instruction	37,067.00	26,000.47	63,067.47	63,067.47	-
Support Services					
Personal Services - Salaries		-			-
Personal Services - Employee Benefits		3,877.53	3,877.53	3,877.53	-
Purchased Professional Technical Services		-			-
Other Purchased Services		6,236.00	6,236.00	6,236.00	-
Total Support Services	-	10,113.53	10,113.53	10,113.53	-
Facilities Acquisition					
Instructional Equipment		-			-
Total Facilities Acquisition	-	-	-	-	-
Total Expenditures	37,067.00	36,114.00	73,181.00	73,181.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources					
Operating Transfers		-			-
Total Other Financing Sources	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For The Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (Budgetary Basis) revenue from the Budgetary Comparison Schedule	\$ 2,974,714.68	\$ 73,181.00
Difference - Budget to GAAP Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2015	-	
June 30, 2016	-	
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2015	98,889.00	
June 30, 2016	<u>(103,630.00)</u>	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 2,969,973.68</u>	<u>\$ 73,181.00</u>
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 2,923,520.20	\$ 73,181.00
Differences - Budget to GAAP Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2015		-
June 30, 2016		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 2,923,520.20</u>	<u>\$ 73,181.00</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,		
	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.0012687678%	0.0011899772%	0.0016115898%
School District's Proportionate Share of the Net Pension Liability	\$ 284,813.00	\$ 222,769.00	\$ 308,007.00
School District's Covered Employee Payroll	\$ 369,080.76	\$ 385,735.95	\$ 235,905.31
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	77.17%	57.75%	130.56%
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 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.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
Contractually Required Contribution	\$ 10,908.00	\$ 9,810.00	\$ 12,687.00
Contributions in Relation to the Contractually Required Contribution	<u>10,908.00</u>	<u>9,810.00</u>	<u>12,687.00</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Employee Payroll	\$ 369,080.76	\$ 385,735.95	\$ 235,905.31
Contributions as a Percentage of Covered Employee Payroll	2.96%	2.54%	5.38%

Note - This schedule is presented to illustrate the requirement 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.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Required Supplementary Information
Schedule of 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,		
	2015	2014	2013
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>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate of the Net Pension Liability Associated with the School District	<u>6,112,606.00</u>	<u>4,872,537.00</u>	<u>5,524,613.00</u>
	<u>\$ 6,112,606.00</u>	<u>\$ 4,872,537.00</u>	<u>\$ 5,524,613.00</u>
School District's Covered Employee Payroll	\$ 854,698.95	\$ 854,659.61	\$ 909,870.07
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note - This schedule is presented to illustrate the requirement 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.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

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 specific purposes other than debt service or capital projects.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	Federal	State	Other	Total
REVENUES				
Federal Sources	\$ 73,181.00	\$ -	\$ -	\$ 73,181.00
State Sources				-
Local Sources				-
Total Revenues	<u>\$ 73,181.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,181.00</u>
EXPENDITURES				
Instruction				
Salaries	26,832.47			26,832.47
Other Purchased Services	1,480.00			1,480.00
Tuition	34,755.00			34,755.00
General Supplies	-			-
Total Instruction	<u>63,067.47</u>	<u>-</u>	<u>-</u>	<u>63,067.47</u>
Support Services				
Personal Services				-
Salaries				-
Employee Benefits	3,877.53			3,877.53
Purchased Prof/Tech Services	-			-
Other Purchased Services	6,236.00			6,236.00
Total Support Services	<u>10,113.53</u>	<u>-</u>	<u>-</u>	<u>10,113.53</u>
Facilities Acquisition				
Instructional Equipment	-			-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 73,181.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,181.00</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	No Child Left Behind		I.D.E.A. Part B		Rural Education Achievement	Atlanticare Grant	Safety Grant	Total
	Title I	Title II A	Basic	Preschool				
REVENUES								
Federal Sources	\$ 15,859.00	\$ 6,236.00	\$ 34,755.00	\$ 1,480.00	\$ 14,851.00	\$ -	\$ -	\$ 73,181.00
State Sources						-	-	-
Local Sources								
Total Revenues	\$ 15,859.00	\$ 6,236.00	\$ 34,755.00	\$ 1,480.00	\$ 14,851.00	\$ -	\$ -	\$ 73,181.00
EXPENDITURES								
Instruction								
Salaries	\$ 11,981.47	\$ -	\$ -	\$ -	\$ 14,851.00	\$ -	\$ -	\$ 26,832.47
Other Purchased Services				1,480.00				1,480.00
Tuition			34,755.00					34,755.00
General Supplies						-	-	-
Total Instruction	11,981.47	-	34,755.00	1,480.00	14,851.00	-	-	63,067.47
Support Services								
Personal Services								
Salaries								-
Employee Benefits	3,877.53							3,877.53
Purchased Prof/Tech Services								-
Other Purchased Services		6,236.00						6,236.00
Total Support Services	3,877.53	6,236.00	-	-	-	-	-	10,113.53
Facilities Acquisition								
Instructional Equipment								-
Total Facilities Acquisition	-	-	-	-	-	-	-	-
Total Expenditures	\$ 15,859.00	\$ 6,236.00	\$ 34,755.00	\$ 1,480.00	\$ 14,851.00	\$ -	\$ -	\$ 73,181.00

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUNDS

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

ENTERPRISE FUND

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Enterprise Funds
Combining Statement of Net Position
June 30, 2016

	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,151.08
Accounts Receivable	
State	
Federal	
Total Current Assets	3,151.08
Noncurrent Assets	
Equipment	4,570.00
Less: Accumulated Depreciation	4,570.00
Total Noncurrent Assets	-
Total Assets	3,151.08
LIABILITIES	
Current Liabilities	
Accounts Payable	3,790.78
Interfund Payable	
Total Current Liabilities	3,790.78
NET POSITION	
Invested in Capital Assets Net of Related Debt	(639.70)
Unrestricted	(639.70)
Total Net Position	\$ (639.70)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Enterprise Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For The Fiscal Year Ended June 30, 2016

	Food Service
OPERATING REVENUES	
Charges For Services	
Daily Sales	\$ -
Reimbursable Programs	
Non-Reimbursable Programs	
	-
Total Operating Revenue	
OPERATING EXPENSES	
Cost of Sales	2,250.00
Purchased Services	
General Supplies	
Depreciation	
Other	
	2,250.00
Total Operating Expenses	
Operating Income (Loss)	(2,250.00)
NONOPERATING REVENUES (EXPENSES)	
State Sources	
State School Lunch Program	
Federal Sources	
National School Lunch Program	
Interest on Investments	
	-
Total Nonoperating Revenues (Expenses)	
Income (Loss) Before Contributions and Transfers	(2,250.00)
Capital Contributions	-
Transfers In/(Out)	
	(2,250.00)
Change in Net Position	
	1,610.30
Net Position, July 1	
Net Position, June 30	\$ (639.70)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2016

	Food Service
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts From Customers and Other Funds	\$ -
Purchased Services	(2,250.00)
Net Cash Provided By (Used In) Operating Activities	(2,250.00)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	
Federal Sources	
Transfers to Other Funds	
Net Cash Provided By (Used In) Noncapital Financing Activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	
Net Cash Provided By (Used In) Capital and Related Financing Activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	
Net Cash Provided By (Used In) Investing Activities	-
Net Increase (Decrease) In Cash and Cash Equivalents	(2,250.00)
Cash and Cash Equivalents, July 1	5,401.08
Cash and Cash Equivalents, June 30	\$ 3,151.08
 Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (2,250.00)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Depreciation	
(Increase) Decrease	
Accounts Receivable	
Inventories	
Other Current Assets	
Increase-(Decrease)	
Accounts Payable	
Accrued Expenses	
Net Cash Provided By (Used In) Operating Activities	\$ (2,250.00)

INTERNAL SERVICE FUND

None

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the District for a specific purpose. Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments and/or other funds.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Trust Fund	Student Activity	Agency Payroll	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 12,185.67	\$ 33,279.50	\$ 45,465.17
Investments				-
Interfunds Receivable				-
Total Assets	-	12,185.67	33,279.50	45,465.17
LIABILITIES				
Payroll Deductions			18,644.97	18,644.97
Interfund Payable		250.86	14,634.53	14,885.39
Due to Student Groups		11,934.81		11,934.81
Total Liabilities	-	12,185.67	33,279.50	45,465.17
NET POSITION				
Held in Trust				-
Total Net Position	\$ -	\$ -	\$ -	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Student Activity Funds
 Schedule of Receipts and Disbursements
 For The Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary School	<u>\$ 10,646.54</u>	<u>\$ 15,599.62</u>	<u>\$ 14,060.49</u>	<u>\$ 12,185.67</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Payroll Agency Fund
Schedule of Receipts and Disbursements
For The Fiscal Year Ended June 30, 2016

	Balance June 30, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
ASSETS				
Cash and Cash Equivalents	\$ 62,691.65	\$ 1,279,164.48	\$ 1,308,576.63	\$ 33,279.50
Total Assets	<u>\$ 62,691.65</u>	<u>\$ 1,279,164.48</u>	<u>\$ 1,308,576.63</u>	<u>\$ 33,279.50</u>
LIABILITIES				
Net Payroll	\$ -	\$ 760,845.23	\$ 760,845.23	\$ -
Payroll Deductions and Withholding	25,712.41	518,079.19	525,146.63	18,644.97
Interfund Payable	36,979.24	240.06	22,584.77	14,634.53
Total Liabilities	<u>\$ 62,691.65</u>	<u>\$ 1,279,164.48</u>	<u>\$ 1,308,576.63</u>	<u>\$ 33,279.50</u>

LONG-TERM DEBT

The District is a Type I School District, the City of Port Republic is responsible for the debt of the District.

STATISTICAL SECTION

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)

Statistical Section
Introduction to the Statistical Section

Financial Trends

- J-1 These schedules contain trend information to help the reader understand how the
- J-2 District's financial performance and well being have changed over time.
- J-3
- J-4
- J-5

Revenue Capacity

- J-6 These schedules contain information to help the reader assess the District's most
- J-7 significant local revenue source, the property tax.
- J-8
- J-9

Debt Capacity

- J-10 These schedules present information to help the reader assess the affordability of the
- J-11 District's current levels of outstanding debt and the District's ability to issue additional debt
- J-12 in the future.
- J-13

Demographic and Economic Information

- J-14 These schedules offer demographic and economic indicators to help the reader
- J-15 understand the environment within which the District's financial activities take place.

Operating Information

- J-16 These schedules contain service and infrastructure data to help the reader understand
- J-17 how the information in the District's financial report relates to the services the District
- J-18 provides and the activities it performs.
- J-19
- J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*

FINANCIAL TRENDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Net Position By Component
Source: CAFR A-1

Exhibit J-1

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 211,831.91	\$ 235,316.09	\$ 261,859.01	\$ 288,401.93	\$ 314,944.85	\$ 232,424.61	\$ 228,383.87	\$ 220,436.13	\$ 237,864.50	\$ 230,678.80
Restricted	218,066.53	183,872.34	176,838.97	304,967.62	258,658.84	409,755.25	584.86	570.47	63,330.61	159,885.02
Unrestricted	(148,676.96)	134,110.75	153,795.00	157,514.00	162,032.00	161,174.00	336,728.65	211,448.89	66,645.12	19,901.35
Total Governmental Activities Net Position	\$ 281,221.48	\$ 553,299.18	\$ 592,492.98	\$ 750,883.55	\$ 735,635.69	\$ 803,353.86	\$ 565,697.38	\$ 432,455.49	\$ 367,840.23	\$ 410,465.17
Business-Type Activities										
Invested in Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60.00	\$ 179.00
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(639.70)	1,610.30	3,860.30	6,067.16	6,896.07	5,015.62	3,075.62	350.63	(1,430.95)	(1,749.99)
Total Business-Type Activities Net Assets	\$ (639.70)	\$ 1,610.30	\$ 3,860.30	\$ 6,067.16	\$ 6,896.07	\$ 5,015.62	\$ 3,075.62	\$ 350.63	\$ (1,370.95)	\$ (1,570.99)
District-Wide										
Invested in Capital Assets, net of related debt	\$ 211,831.91	\$ 235,316.09	\$ 261,859.01	\$ 288,401.93	\$ 314,944.85	\$ 232,424.61	\$ 228,383.87	\$ 220,436.13	\$ 237,924.50	\$ 230,857.80
Restricted	218,066.53	183,872.34	176,838.97	304,967.62	258,658.84	409,755.25	584.86	570.47	63,330.61	159,885.02
Unrestricted	(149,316.66)	135,721.05	157,655.30	163,581.16	168,928.07	166,189.62	339,804.27	211,799.52	65,214.17	18,151.36
Total District-Wide Net Position	\$ 280,581.78	\$ 554,909.48	\$ 596,353.28	\$ 756,950.71	\$ 742,531.76	\$ 808,369.48	\$ 568,773.00	\$ 432,806.12	\$ 366,469.28	\$ 408,894.18

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Changes in Net Position
Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 1,496,277.41	\$ 1,124,884.69	\$ 1,048,189.13	\$ 1,090,607.89	\$ 1,070,194.88	\$ 1,036,973.83	\$ 1,045,556.14	\$ 995,823.98	\$ 914,911.69	\$ 907,961.09
Special Education	113,610.74	120,943.71	152,046.30	155,295.56	183,403.22	136,587.03	114,002.67	136,278.30	131,889.47	130,328.35
School Sponsored Activities	700.00	-	3,800.00	1,290.00	2,816.00	2,410.00	6,351.50	4,066.00	2,005.80	11,148.61
Other Special	-	-	-	-	-	1,200.00	-	700.00	-	-
Support Services										
Tuition	868,372.40	837,324.02	831,685.87	561,578.30	576,816.13	339,887.34	460,748.61	525,461.00	707,879.14	541,372.75
Student and Instruction	430,463.39	436,999.07	479,265.06	400,224.81	424,345.96	448,898.78	397,792.64	361,217.13	314,250.88	277,826.06
General Administration	109,110.84	126,275.76	126,747.23	210,937.03	216,036.98	178,654.24	181,033.80	189,575.43	216,490.12	167,198.16
School Administrative	71,922.56	81,289.31	44,985.21	3,539.34	3,816.69	2,615.82	2,842.41	2,229.36	1,223.79	2,736.29
Central Services	45,050.00	21,137.02	45,372.21	46,581.68	9,077.64	13,606.55	22,113.80	34,897.17	38,908.50	46,026.93
Plant Operations and Maintenance	160,252.46	138,606.83	108,495.11	146,792.07	172,309.04	174,237.71	211,819.11	154,557.46	230,470.26	199,616.79
Pupil Transportation	72,177.41	56,047.34	88,118.54	101,912.49	107,718.59	93,130.13	94,318.50	106,080.62	116,533.03	92,108.29
Other Support Services	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	23,484.18	28,542.92	28,542.92	26,542.92	-	18,169.26	22,857.26	28,627.37	-	(23,484.18)
Total Governmental Activities Expenses	3,391,421.38	2,970,050.67	2,953,227.58	2,745,302.09	2,766,535.13	2,446,370.69	2,559,436.44	2,539,513.82	2,674,562.68	2,352,839.14
Business-Type Activities										
Food Service Fund	2,250.00	2,250.00	2,250.00	15,106.87	21,994.69	23,004.87	35,305.93	35,317.66	35,658.42	41,838.67
Total Business-Type Activities Expenses	2,250.00	2,250.00	2,250.00	15,106.87	21,994.69	23,004.87	35,305.93	35,317.66	35,658.42	41,838.67
Total District-Wide Expenses	\$ 3,393,671.38	\$ 2,972,300.67	\$ 2,955,477.58	\$ 2,760,408.76	\$ 2,788,529.82	\$ 2,469,375.56	\$ 2,594,742.37	\$ 2,574,831.48	\$ 2,710,221.10	\$ 2,394,677.81

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Changes in Net Position (Continued)
Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2018	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Program Revenues:										
Governmental Activities										
Charges For Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	-	404,126.48	381,950.50	393,406.19	385,971.12	349,601.85	341,743.51	189,235.81	-	-
Capital Grants and Contributions	798,325.47	-	-	-	-	-	-	-	65,591.52	68,748.68
Total Governmental Activities Program Revenues	798,325.47	404,126.48	381,950.50	393,406.19	385,971.12	349,601.85	341,743.51	189,235.81	65,591.52	68,748.68
Business-Type Activities										
Charges For Services	-	-	18.60	11,354.76	19,326.71	19,799.08	20,936.64	19,592.35	16,883.52	21,980.05
Operating Grants and Contributions	-	-	-	2,864.24	4,363.26	4,959.98	7,494.42	5,665.50	7,556.63	7,922.81
Capital Grants and Contributions	-	-	-	-	-	-	-	(2,250.00)	(2,250.00)	-
Total Business-Type Activities Program Revenues	-	-	18.60	14,219.00	23,689.99	24,759.06	28,431.06	23,007.85	22,190.15	29,902.86
Total District-Wide Program Revenues	\$ 798,325.47	\$ 404,126.48	\$ 381,969.10	\$ 407,625.19	\$ 409,661.11	\$ 374,360.91	\$ 370,174.57	\$ 212,243.66	\$ 87,781.67	\$ 96,651.54
Net (Expense) Revenue										
Governmental Activities	\$ (2,593,095.91)	\$ (2,565,924.19)	\$ (2,571,277.08)	\$ (2,351,895.90)	\$ (2,380,564.01)	\$ (2,096,768.84)	\$ (2,217,692.93)	\$ (2,350,276.01)	\$ (2,808,971.16)	\$ (2,286,090.46)
Business-Type Activities	(2,250.00)	(2,250.00)	(2,231.40)	(887.87)	1,695.30	1,754.19	(6,874.87)	(12,309.81)	(13,468.27)	(11,935.81)
Total District-Wide Net Expense	\$ (2,595,345.91)	\$ (2,568,174.19)	\$ (2,573,508.48)	\$ (2,352,783.57)	\$ (2,378,868.71)	\$ (2,095,014.65)	\$ (2,224,567.80)	\$ (2,362,587.82)	\$ (2,622,439.43)	\$ (2,298,026.27)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Changes in Net Position (Continued)
 Source: CAFR A-2

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Revenues and Other Changes in Net Position										
Governmental Activities										
Local Tax Levy	1,705,464.00	1,666,762.00	1,546,591.00	1,513,583.00	1,494,257.00	\$ 1,530,305.00	\$ 1,453,550.00	\$ 1,419,966.00	\$ 1,352,425.00	\$ 1,229,445.00
Unrestricted Grants and Contributions	905,690.00	851,346.04	863,180.01	832,868.99	815,448.99	777,182.22	684,481.00	984,309.42	1,199,087.52	1,150,866.88
Tuition Received	-	-	-	-	-	9,840.00	12,300.00	6,517.24	-	-
Investment Earnings	1,144.78	4,025.11	1,459.50	3.30	10,299.12	13,007.49	8,060.77	7,258.01	6,817.37	7,300.17
Miscellaneous Income	5,850.43	4,597.23	1,656.00	20,688.47	12,684.29	4,090.62	2,002.98	8,557.86	19,384.63	21,939.62
Transfers	-	-	-	-	-	-	(9,459.93)	(11,715.25)	(11,368.29)	(11,199.56)
Total Governmental Activities	2,618,149.21	2,526,730.38	2,412,886.51	2,367,143.78	2,332,689.40	2,334,425.33	2,350,934.82	2,414,893.28	2,566,346.23	2,398,352.11
Business-Type Activities										
Investment Earnings	-	-	24.57	58.76	185.15	185.81	139.93	66.14	50.02	70.87
Transfers	-	-	-	-	-	-	9,459.93	11,715.25	11,368.29	11,199.56
Total Business-Type Activities	-	-	24.57	58.76	185.15	185.81	9,599.86	11,781.39	11,418.31	11,270.43
Total District-Wide General Revenues and Other Changes in Net Position	\$ 2,618,149.21	\$ 2,526,730.38	\$ 2,412,911.08	\$ 2,367,202.52	\$ 2,332,874.55	\$ 2,334,611.14	\$ 2,360,534.68	\$ 2,426,674.67	\$ 2,577,764.54	\$ 2,409,622.54
Change in Net Position										
Governmental Activities	\$ 25,053.30	\$ (39,193.81)	\$ (158,390.57)	\$ 15,247.86	\$ (47,874.61)	\$ 237,656.49	\$ 133,241.89	\$ 64,615.27	\$ (42,624.93)	\$ 112,261.65
Business-Type Activities	(2,250.00)	(2,250.00)	(2,208.83)	(828.91)	1,880.45	1,940.00	2,724.99	(528.42)	(2,049.96)	(665.38)
Total District-Wide	\$ 22,803.30	\$ (41,443.81)	\$ (160,597.40)	\$ 14,418.95	\$ (45,994.16)	\$ 239,596.49	\$ 135,966.88	\$ 64,086.85	\$ (44,674.89)	\$ 111,596.27

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Fund Balances - Governmental Funds
Source: CAFR B-1

Exhibit J-3

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Fund										
Restricted	\$ 218,066.53	\$ 149,871.84	\$ 163,778.37	\$ 298,877.13	\$ 258,658.84	\$ 176,015.46	\$ -	\$ -	\$ -	\$ -
Committed										
Assigned	-	17,000.25	13,060.80	6,090.49		239,739.79				
Unassigned	146,370.04	151,111.00	153,795.00	157,514.00	162,032.00	161,174.00				
Reserved							188,764.51	116,321.24	63,330.61	159,885.02
Unreserved							148,549.00	95,698.12	88,175.12	62,981.35
Total General Fund	\$ 364,436.57	\$ 317,983.09	\$ 330,633.97	\$ 462,481.62	\$ 420,690.84	\$ 578,929.25	\$ 337,313.51	\$ 212,019.36	\$ 151,505.73	\$ 222,846.37
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in										
Special Revenue Fund										
Capital Projects Fund										
Debt Service Fund										
Permanent Fund										
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Changes in Fund Balances - Governmental Funds
Source: CAFR B-2

Exhibit J-4

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Revenues										
Local Tax Levy	\$ 1,705,464.00	\$ 1,666,762.00	\$ 1,546,591.00	\$ 1,513,583.00	\$ 1,494,257.00	\$ 1,530,305.00	\$ 1,453,550.00	\$ 1,419,986.00	\$ 1,352,425.00	\$ 1,229,445.00
Tuition Charges	-	-	-	-	-	9,840.00	12,300.00	6,517.24	-	-
Interest Earned	1,144.78	4,025.11	1,459.50	3.30	10,299.12	13,007.49	8,060.77	7,258.01	8,817.37	7,300.17
Miscellaneous	5,850.43	4,597.23	2,387.04	20,688.47	12,684.29	4,090.62	2,002.98	8,557.86	19,384.63	21,939.62
Federal Sources	73,181.00	67,606.00	65,404.41	60,182.00	97,714.81	87,997.85	87,072.18	76,251.81	44,432.63	56,519.43
State Sources	1,257,514.47	1,187,866.52	1,178,955.06	1,168,093.18	1,103,705.30	1,038,786.22	1,139,152.33	1,097,293.42	1,220,246.41	1,161,096.13
Total Revenues	3,043,154.68	2,930,858.86	2,794,797.01	2,760,549.95	2,718,660.52	2,684,027.18	2,702,138.28	2,615,844.34	2,643,306.04	2,476,300.35
Expenditures										
Instruction										
Regular	812,420.34	810,018.55	738,503.45	766,609.43	803,945.61	783,875.44	812,018.05	797,040.28	769,132.25	727,517.28
Special Education	82,193.39	87,090.39	107,329.27	109,160.26	137,775.11	103,249.68	88,538.74	106,766.47	107,770.91	104,427.52
School Sponsored Activities	700.00	-	3,800.00	1,290.00	2,816.00	2,410.00	6,351.50	4,066.00	1,639.00	8,932.99
Other	-	-	-	-	-	1,200.00	-	700.00	-	-
Support Services										
Tuition	868,372.40	837,324.02	831,665.87	581,578.30	578,816.13	339,887.34	460,748.61	525,461.00	578,429.64	433,782.94
Student and Instruction	311,425.18	314,678.79	338,312.54	281,325.78	318,774.72	339,334.24	308,940.66	282,993.54	258,783.98	222,612.25
General Administration	80,445.57	90,929.95	89,470.69	148,271.73	162,290.05	135,049.38	140,597.63	148,521.81	176,900.68	133,970.00
School Administrative	52,033.45	58,535.64	31,755.00	2,487.87	2,867.15	1,977.37	2,207.52	1,746.58	1,000.00	2,192.49
Central Services	45,050.00	21,137.02	45,372.21	46,581.68	9,077.64	13,606.55	22,113.80	34,897.17	31,793.32	36,879.76
Plant Operations and Maintenance	160,252.46	138,606.83	108,495.11	146,792.07	172,309.04	174,237.71	211,819.11	154,557.46	177,087.84	159,945.91
Pupil Transportation	72,177.41	56,047.34	88,118.54	101,912.49	107,718.59	93,130.13	94,318.50	106,080.62	95,222.69	73,803.13
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	511,631.00	529,139.21	543,861.98	552,749.56	472,145.09	440,243.60	388,925.06	369,585.53	463,470.89	447,526.90
Capital Outlay	-	-	-	-	102,363.80	22,210.00	30,805.00	11,199.00	44,047.19	6,992.00
Total Expenditures	2,996,701.20	2,943,507.74	2,926,684.66	2,718,759.17	2,868,898.93	2,450,411.44	2,567,384.18	2,543,615.46	2,703,278.39	2,358,583.17
Excess (Deficiency) of Revenues Over Expenditures	48,453.48	(12,650.88)	(131,887.65)	41,790.78	(150,238.41)	233,615.74	134,754.08	72,228.88	(59,972.35)	117,717.18
Other Financing Sources (Uses)										
Transfers Out	-	-	-	-	-	-	(9,459.93)	(11,715.25)	(11,368.29)	(11,199.56)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(9,459.93)	(11,715.25)	(11,368.29)	(11,199.56)
Net Changes in Fund Balance	\$ 46,453.48	\$ (12,650.88)	\$ (131,887.65)	\$ 41,790.78	\$ (150,238.41)	\$ 233,615.74	\$ 125,294.15	\$ 60,513.63	\$ (71,340.64)	\$ 106,517.62

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund - Other Local Revenue By Source
Source: District Records

Exhibit J-5

Unaudited

Fiscal Year Ended									
<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>

Detail Provided on Exhibit J-4

REVENUE CAPACITY

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
Assessed Value and Actual Value of Taxable Property
 Source: Municipal Tax Assessor

Exhibit J-6

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Improvements</u>	<u>Total Taxable Value of Land & Improvements</u>	<u>Total Partial Exemptions & Abatements</u>	<u>Net Total Taxable Value of Land & Improvements</u>	<u>Taxable Value of Locally Assessed Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual County Equalized Value</u>	<u>Total District School Tax Rate</u>
2007	22,233,300	50,509,700	72,743,000		72,743,000	315,758	73,058,758	141,477,068	1.851
2008	22,187,900	53,060,600	75,248,500		75,248,500	636,029	75,884,529	155,595,872	1.879
2009	22,376,200	54,577,900	76,954,100		76,954,100	313,739	77,267,839	163,807,163	1.881
2010	22,291,100	55,073,100	77,364,200		77,364,200	341,654	77,705,854	151,532,477	1.969
2011	22,252,800	55,231,000	77,483,800		77,483,800	312,321	77,796,121	144,165,622	1.920
2012	22,288,400	55,262,000	77,550,400		77,550,400	318,027	77,868,427	144,165,622	1.944
2013	22,234,300	55,156,100	77,390,400		77,390,400	312,764	77,703,164	144,165,622	1.991
2014	22,256,500	54,886,900	77,143,400		77,143,400	277,028	77,420,428	144,165,622	2.153
2015	22,301,900	55,554,500	77,856,400		77,856,400	276,306	78,132,706	144,165,622	2.182
2016			78,129,800		78,129,800		78,129,800	130,870,687	3.717

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
Direct and Overlapping Property Tax Rates
Source: Municipal Tax Collector

Exhibit J-7

Unaudited

Fiscal Year Ended June 30,	City of Port Republic School District			Overlapping Rates				Total Direct and Overlapping Tax Rates
	Basic Rate	Debt Service	Total	Local	County	Other	Total	
2007	1.851	0.000	1.851	0.629	0.595	0.000	1.224	3.075
2008	1.879	0.000	1.879	0.651	0.594	0.000	1.245	3.124
2009	1.881	0.000	1.881	0.620	0.636	0.020	1.276	3.157
2010	1.969	0.000	1.969	0.574	0.625	0.020	1.219	3.188
2011	1.920	0.000	1.920	0.656	0.674	0.019	1.349	3.269
2012	1.944	0.000	1.944	0.658	0.680	0.019	1.357	3.301
2013	1.991	0.000	1.991	0.673	0.712	0.105	1.490	3.481
2014	2.153	0.000	2.153	0.653	0.796	0.020	1.469	3.622
2015	2.182	0.000	2.182	0.671	0.778	0.074	1.523	3.705
2016	2.182	0.000	2.182	0.670	0.865	0.000	1.535	3.717

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Principal Property Taxpayers
 Source: Municipal Tax Assessor

Exhibit J-8

Unaudited

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer 1	834,800	1	1.07%			
Taxpayer 2	588,400	2	0.75%			
Blueberry RVP	560,600	3	0.72%	560,600	2	0.77%
TLMJ Family Trust	540,900	4	0.69%			
Taxpayer 3	534,800	5	0.68%	534,800	3	0.73%
Taxpayer 4	517,300	6	0.66%			
Taxpayer 5	464,100	7	0.59%			
Chestnut Neck Associates	453,800	8	0.58%			
Taxpayer 6	443,400	9	0.57%			
Taxpayer 7	269,600	10	0.35%			
Taxpayer				682,400	1	0.93%
Taxpayer				483,000	4	0.66%
Taxpayer				462,700	5	0.63%

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Property Tax Levies and Collections
 Source: District Records

Exhibit J-9

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Percentage of Tax Levy Collections</u>
2006	1,131,843.00	1,131,843.00	100.00%
2007	1,229,445.00	1,229,445.00	100.00%
2008	1,352,425.00	1,352,425.00	100.00%
2009	1,419,966.00	1,419,966.00	100.00%
2010	1,453,550.00	1,453,550.00	100.00%
2011	1,530,305.00	1,530,305.00	100.00%
2012	1,494,257.00	1,494,257.00	100.00%
2013	1,513,583.00	1,513,583.00	100.00%
2014	1,546,591.00	1,546,591.00	100.00%
2015	1,666,762.00	1,666,762.00	100.00%
2016	1,705,464.00	1,705,464.00	100.00%

DEBT CAPACITY

CITY OF PORT REPUBLIC SCHOOL DISTRICT

(A Component Unit of the City of Port Republic)

Ratio of Outstanding Debt By Type

Source: District Records

Exhibit J-10

Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type	Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2006								
2007								
2008								
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and the provision for amortization of principal and interest on the outstanding debt is included in the City budget.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Ratios of General Bonded Debt Outstanding
 Source: District Records

Exhibit J-11

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006			-		
2007			-		
2008			-		
2009			-		
2010			-		
2011			-		
2012			-		
2013			-		
2014			-		
2015			-		
2016			-		

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and the provision for amortization of principal and interest on the outstanding debt is included in the City budget.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Direct and Overlapping Governmental Activities Debt
 Source: District Records

Exhibit J-12

Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	\$ -	100.00%	\$ -
Debt Repaid With Property Taxes Local Municipality	\$ 1,036,249.00	100.00%	1,036,249.00
Other Debt County of Atlantic	\$ 110,650,658.07	0.23%	<u>251,250.94</u>
Total Direct and Overlapping Debt			<u>\$ 1,287,499.94</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Legal Debt Margin Information
 Source: District Records

Exhibit 13

Unaudited

Year	Equalized Valuation Basis
2013	\$ 129,048,524
2014	131,778,955
2015	130,412,730
	<u>\$ 391,240,209</u>
Average Equalized Valuation of Taxable Property	<u>\$ 130,413,403</u>
School Borrowing Margin	
Average Equalized Valuation of Taxable Property	\$ 130,413,403
	<u>3.00%</u>
	3,912,402
Net Bonded School Debt	<u>-</u>
Legal Debt Margin	<u>\$ 3,912,402</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 3,087,539	\$ 3,608,843	\$ 4,051,183	\$ 4,459,186	\$ 4,532,440	\$ 4,258,597	\$ 4,332,970	\$ 4,180,305	\$ 4,038,120	\$ 4,038,120
Total Net Debt Applicable Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 3,087,539</u>	<u>\$ 3,608,843</u>	<u>\$ 4,051,183</u>	<u>\$ 4,459,186</u>	<u>\$ 4,532,440</u>	<u>\$ 4,258,597</u>	<u>\$ 4,332,970</u>	<u>\$ 4,180,305</u>	<u>\$ 4,038,120</u>	<u>\$ 4,038,120</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Demographic and Economic Statistics
Source: NJ Department of Labor

Exhibit J-14

Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School District</u> <u>Population</u>	<u>Personal</u> <u>Income</u>	<u>Per Capita</u> <u>Personal Income</u>	<u>Unemployment</u> <u>Rate</u>
2007	1,223	44,425,475	36,325	3.30%
2008	1,216	44,171,200	36,325	4.10%
2009	1,213	44,062,225	36,325	7.40%
2010	1,216	48,439,360	39,835	7.60%
2011	1,115	43,658,940	39,156	7.70%
2012	1,113	44,237,298	39,746	8.00%
2013	1,116	44,932,392	40,262	9.10%
2014	1,124	47,319,276	42,099	8.30%
2015	1,121	47,558,425	42,425	8.30%
2016		INFORMATION NOT AVAILABLE		

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Principal Employers
Source: NJ Department of Labor

Exhibit J-15

Unaudited

Unavailable

Operating Information

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
Full-Time Equivalent District Employees By Function/Program
 Source: District Personnel Records

Exhibit J-16

Unaudited

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	9	9	9	13	13	13	13	12	12	12
Special Education	2	2	2	2	2	2	2	2	2	0.5
Other Special Education	1	1	1	1	1	1	1	1	1	1
Support Services										
Student Related	1	1	1	1	1	1	1	1	1	1
General Administrative	1	1	1	1	1	1	1	1	1	1
School Administrative	2	2	2	2	2	2	2	2	2	2
Business Administrative								0.5	0.5	0.5
Plant Operation	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1			
Food Service										
Child Care										
	<u>18</u>	<u>18</u>	<u>18</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>20.5</u>	<u>20.5</u>	<u>18.5</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Operating Statistics
 Source: District Records

Unaudited

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil	% Change	Teaching Staff	Average Daily		% Change in Average Daily Attendance	Student Attendance Percentage
						Enrollment (b)	Attendance (b)		
2007	165	2,351,591	14,252	-2.54%	12	123	117	-2.54%	95.12%
2008	148	2,659,231	17,968	26.07%	12	110	104	-11.11%	94.55%
2009	138	2,532,416	18,351	2.13%	12	104	98	-5.77%	94.23%
2010	148	2,536,579	17,139	-6.60%	16	116	106	8.16%	91.38%
2011	154	2,428,201	15,768	-8.00%	16	117	107	0.94%	91.45%
2012	164	2,766,535	16,869	6.99%	16	118	110	2.80%	93.22%
2013	168	2,718,759	16,183	-4.07%	16	119	112	1.82%	94.12%
2014	176	2,926,685	16,629	2.75%	15	127	119	6.25%	93.70%
2015	185	2,943,507	15,911	-4.32%	15	126	119	0.00%	94.44%
2016	175	2,991,770	17,096	7.45%	14	120	116	-2.52%	96.67%

(a) Includes Grades K-12

(b) Includes Grades K-8

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
School Building Information
 Source: District Records

Exhibit J-18

Unaudited

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Port Republic Elementary School										
Square Feet	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518
Capacity	173	173	173	173	173	173	173	173	173	173
Enrollment	121	110	104	116	117	118	119	127	126	120

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Schedule of Required Maintenance Expenditures by School Facility
 Source: District Records

Exhibit J-19

Unaudited

Undistributed Expenditures - Required Maintenance by School Facility

Facilities	Project Number	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Port Republic School	N/A	\$ 74,964	\$ 85,750	\$ 73,980	\$ 120,866	\$ 84,959	\$ 90,052	\$ 77,533	\$ 45,372	\$ 87,555	\$ 78,351

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
Insurance Schedule
 Source: District Records

Exhibit J-20
 Unaudited

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
NJ School Board Association Insurance Group	School Package Policy		
	Property		
	Blanket Buildings & Contents	\$ 3,728,000	\$ 1,000
	Comprehensive General Liability		
	Each Occurrence	6,000,000	
	General Aggregate	6,000,000	
	Computer Hardware and Software	300,000	1,000
	Employee Dishonesty	100,000	
	Forgery & Alteration	25,000	
	Computer Fraud	100,000	
	Non-Owned and Hired Automobile Liability	6,000,000	
New Jersey School Boards Association	School Leaders Errors & Omissions		
	Coverage A (Each Policy Period)	6,000,000	5,000
	Coverage B (Each Claim)	100,000	5,000
	Workers Compensation		
	Each Accident	2,000,000	
Chubb Insurance Company	Supplemental Workers' Compensation		
	Maximum Weekly Disability Limit	1,400	
Markel Insurance Company	Student Accident	1,000,000	
Selective Insurance Company	Surety Bonds		
	Treasurer	145,000	
	Board Secretary/Business Administrator	75,000	

SINGLE AUDIT SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-1

**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 AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 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 City of Port Republic School District (a component unit of the City of Port Republic), in the County of Atlantic, 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 City of Port Republic School District's basic financial statements and have issued our report thereon dated November 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Port Republic 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Port Republic School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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.

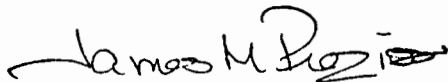
Purpose of this Report

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

November 3, 2016
Millville, NJ

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REPORT ON THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

Report on Compliance for Each Major State Program

We have audited the City of Port Republic School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2016. The District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School 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 NJ OMB15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred above. In planning and performing our audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance and State of New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 major 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 major 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 major state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

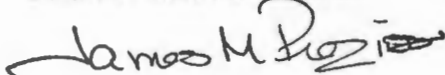
Report on Schedules of Expenditures of Federal Awards Required by Uniform Guidance and State Financial Assistance Required by New Jersey OMB's Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the City of Port Republic School District (a component unit of the City of Port Republic) as of and for the year ended June 30, 2016, and have issued our report thereon dated November 3, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for the purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was not derived from and relates directly to the underlying accounting and the other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

November 3, 2016
Millville, NJ

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Expenditures of Federal Awards
Schedule A
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016	
									Accounts Receivable	Due to Grantor
U.S. Department of Education										
Passed-through State Department of Education										
Special Revenue Fund:										
Title I	84.010	15,859.00	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ (15,859.00)	\$ -	\$ (15,859.00)	\$ -
Title I	84.010	12,985.00	7/1/14 - 6/30/15	(2,071.00)		2,070.00		1.00		
Title II A	84.367	6,236.00	7/1/15 - 6/30/16				(6,236.00)		(6,236.00)	
I.D.E.A. Part B, Basic Regular	84.027	34,755.00	7/1/15 - 6/30/16				(34,755.00)		(34,755.00)	
I.D.E.A. Part B, Preschool	84.173	1,480.00	7/1/15 - 6/30/16				(1,480.00)		(1,480.00)	
Title VI REAP	84.358	14,851.00	7/1/15 - 6/30/16			14,851.00	(14,851.00)			
Total Special Revenue Fund				(2,071.00)	-	16,921.00	(73,181.00)	1.00	(58,330.00)	-
Total Federal Financial Awards				\$ (2,071.00)	\$ -	\$ 16,921.00	\$ (73,181.00)	\$ 1.00	\$ (58,330.00)	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Schedule of Expenditures of State Financial Assistance
 Schedule B
 For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

State Grantor/Program Title	Grant or Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Balance at June 30, 2016		(MEMO) Delayed State Aid Payment
							Accounts Receivable	Deferred Revenue	
State Department of Education									
General Fund									
Adjustment Aid	16-495-034-5120-085	07/01/15-06/30/16	495,546.00	\$ -	\$ 391,916.00	\$ (495,546.00)	\$ (103,630.00)	\$ -	\$(103,630.00)
Adjustment Aid	15-495-034-5120-085	07/01/14-06/30/15	492,954.00	(98,889.00)	98,889.00				
Equalization Aid	16-495-034-5120-078	07/01/15-06/30/16	234,451.00		239,382.00	(239,382.00)			
Security Aid	16-495-034-5120-084	07/01/15-06/30/16	12,595.00		12,595.00	(12,595.00)			
Special Education Categorical Aid	16-495-034-5120-089	07/01/15-06/30/16	83,397.00		83,397.00	(83,397.00)			
Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	47,385.00		47,385.00	(47,385.00)			
School Choice Aid	16-495-034-5120-068	07/01/15-06/30/16	159,168.00		159,168.00	(159,168.00)			
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15-06/30/16	1,870.00		1,870.00	(1,870.00)			
PARCC Readiness Aid	16-495-034-5120-098	07/01/15-06/30/16	1,870.00		1,870.00	(1,870.00)			
On Behalf TPAF									
Pension Contributions	16-495-034-5095-006	07/01/15-06/30/16	155,658.00		155,658.00	(155,658.00)			
Social Security Contributions	16-495-034-5095-002	07/01/15-06/30/16	65,384.47		58,803.53	(65,384.47)	(6,580.94)		
Social Security Contributions	15-495-034-5095-002	07/01/14-06/30/15	66,378.52	(6,396.94)	6,396.94				
Total General Fund				(105,285.94)	1,257,330.47	(1,262,255.47)	(110,210.94)	-	(103,630.00)
Total State Financial Assistance				<u>\$(105,285.94)</u>	<u>\$ 1,257,330.47</u>	<u>\$ (1,262,255.47)</u>	<u>\$ (110,210.94)</u>	<u>\$ -</u>	<u>\$(103,630.00)</u>
Less: On-Behalf TPAF Pension System Contributions						(155,658.00)			
Total for State Financial Assistance - Major Program Determination						<u>\$ (1,191,940.00)</u>			

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's financial statements. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 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, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 1,257,514.47	\$ 1,257,514.47
Special Revenue Fund	73,181.00		73,181.00
Enterprise Fund			
<hr/>			
Total GAAP	73,181.00	1,257,514.47	1,330,695.47
Budgetary Adjustment			
State Aid Payment			
Current Year		103,630.00	103,630.00
Prior Year		(98,889.00)	(98,889.00)
Encumbrances			
Current Year			
Prior Year			
<hr/>			
Total Budgetary	\$ 73,181.00	\$ 1,262,255.47	\$ 1,335,436.47

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 6 MAJOR PROGRAMS

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- A. Type of auditors' report issued:
 Unmodified
- B. Internal control over financial reporting:
 - 1. Material weakness(es) identified?
 No
 - 2. Were significant deficiency(ies) identified?
 No
- C. Noncompliance material to general purpose financial statements noted.
 No

Federal Awards Section

N/A

State Financial Assistance

- A. Dollar threshold used to determine Type A and Type B programs.
 \$750,000
- B. Auditee qualified as low-risk auditee?
 Yes
- C. Type of auditors' report issued on compliance for major programs.
 Unmodified
- D. Internal control over compliance.
 - 1. Material weakness(es) identified?
 No
 - 2. Were significant deficiency(ies) identified?
 No
- E. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or NJOMB Circular 15-08?
 No
- F. Identification of major programs.

<u>GMIS Number(s)</u>	<u>Program Type</u>	<u>Name of State Program</u>
495-034-5120-078	A	State Aid Public
495-034-5120-089	B	Equalization Aid
495-034-5120-084	B	Special Education Categorical Aid
495-034-5120-068	B	Security Aid
495-034-5120-085	B	School Choice Aid
495-034-5120-097	B	Adjustment Aid
495-034-5120-098	B	Per Pupil Growth Aid
		PARCC Readiness

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required 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 Noted

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

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

FEDERAL AWARDS

This Section Not Applicable

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

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

STATE FINANCIAL ASSISTANCE

None Reported

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Summary Schedule of Prior-Year Findings and
Questioned Costs as Prepared by Management
For The Fiscal Year Ended June 30, 2016

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, Uniform Guidance, and New Jersey OMB's Circular 15-08.

None Noted