

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2017

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

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October 30, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional School District (District) for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

We are an Equal Opportunity Employer - F/M

General

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

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

Facilities

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

Staff

The facility for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 205 full-time teachers/professional positions serving a total enrollment of 2,160 students, as of October 14, 2016. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 58 instructional and non-instructional aides, 30 cafeteria workers, 20 full-time secretaries, 30 maintenance/custodial staff, and technology staff.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	2,160	(2.33)%
2015-16	2,212	(3.36)%
2014-15	2,289	(2.26)%
2013-14	2,342	1.17%
2012-13	2,315	(3.02)%
2011-12	2,387	0.63%
2010-11	2,372	(2.63)%
2009-10	2,436	(1.18)%
2008-09	2,465	(0.52)%
2007-08	2,478	5.31%
2006-07	2,353	1.69%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

1a. District Statement of Priorities

- Maintaining Our School System

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

- Raising Standards and Expanding Opportunities

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

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

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

- Building Professionalism

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

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

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

- Planning for the Future

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

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

2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the Core Curriculum Content Standards in the 2016-2017 school year.

Content Standards

New Programs/Enhancements

1. Math

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

2. Science

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

3. Language Arts Literacy

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

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

4. Social Studies

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

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

5. 21st Century Life and Careers

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

6. Visual and Performing Arts

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

7. Comprehensive Health and Physical Education

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

8. World Languages

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

9. Technological Literacy

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. GENERAL FUND BALANCE:

General Fund Balance (budgetary basis) of \$4,460,492 as of June 30, 2017, represents a 3.70% increase from June 30, 2016. Of the \$4,460,492, \$827,929 represents the unassigned portion of the District's fund balance and \$1,848,115 has been appropriated for the 2017/2018 school budget in order to maintain a stable tax levy. The remaining is \$1,784,448, which includes excess surplus and other restricted fund balance, represents 49.1% of the June 30, 2017 fund balance. General Fund Budget expenditures totaled \$38,594,567.

10. OTHER INFORMATION:

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

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

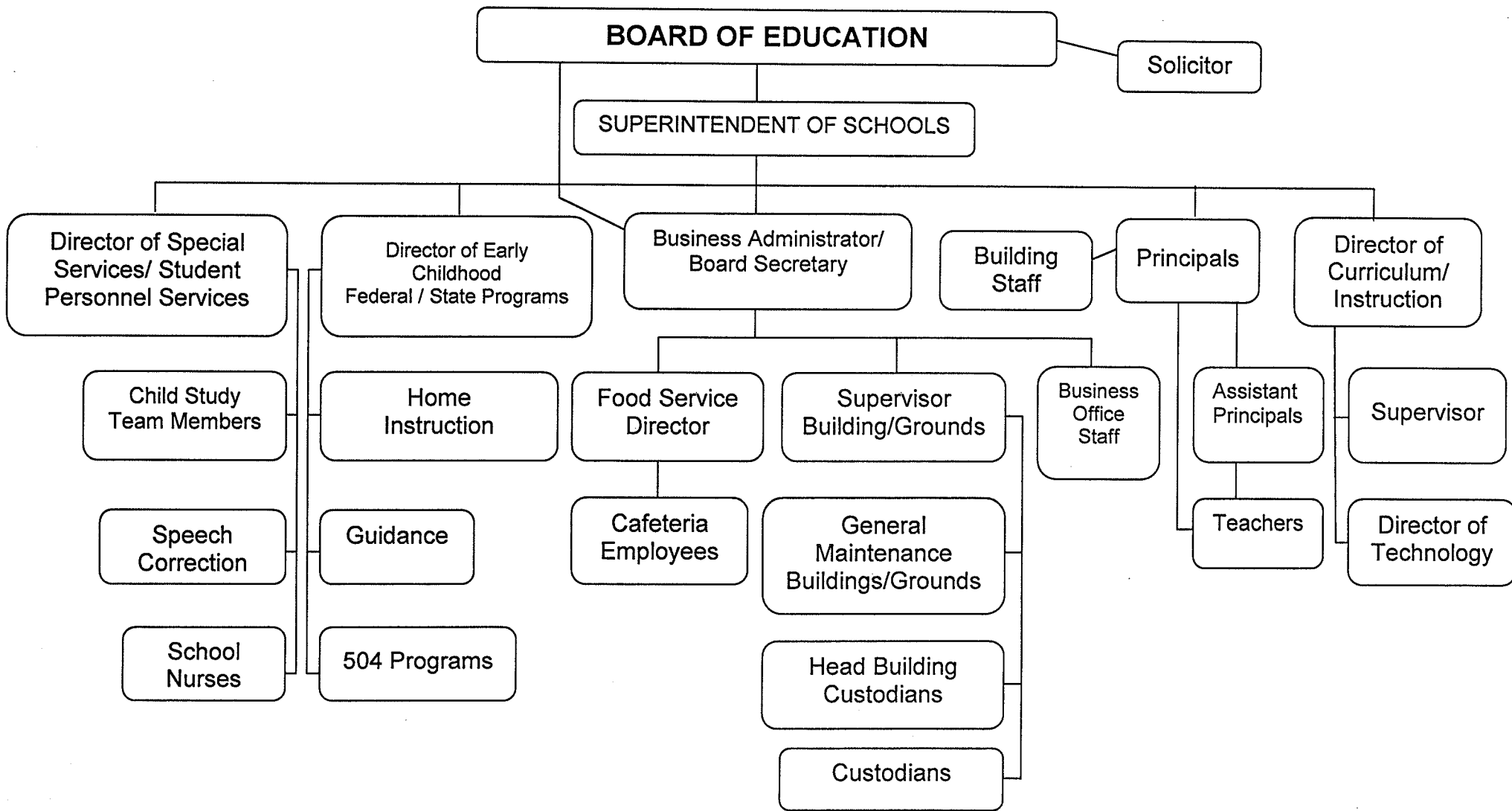
Dr. Zenaida Cobian

Dr. Zenaida Cobian
Superintendent of Schools

Brian Ferguson

Brian Ferguson
School Business Administrator/
Board Secretary

Penns Grove – Carneys Point Regional School District



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Vicki Smith	President	2019
Fred Tomarchio	Vice President	2018
Jeanette Harbeson	Board Member	2018
John Ashcraft	Board Member	2018
Stephan Jones	Board Member	2019
Ginger Sackes	Board Member	2018
Irene Scarpaci	Board Member	2019
Marcia Smith	Board Member	2018
Ronald Vogeding	Board Member	2018
<u>Other Officials</u>		<u>Amount of Bond</u>
Dr. Zenaida Cobian	Superintendent	
Brian E. Ferguson	Business Administrator/ Board Secretary	\$ 275,000
Mark G. Toscano, Esq.	Solicitor	

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

ARCHITECT

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FISCAL AGENT

**Depository Trust
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55 Water Street
New York, NY 10041**

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Pennsville, NJ 08070**

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

FINANCIAL ADVISORS

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Bordentown, NJ 08505**

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October 30, 2017

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penn Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Penn Grove-Carneys Point Regional School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Penn Grove-Carneys Point Regional Board of Education in the County of Salem, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penn Grove- Carneys Point regional School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the 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.

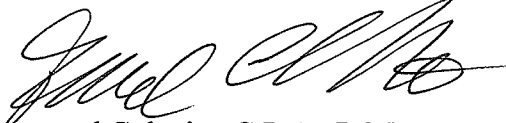
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2017 on our consideration of the Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNS GROVE-CARNEYS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole. Readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

Financial Highlights

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$9,295,447 (net position).
- The School District's total net position increased by \$1,573,845. This increase is primarily attributable to a large decrease in liabilities, primarily accounts payable.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance deficit of \$1,090,606, a decrease of \$4,920,271 in comparison with the prior year, mostly attributable to the expenditure of capital projects and the use of surplus. The net decrease in the Capital Project Fund was \$5,032,314, resulting in a deficit balance of \$3,406,455, as of June 30, 2017 for future capital project expenditures. The Debt Service Fund has no fund balance at June 30, 2017.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was a deficit of \$1,240,021, which is a decrease in the deficit of \$23,408 from that of the prior fiscal year. The decrease is due to several factors and considered positive.
- The District's total bonded debt decreased by \$930,000 as a result of the budgeted debt principal payment.

Overview of the Financial Statements

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

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

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

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Penns Grove-Carneys Point Regional School District is improving or deteriorating.

The statement of activities presents information illustrating Penns Grove-Carneys Point Regional School District's net position change during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

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

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

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

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

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

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

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, Governmental Activity assets exceeded liabilities by \$8,619,453 at the close of the most recent fiscal year.

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

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

There was an increase of \$3,484 in overall net position for the Penns Grove-Carneys Point Regional School District's business-type activities. This increase was due to an increase in Food Service Fund of \$52,388, offset by a decrease in the Academy Fund of \$48,986.

There was an increase of \$1,570,361 in overall net position for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets \$	5,156,937	\$ 4,697,751	\$ 601,845	\$ 598,363	\$ 5,758,782	\$ 5,296,114
Capital Assets	31,518,192	24,667,700	156,084	125,765	31,674,276	24,793,465
Total Assets	36,675,129	29,365,451	757,929	724,128	37,433,058	30,089,579
Deferred Outflows of Resources	5,530,673	2,638,455			5,530,673	2,638,455
Long-Term Liabilities						
Outstanding	9,137,587	9,975,174	71,425	11,990	9,209,012	9,987,164
Other Liabilities	24,328,517	14,726,100	10,510	39,628	24,339,027	14,765,728
Total Liabilities	33,466,104	24,701,274	81,935	51,618	33,548,039	24,752,892
Deferred Inflows of Resources	120,245	253,540			120,245	253,540
Invested in Capital Assets, Net of Related Debt	23,408,192	15,627,700	156,084	125,765	23,564,276	15,753,465
Restricted	(296,966)	4,537,222			(296,966)	4,537,222
Unrestricted (Deficit)	(14,491,773)	(13,115,830)	519,910	546,745	(13,971,863)	(12,569,085)
Total Net Position	\$ 8,619,453	\$ 7,049,092	\$ 675,994	\$ 672,510	\$ 9,295,447	\$ 7,721,602

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

Property taxes increased by \$227,937 during the year. This 1.9% increase represents was necessitated by the overall increase in costs without sufficient offsetting revenue.

General Revenues increased by \$672,402 during the year. The increase was the result of additional state and federal aid.

The overall \$5,549,122 increase in expenses was attributable to various increases in expenses, the largest of which was in unallocated benefits.

Business-type Activities – Business-type activities increased the Penns Grove-Carneys Point Regional School District's net position by \$3,484, as a result of operations.

Financial Analysis of the Government's Funds

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

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

Governmental Fund (Cont'd)

As of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2017 was \$4,460,492, an increase of \$158,995 from June 2016.

Of the \$4,460,492, \$523,074 has been assigned and appropriated in the 2017-18 school budget in order to maintain a stable tax levy; \$1,409,163 is restricted as Excess surplus, of which \$970,041 has been appropriated for the 2017-18 school budget; \$452,761 has been assigned for encumbrances, \$1,228,688 is restricted for capital reserve, of which \$355,000 has been assigned and appropriated in the 2017-18 school budget; \$18,877 is restricted as maintenance reserve and \$827,929 is unrestricted and unassigned.

The special revenue fund has a deficit at the end of the current fiscal year in the amount of \$76,693. The deficit was a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The capital projects fund had a budget basis unexpended balance of \$5,428,292 at the end of the current year ending June 30, 2017, of which \$8,834,747 represents the unearned portion of NJSDA grant approvals. There were 11 NJSDA grants approved during the 2014-15 school year to support various building renovations throughout the District. .

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

Unrestricted net position consisted of the following: a positive balance of \$493,665 in the food service program, and a \$26,245 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities. There was also a balance representing Investment in Capital Assets of \$149,053 in the Food Service Fund and \$7,031 in the Academy Program.

General Fund Budgetary Highlights

During the course of the 2017 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$459,544 and \$61,245 in other increases.

The final budgetary basis revenue estimate was \$34,116,417, which was the same as the original budgeted estimate.

General Fund Budgetary Highlights (Cont'd)

During fiscal year 2017, the Penns Grove-Carneys Point Regional School District budgeted \$11,400,803 for property taxes (local tax levy) and \$21,759,856 for state aid revenues. The Penns Grove-Carneys Point Regional School District also received \$1,096,998 in reimbursed T.P.A.F. Social Security Aid, \$1,461,531 in Post-Retirement Medical Benefits, \$1,754,060 in T.P.A.F. Pension Contributions and \$3,076 in Long-Term Disability.

The final budgetary basis expenditure appropriation estimate was \$35,713,056, which included \$459,544 in prior year encumbrances. The Penns Grove-Carneys Point Regional School Districts expenditures also include the reimbursed T.P.A.F. Social Security Aid, Post-Retirement Medical Benefits, Long-term Disability and T.P.A.F. Pensions Contributions totaling \$4,315,665.

Capital Assets and Debt Administration

Capital Assets – The Penns Grove-Carneys Point Regional School District’s investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$31,674,276 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of fiscal year 2017, the Penns Grove-Carneys Point Regional had \$49,735,567 invested in land, construction in progress, land improvements, buildings and improvements, and equipment, less accumulated depreciation totaling (\$18,061,291) for net capital assets of \$31,674,276.

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

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,280,600	\$ 1,280,600	\$	\$	\$ 1,280,600	\$ 1,280,600
Work in Progress	14,620,572	7,238,230			14,620,572	7,238,230
Land Improvements	130,440	133,281			130,440	133,281
Building Improvements	15,193,729	15,871,556	156,084		15,349,813	15,871,556
Equipment	292,851	144,033		125,765	292,851	269,798
Total	\$ 31,518,192	\$ 24,667,700	\$ 156,084	\$ 125,765	\$ 31,674,276	\$ 24,793,465

Long-term Debt – At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$8,110,000. The entire Penns Grove-Carneys Point Regional School District’s bonded debt is governmental as opposed to business-type. The 2017 adopted budget has an appropriation of \$1,161,125, representing the payment of the annual principal and interest. The bonds mature on March 1, 2035. See Note 7 to the Financial Statements for more detail.

Economic Factors and Next Year's Budget

For the 2016-17 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 38% of total revenue is from local tax levy and 45% of the School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2017-18 budget was adopted March 2017 based in part on the state education aid the School District anticipated receiving. This aid was based on the States projected enrollment for the District on October 15, 2016. The Penns Grove-Carneys Point Regional School District anticipates a slight decrease in enrollment for the 2017-18 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ (43,856)	\$ 501,689	\$ 457,833
Receivables, Net	5,200,793	66,173	5,266,966
Inventory		33,983	33,983
Restricted Assets:			
Capital Assets, Net (Note 6)	31,518,192	156,084	31,674,276
Total Assets	36,675,129	757,929	37,433,058
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflow	5,470,568		5,470,568
Deferred Loss on Refunding of Bonds	60,105		60,105
	5,530,673		5,530,673
LIABILITIES			
Accounts Payable	6,233,698	51,221	6,284,919
Accrued Interest	73,342		73,342
Unearned Revenue	13,845	20,204	34,049
Net Pension Liability	18,008,632		18,008,632
Noncurrent Liabilities (Note 7):			
Due Within One Year	992,564		992,564
Due Beyond One Year	8,144,023	10,510	8,154,533
Total Liabilities	33,466,104	81,935	33,548,039
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflow	120,245		120,245
	120,245		120,245
NET POSITION			
Invested in Capital Assets, Net of Related Debt	23,408,192	156,084	23,564,276
Restricted for:			
Debt Service	(3,406,455)		(3,406,455)
Capital Reserve	355,000		355,000
Capital Projects	873,688		873,688
Excess Surplus	1,409,163		1,409,163
Other Purposes	471,638		471,638
Unrestricted (Deficit)	(14,491,773)	519,910	(13,971,863)
Total Net Position	\$ 8,619,453	\$ 675,994	\$ 9,295,447

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 11,153,402	\$ 688,950	\$ 2,009,521	\$ (8,454,931)		\$ (8,454,931)
Special Education	3,596,789			(3,596,789)		(3,596,789)
Other Special Instruction	1,204,604			(1,204,604)		(1,204,604)
Other Instruction	412,248			(412,248)		(412,248)
Support Services:						
Tuition	2,377,397			(2,377,397)		(2,377,397)
Student & Instruction Related Services	2,914,522		392,734	(2,521,788)		(2,521,788)
General Administrative Services	1,035,182			(1,035,182)		(1,035,182)
School Administrative Services	1,553,513			(1,553,513)		(1,553,513)
Other Administrative Services	680,912			(680,912)		(680,912)
Plant Operations and Maintenance	3,648,380			(3,648,380)		(3,648,380)
Pupil Transportation	1,906,650			(1,906,650)		(1,906,650)
Unallocated Benefits	20,192,024		2,964,980	(17,227,044)		(17,227,044)
Interest on Long-Term Debt	299,776		352,722	52,946		52,946
Total Governmental Activities	50,975,399	688,950	5,719,957	(44,566,492)		(44,566,492)
Business-Type Activities:						
Food Service	1,264,743	246,942	1,070,189		52,388	52,388
Academy Program	183,041	134,055			(48,986)	(48,986)
Internal Service Fund	8,700	8,700				
Total Business-Type Activities	1,456,484	389,697	1,070,189		3,402	3,402
Total Primary Government	\$ 52,431,883	\$ 1,078,647	\$ 6,790,146	(44,566,492)	3,402	(44,563,090)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				20,674,154		20,674,154
Taxes Levied for Debt Service				775,635		775,635
Federal and State Aid Not Restricted				24,303,622		24,303,622
Investment Earnings				5,957	82	6,039
Miscellaneous Income				377,485		377,485
Total General Revenues, Special Items, Extraordinary Items and Transfers				46,136,853	82	46,136,935
Change in Net Position				1,570,361	3,484	1,573,845
Net Position — Beginning of Year				7,049,092	672,510	7,721,602
Net Position — End of Year				\$ 8,619,453	\$ 675,994	\$ 9,295,447

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$	\$	\$ 1,023	\$	\$ 1,023
Restricted Cash - Capital Reserve	447,449				447,449
Interfund Accounts Receivable	1,431,425				1,431,425
Local School District Tax	239,980				239,980
State Aid Receivable	455,845		3,872,251		4,328,096
Federal Aid Receivable	803	150,324			151,127
Receivables From Other Governments	481,590				481,590
Total Assets	\$ 3,057,092	\$ 150,324	\$ 3,873,274	\$	\$ 7,080,690
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 168,738	\$ 178,610	\$ 5,886,350	\$	\$ 6,233,698
Interfund Accounts Payable	492,328	38,046	1,393,379		1,923,753
Unearned Revenue	3,484	10,361			13,845
Total Liabilities	664,550	227,017	7,279,729		8,171,296
Fund Balances:					
Restricted:					
Capital Reserve	873,688				873,688
Maintenance Reserve	18,877				18,877
Excess Surplus	439,122				439,122
Capital Projects Fund			(3,406,455)		(3,406,455)
Assigned:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures	355,000				355,000
Excess Surplus:					
Designated for Subsequent Year's Expenditures	970,041				970,041
Year-End Encumbrances	452,761				452,761
Designated for Subsequent Year's Expenditures	523,074				523,074
Unassigned (Deficit)	(1,240,021)	(76,693)			(1,316,714)
Total Fund Balances (Deficit)	2,392,542	(76,693)	(3,406,455)		(1,090,606)
Total Liabilities and Fund Balances	\$ 3,057,092	\$ 150,324	\$ 3,873,274	\$	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$48,923,940 and the accumulated depreciation is \$17,405,748. (See Note 6).	31,518,192
Deferred Outflow of Resources - Deferred Pension Contribution.	5,470,568
Long Term Net Pension Liability	(18,008,632)
Deferred Inflows of Resources - Pension Actuarial Gains.	(120,245)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7).	(9,136,587)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt.	60,105
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(73,342)
Net Position of governmental activities	\$ 8,619,453

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Tax Levy	\$ 11,400,803	\$	\$	\$ 775,635	\$ 12,176,438
Tuition Charges	688,950				688,950
Transportation Charges	15,681				15,681
Homeless Tuition Reimbursement	315,050				315,050
Interest Earned	5,957				5,957
Miscellaneous	31,890	14,864			46,754
State Sources	26,208,133	762,490	2,350,028	352,722	29,673,373
Federal Sources	77,359	2,026,907			2,104,266
Total Revenues	38,743,823	2,804,261	2,350,028	1,128,357	45,026,469
EXPENDITURES					
Current:					
Regular Instruction	8,849,929	2,009,521			10,859,450
Special Education Instruction	3,596,789				3,596,789
Other Special Instruction	1,204,604				1,204,604
Other Instruction	412,248				412,248
Support Services and Undistributed Costs:					
Tuition	2,377,397				2,377,397
Student and Instruction Related Services	2,521,788	392,734			2,914,522
General Administrative Services	978,181				978,181
School Administrative Services	1,553,513				1,553,513
Other Administrative Services	665,808				665,808
Plant Operations and Maintenance	3,381,338				3,381,338
Pupil Transportation	1,906,650				1,906,650
Unallocated Benefits	10,992,407	406,451			11,398,858
Capital Outlay	153,915		7,382,342		7,536,257
Debt Service:					
Principal				930,000	930,000
Interest and Other Charges				231,125	231,125
Total Expenditures	38,594,567	2,808,706	7,382,342	1,161,125	49,946,740
Excess (Deficiency) of Revenues over Expenditures	149,256	(4,445)	(5,032,314)	(32,768)	(4,920,271)
OTHER FINANCING SOURCES (USES)					
Total Other Financing Sources and Uses					
Net Changes in Fund Balances	149,256	(4,445)	(5,032,314)	(32,768)	(4,920,271)
Fund Balance — Beginning of Year (Deficit)	2,243,286	(72,248)	1,625,859	32,768	3,829,665
Fund Balance — End of Year (Deficit)	\$ 2,392,542	\$ (76,693)	\$ (3,406,455)	\$ -	\$ (1,090,606)

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds **\$ (4,920,271)**

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

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

Depreciation Expense	\$	(633,099)	
Capital Outlays		7,483,591	
		6,850,492	6,850,492

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

(1,182,462)

Repayment of Bond Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.

Bond Principal Redeemed 930,000

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

3,700

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

(19,685)

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

(91,413)

Change in Net Position of Governmental Activities **\$ 1,570,361**

PROPRIETARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities - Enterprise Funds			Totals
	Food Service	Academy Program	Internal Service Fund	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 9,361	\$	\$	\$ 9,361
Accounts Receivable:				
State	759			759
Federal	62,507			62,507
Other	2,907			2,907
Interfund Accounts Receivable	466,083	26,245		492,328
Inventories	33,983			33,983
Total Current Assets	575,600	26,245		601,845
Noncurrent Assets:				
Furniture, Machinery & Equipment	781,509	30,118		811,627
Less: Accumulated Depreciation	(632,456)	(23,087)		(655,543)
Total Noncurrent Assets	149,053	7,031		156,084
Total Assets	724,653	33,276		757,929
LIABILITIES				
Current Liabilities:				
Accounts Payable	51,221			51,221
Unearned Revenue	20,204			20,204
Total Current Liabilities	71,425			71,425
Noncurrent Liabilities:				
Compensated Absences	10,510			10,510
Total Liabilities	81,935			81,935
NET POSITION				
Invested in Capital Assets Net of Related Debt	149,053	7,031		156,084
Unrestricted	493,665	26,245		519,910
Total Net Position	\$ 642,718	\$ 33,276	\$	\$ 675,994

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities- Enterprise Fund			Totals
	Food Service	Academy Program	Internal Service Fund	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 109,774	\$	\$	\$ 109,774
Daily Sales - Non-Reimbursable Programs	126,677			126,677
Special Functions	10,491			10,491
Academy Tuition		134,055		134,055
Food Service Director Services			8,700	8,700
Total Operating Revenues	246,942	134,055	8,700	389,697
OPERATING EXPENSES:				
Salaries	551,398	29,299	8,700	589,397
Employee Benefits	95,165			95,165
Purchased Property Services	45,799			45,799
General Supplies	28,994	635		29,629
Depreciation	13,695	2,007		15,702
Tuition		151,100		151,100
Miscellaneous	4,209			4,209
Cost of Sales - Reimbursable	467,858			467,858
Cost of Sales - Non Reimbursable	57,625			57,625
Total Operating Expenses	1,264,743	183,041	8,700	1,456,484
Operating Income (Loss)	(1,017,801)	(48,986)	-	(1,066,787)
NON-OPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	12,704			12,704
Federal Sources:				
National School Breakfast Program	237,375			237,375
National School Lunch Program	676,660			676,660
National Snack Program	10,632			10,632
Food Distribution Program	112,668			112,668
Fruit and Vegetable Grant	20,150			20,150
Interest and Investment Revenue	82			82
Total Non-Operating Revenues (Expenses)	1,070,271			1,070,271
Net Change in Position	52,470	(48,986)		3,484
Net Position — Beginning of Year	590,248	82,262		672,510
Net Position — Ending of Year	\$ 642,718	\$ 33,276	\$ -	\$ 675,994

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 246,942	\$ 134,055	\$ 8,700	\$ 389,697
Payments to Employees	(551,398)	(29,299)	(8,700)	(589,397)
Payments for Employee Benefits	(95,165)	-		(95,165)
Payments to Suppliers	(524,007)	(104,756)		(628,763)
Net Cash Provided by (used for) Operating Activities	(923,628)	-	-	(923,628)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	12,704			12,704
Federal Sources	944,817			944,817
Local Sources				
Net Cash Provided by (used for) Non-Capital Financing Activities	957,521			957,521
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets	(46,021)			(46,021)
Net Cash Provided by (used for) Capital and Related Financing Activities	(46,021)			(46,021)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earned on Investments	82			82
Net Cash Provided by (used for) Investing Activities	82			82
Net Increase (Decrease) in Cash and Cash Equivalents Balances — Beginning of Year	(12,046) 21,407			(12,046) 21,407
Balances — End of Year	\$ 9,361	\$ -	\$ -	\$ 9,361
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (1,017,801)	\$ (48,986)		\$ (1,066,787)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	13,695	2,007		15,702
Food Distribution Program	112,668			112,668
(Increase)/Decrease in Accounts Receivable	12,911			12,911
(Increase)/Decrease in Inventory	(5,339)			(5,339)
(Increase)/Decrease in Interfund Receivable	(70,079)	46,979		(23,100)
(Increase)/Decrease in Fixed Assets				
Increase/(Decrease) in Accounts Payable	36,541			36,541
Increase/(Decrease) in Compensated Absences Payable	(1,480)			(1,480)
Increase/(Decrease) in Unearned Revenue	(4,744)			(4,744)
Total Adjustments	94,173	48,986		143,159
Net Cash Provided by (used for) Operating Activities	\$ (923,628)	\$ -	\$ -	\$ (923,628)

FIDUCIARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Trust Funds</u>		<u>Agency Funds</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,390	\$ 150,342	\$ 52,474	\$ 479,562
Accounts Receivable			1,245	
Total Assets	<u>\$ 2,390</u>	<u>\$ 150,342</u>	<u>\$ 53,719</u>	<u>\$ 479,562</u>
LIABILITIES				
Accounts Payable	\$	\$ 5,281	\$ 2,400	\$
Payable to Student Groups			51,319	
Payroll Deductions and Withholdings				392,173
Employee Section 125 Plan				87,389
Total Liabilities		<u>5,281</u>	<u>\$ 53,719</u>	<u>\$ 479,562</u>
NET POSITION:				
Held in Trust for:				
School Uniform Trust	<u>\$ 2,390</u>			
Unemployment Claims and Other Purposes		<u>\$ 145,061</u>		

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$ 48,825	\$ 48,825
Other	95		48,920
Total Contributions	<u>95</u>	<u>48,825</u>	<u>97,745</u>
Investment Earnings:			
Interest		252	252
Net Investment Earnings		<u>252</u>	<u>252</u>
Total Additions	<u>95</u>	<u>49,077</u>	<u>97,997</u>
DEDUCTIONS:			
Uniforms	145		145
Unemployment Claims		79,124	79,124
Total Deductions	<u>145</u>	<u>79,124</u>	<u>79,269</u>
Change in Net Position	<u>(50)</u>	<u>(30,047)</u>	<u>18,728</u>
Net Position — Beginning of Year	<u>2,440</u>	<u>175,108</u>	<u>177,548</u>
Net Position — End of Year	<u>\$ 2,390</u>	<u>\$ 145,061</u>	<u>\$ 147,451</u>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2017 of 2,160.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District has determined that there are no component units as of the year end June 30, 2017.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Government-wide Financial Statements (Cont'd)

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Government-wide Financial Statements (Cont'd)

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

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

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

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

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

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

The School Districts enterprise fund is:

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Proprietary Funds (Cont'd)

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

Equipment	15 Years
Vehicles	4-6 Years

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Encumbrances (Cont'd)

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

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2017, the District had no funds on deposit with the New Jersey Cash Management.

N.J.S.A. 17:9-41 et. seq. establishes requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in the 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

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

Tuition Payable – Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

Prepaid Expenses – Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

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

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

Short-Term Interfund Receivables/Payables – Short-Term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Fund Balances

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

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

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

Bond and Lease Acquisition Costs

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year amount of unamortized debt issue cost has been restated, in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2017.

A. New Accounting Standards:

The School District has adopted the following GASB statements:

- ***GASB No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans:*** The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. The adoption of GASB 74, did not impact the financial statements of the School District.
- ***GASB No. 81 - Irrevocable Split-Interest Agreements:*** The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements. The adoption of GASB 81, did not impact the financial statements of the School District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

A. New Accounting Standards (Cont'd)

- GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 68 and No. 73*: The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of GASB 82, will impact the financial statements of the School District.

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

- GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. Management is evaluating the potential impact of the adoption of GASB 83 on the School District's financial statements.
- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

A. New Accounting Standards (Cont'd)

- GASB No. 85 - *Omnibus 2017*: The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 85 on the School District's financial statements.
- GASB No. 86 - *Certain Debt Extinguishment Issues*: The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 86 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of Statement will be effective for reporting periods beginning after periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.

NOTE 2. CASH AND CASH EQUIVALENTS

As of June 30, 2017, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 1,142,601
Total	\$ 1,142,601

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2. CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2017, the School District's bank balance of \$2,179,105 custodial credit risk as follows:

Insured by Depository Insurance	\$	476,139
Collateralized under GUDPA		1,702,966
		<hr/>
Total	\$	<u>2,179,105</u>

NOTE 3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance July 1, 2016	\$ 1,111,488
Increased by: Contribution	342,000
Interest Income	200
Decreased by Appropriation for Capital Outlay	(225,000)
Decreased by: Transfer to the Capital Projects Fund	<hr/>
Ending balance June 30, 2017	<u>\$1,228,688</u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

Receivables:	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Intergovernmental	\$1,178,218	\$150,324	\$3,872,251	\$63,266
Other				2,907
Total	<u>\$1,178,218</u>	<u>\$150,324</u>	<u>\$3,872,251</u>	<u>\$66,173</u>

NOTE 5. INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 29,717
Supplies	<u>4,266</u>
	<u>\$ 33,983</u>

At June 30, 2017, there was an ending inventory of \$33,983 in the Food Service Fund, of which \$20,204 was federal commodities.

NOTE 6. OPERATING LEASES

At June 30, 2017, the School District had lease agreements in effect for copiers and mail machines from prior years. The following represents the future minimum lease payments associated with this rental agreements, as of June 30, 2017:

<u>Fiscal Year</u>	<u>Principal</u>
<u>Ending June 30,</u>	
2018	\$ 137,520
2019	137,520
2020	<u>28,025</u>
Total	<u><u>303,065</u></u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2017</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,280,600	\$	\$	\$ 1,280,600
Construction in Progress	7,238,230	7,382,342		14,620,572
Total Capital Assets Not Being Depreciated	8,518,830	7,382,342		15,901,172
Land improvements	1,511,394			1,511,394
Building and building improvements	28,771,806	81,500		28,853,306
Furniture and equipment	2,638,319	19,749		2,658,068
Totals Capital Assets Being Depreciated	32,921,519	101,249		33,022,768
Less accumulated depreciation:				
Land improvements	(1,378,113)	(2,841)		(1,380,954)
Building and improvements	(12,900,250)	(601,236)		(13,501,486)
Equipment	(2,494,286)	(29,022)		(2,523,308)
Total Accumulated Depreciation	(16,772,649)	(633,099)		(17,405,748)
Government Activities Capital Assets, Net	\$ 24,667,700	\$ 6,850,492	\$	\$ 31,518,192
	To A-1			To A-1
Business-type Activities:				
Equipment	\$ 765,606	\$ 46,021	\$	\$ 811,627
Less: Accumulated Depreciation	(639,841)	(15,702)		(655,543)
Business-type Activities Capital Assets, Net	\$ 125,765	\$ 30,319	\$	\$ 156,084

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 293,952
Administrative Support	57,001
Business Services	15,104
Operations/Maintenance	267,042
Total Depreciation Expense	<u>\$ 633,099</u>

NOTE 8. AMORTIZATION OF DEBT REFUNDING COST

The School District has elected to implement GASB Statement No. 65 during the year under audit and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2016-17 School Year, \$19,685 was amortized, resulting in a balance in Deferred Outflows of Resources of \$60,105, as of June 30, 2017.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9. LONG TERM OBLIGATIONS

During the fiscal year ended June 30, 2017 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 9,040,000	\$	\$ 930,000	\$ 8,110,000	\$ 935,000
Compensated Absences	935,174	91,413		1,026,587	57,564
Governmental Activity Long Term Liability	<u>9,975,174</u>	<u>91,413</u>	<u>930,000</u>	<u>9,136,587</u>	<u>992,564</u>
Business-Type Activities					
Compensated Absences Payable	\$ 11,990	\$	\$ (1,480)	\$ 10,510	\$

As of June 30, 2017, there exists a balance of outstanding principal in the 2003 issue, the refunded 2005 issue and the series 2016 bond issues totaling \$8,110,000. Combined Principal and interest due on the two serial bond issues outstanding as of June 30, 2017 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 935,000	\$ 265,279	\$ 1,200,279
2019	950,000	232,624	1,182,624
2020	945,000	198,224	1,143,224
2021	360,000	163,424	523,424
2022	360,000	152,624	512,624
2023	360,000	141,824	501,824
2024	360,000	131,024	491,024
2025	360,000	120,224	480,224
2026	360,000	109,424	469,424
2027	360,000	98,624	458,624
2028	360,000	87,824	447,824
2029	360,000	77,024	437,024
2030	360,000	66,224	426,224
2031	360,000	55,424	415,424
2032	330,000	43,724	373,724
2033	330,000	33,000	363,000
2034	330,000	22,274	352,274
2035	330,000	11,550	341,550
	<u>\$ 8,110,000</u>	<u>\$ 2,010,339</u>	<u>\$ 10,120,339</u>

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

On April 7, 2003, the School District issued \$4,465,000.00 general obligation bonds at interest rates varying from 2.00% to 3.40% for various construction and renovation projects. The final maturity of these bonds was December 15, 2016. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9. LONG TERM OBLIGATIONS (CONT'D)

On November 13, 2014 the School District issued \$3,810,000.00 refunding school bonds at interest rates varying from 1.00% to 2.00% to extinguish pervious bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000.00. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2017 is \$2,290,000.

On February 18, 2016, the School District issued \$6,000,000.00 refunding school bonds at interest rates varying from 2.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2017 is \$5,820,000.

Bonds Authorized But Not Issued – As of June 30, 2017, the Board had no bonds authorized but not issued.

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

NOTE 10. PENSION PLANS

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

The following represents the membership tiers for PERS and TPAF:

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

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the 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. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS who retired from a municipality with 25 years of service.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Contributions - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 12.46% of covered payroll. The District's contributions to PERS for the years ended June 30, 2017, and 2016, were \$543,474 and \$527,795 respectively, equal to the required contributions for each year. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The total payroll for the year ended June 30, 2017 was \$21,582,244. Payroll covered by PERS was \$4,112,593 for fiscal year 2017.

Information regarding contributions made by the State of New Jersey on behalf of the District is not available. Contributions to the system for the year ended June 30, 2017 is as follows:

	<u>PERS</u>
Employees	\$ 296,105
District	<u>543,474</u>
Total	<u>\$ 839,579</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The District is billed annually for its normal contribution plus any accrued liability. These contributions were equal to the required contributions for 2017, as follows:

Public Employees Retirement System					
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
<u>2017</u>	\$ <u>84,496</u>	\$ <u>430,007</u>	\$ <u>543,474</u>	\$ <u>N/A</u>	\$ <u>543,474</u>

Components of Net Pension Liability - At June 30, 2017, the District's proportionate share of the PERS net pension liability was \$18,008,632. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2016. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016 was 0.060805% which was a decrease of 0.00059% from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2017 PERS pension expense, with respect to GASB 68, was \$1,738,293. The District's 2017 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 334,906	\$
Changes of assumptions	3,730,427	
Net difference between projected and actual earnings on pension plan investments	686,686	
Changes in proportion	175,075	120,245
Contributions subsequent to the measurement date	<u>543,474</u>	
Total	<u>\$ 5,470,568</u>	<u>\$ 120,245</u>

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

<u>Year</u>	<u>PERS</u>
2018	\$ 1,061,599
2019	1,061,599
2020	1,238,735
2021	1,029,535
2022	415,382
Thereafter	
Total	<u>\$ 4,806,850</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2017 and 2016 are as follows:

Year	6/30/2017		6/30/2016	
Collective deferred outflows of resources	\$	5,470,568	\$	2,030,870
Collective deferred inflows of resources	\$	120,245	\$	253,540
Collective Net Pension Liability	\$	18,008,632	\$	13,780,972
District's Proportion		0.060805%		0.061391%

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement Date	June 30, 2016
Actuarial Valuation Date	July 1, 2015
Investment Rate of Return	7.65%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	3.08%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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 allocation as of June 30, 2016 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate as of June 30, 2016 used to measure the total pension liability was 3.98% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 22,067,477	\$ 18,008,632	\$ 14,657,704

Teachers' Pension and Annuity Fund

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

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

Contributions - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 6.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions (Continued) - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions.

The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100% special funding situation with the State of New Jersey.

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/17	\$ 1,754,060	100 %	\$ N/A
6/30/16	2,751,840	100	N/A
6/30/15	2,164,195	100	N/A

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$1,754,060 to the TPAF for pension contributions, \$1,461,531 for post-retirement benefits on behalf of the School, and \$3,076 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,096,998 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2017, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Pension Expense - For the year ended June 30, 2017, the District recognized pension expense of \$9,273,351 and revenue of \$9,273,351 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF
Measurement Date	June 30, 2016
Actuarial Valuation Date	July 1, 2015
Investment Rate of Return	7.65%
Salary Scale (Based on Age):	
Through 2026	Varies based
Thereafter	on experience
Inflation	2.50%

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Bonds	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds – MultiStrategy	5.00%	3.70%
Hedge Funds – Equity	3.75%	4.72%
Hedge Funds – Distressed	3.75%	3.49%
Total	100.00%	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – As indicated above, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution.

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

NOTE 11. POST RETIREMENT BENEFITS

P.L. 1987, c.884 of P.L. 1990 c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post employment medical benefits through the TPSF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of the post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey of \$1,754,060 for TPAF normal costs, \$1,461,531 for TPAF post-retirement costs, \$3,076 for long-term disability, and \$1,096,998 for reimbursed TPAF Social Security costs.

NOTE 13. RISK MANAGEMENT

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

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

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

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

Fiscal Year Ended June 30	Interest	School District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2017	\$ 252	\$	48,825	79,124	(80,233)
2016	293	\$	50,104	81,840	(50,186)
2015	332	\$		19,075	(18,743)

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

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. DEFERRED COMPENSATION

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

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

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

NOTE 15. COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, the liability for compensated absences in the governmental and proprietary fund types was \$1,026,587 and \$10,510, respectively.

NOTE 16. ARBITRAGE REBATE

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 17. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2017.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,431,425	\$ 492,328
Special Revenue		38,046
Capital Projects		1,393,379
Proprietary	492,328	
	<u>\$ 1,923,753</u>	<u>\$ 1,923,753</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

NOTE 18. DEFICIT FUND BALANCES

The School District has an unassigned deficit of \$1,240,021 in the general fund and a deficit of \$76,693 in the special revenue fund, as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue for budget purposes only in the current school budget year. The statute provides legal authority for school districts to recognize the revenue in a current school budget year.

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

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District's general fund deficit is less than the June state aid payments received in July, 2017 and the School District's special revenue fund deficit in the GAAP funds statements of \$76,693 is the same as the June state aid payments received in July, 2017.

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 18. DEFICIT FUND BALANCES (CONT'D)

RESTRICTED

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

General Fund –

For Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budget fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$1,409,163, of which \$970,041 was assigned for utilization in the 2017-18 budget and \$439,122 will be utilized in the 2018-19 budget.

For Capital Reserve Account – As of June 30, 2017, the balance in the capital reserve account is \$1,228,688, of which \$355,000 was assigned for utilization in the 2017-18 budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). The maximum amount of Capital Reserve is \$25,757,944.

For Maintenance Reserve Account – As of June 30, 2017, the balance in the maintenance reserve account is \$18,877. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A 18:7G-9) as amended by P.L. 2004, c. 73 (S1710). The maximum allowable reserve balance is \$2,445,906.

Capital Projects Fund – As of June 30, 2017, the restricted deficit fund balance amount was \$3,406,455. Budgets of district projects were approved and funded during the previous year in part by the School Development Authority in the amount of \$13,509,588, Bond Proceeds of \$6,000,000 and \$600,000 from the Capital Reserve account.

Debt Service Fund – In accordance with N.J.S.A. 18A:7F-41(c) (2), the School District has a Debt fund balance in the amount of \$0, which is unassigned as of June 30, 2017.

ASSIGNED

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

General Fund –

For Subsequent Year's Expenditures – The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017 \$523,074.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 18. DEFICIT FUND BALANCES (CONT'D)

ASSIGNED (CONT'D)

Other Purposes - Committed As of June 30, 2017, the School District had \$452,761 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund – As of June 30, 2017, the fund balance of the general fund was \$2,392,542, which includes an unassigned deficit of \$1,240,021. There was the result of the delay in the payment of state aid of \$2,067,950 until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid in the payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance does not alone indicate that the School District is facing financial difficulties.

Special Revenue Fund – As of June 30, 2017, the fund balance of the special revenue fund was a deficit of \$76,693, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$76,693 is the same as the last state aid payment.

NOTE 19. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 20: LITIGATION

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

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,400,803	\$	\$ 11,400,803	\$ 11,400,803	
Tuition - Summer School	1,500		1,500		(1,500)
Tuition from LEAS within the State	800,000		800,000	674,633	(125,367)
Transportation Fees from Other LEAS	20,000		20,000	15,681	(4,319)
Transportation Fees from Individuals				14,317	14,317
Homeless Tuition Reimbursement				315,050	315,050
Interest on Investments				5,757	5,757
Interest on Investments - Capital Reserve	25,000		25,000	200	(24,800)
Rent	6,000		6,000	9,250	3,250
Miscellaneous	47,630		47,630	22,640	(24,990)
Total - Local Sources	12,300,933		12,300,933	12,458,331	157,398
State Sources:					
Categorical Special Education	1,190,528		1,190,528	1,190,528	
Equalization Aid	19,825,465		19,825,465	19,825,465	
Categorical Security Aid	299,644		299,644	299,644	
Categorical Transportation Aid	121,679		121,679	121,679	
PARCC Readiness Aid	21,010		21,010	21,010	
Per Pupil Growth Aid	21,010		21,010	21,010	
Professional Learning Community Aid	20,520		20,520	20,520	
Extraordinary Aid	260,000		260,000	391,389	131,389
Reimbursement of Nonpublic School Transportation Costs				10,962	10,962
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				1,754,060	1,754,060
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,461,531	1,461,531
Long-term Disability (On Behalf - Non-Budgeted)				3,076	3,076
Reimbursed TPAF Social Security (Non-Budgeted)				1,096,998	1,096,998
Total - State Sources	21,759,856		21,759,856	26,217,872	4,458,016
Federal Sources:					
Medical Assistance Program	55,628		55,628	77,359	21,731
Total - Federal Sources	55,628		55,628	77,359	21,731
Total Revenues	34,116,417		34,116,417	38,753,562	4,637,145
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool	26,800	(24,757)	2,043	2,043	
Kindergarten	757,700		757,700	743,113	14,587
Grades 1-5	2,957,300	(74,635)	2,882,665	2,868,512	14,153
Grades 6-8	1,671,800	80,892	1,752,692	1,751,602	1,090
Grades 9-12	2,477,000	(85,508)	2,391,492	2,391,492	
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000	(27,617)	22,383	9,969	12,414
Purchased Professional - Educational Services	40,000	(21,357)	18,643	15,148	3,495
Other Purchased Services (400-500 series)	1,000	(681)	319	61	258
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	189,800	(18,089)	171,711	170,673	1,038
Purchased Professional - Educational Services	455,925	(1,831)	454,094	308,213	145,881
Other Purchased Services (400-500 Series)	198,089	(28,810)	169,279	162,952	6,327
General Supplies	306,104	170,719	476,823	381,951	94,872
Textbooks	53,610	8,838	62,448	41,030	21,418
Other Objects	7,200	(451)	6,749	3,170	3,579
Total Regular Programs	9,192,328	(23,287)	9,169,041	8,849,929	319,112
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	876,500	101,810	978,310	978,310	
Other Salaries for Instruction	121,050	858	121,908	121,908	
General Supplies	5,000	(875)	4,125	3,745	380
Total Learning and/or Language Disabilities	1,002,550	101,793	1,104,343	1,103,963	380

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 828,850	\$ (26,186)	\$ 802,664	\$ 802,664	\$
Other Salaries for Instruction	346,628	(26,117)	320,511	320,511	
Purchased Professional Educational Services	5,000	376	5,376	5,376	
General Supplies	20,350	(4,538)	15,812	12,641	3,171
Total Multiple Disabilities	1,200,828	(56,465)	1,144,363	1,141,192	3,171
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	946,405	24,398	970,803	970,803	
Other Salaries for Instruction	62,000	(6,336)	55,664	55,664	
General Supplies	18,604	(1,847)	16,757	12,736	4,021
Textbooks	530		530	529	1
Total Resource Room/Resource Center	1,027,539	16,215	1,043,754	1,039,732	4,022
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	153,500	(1,861)	151,639	151,459	180
Other Salaries for Instruction	59,100	4,000	63,100	63,021	79
General Supplies	10,350	(110)	10,240	2,737	7,503
Total Preschool Disabilities - Instruction - Part -Time	222,950	2,029	224,979	217,217	7,762
Home Instruction:					
Salaries of Teachers		32,101	32,101	32,101	
Purchased Professional-Educational Services		63,515	63,515	62,584	931
Total Home Instruction		95,616	95,616	94,685	931
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,453,867	159,188	3,613,055	3,596,789	16,266
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	372,100	20,896	392,996	391,193	1,803
Other Salaries for Instruction	37,300	(4,771)	32,529	31,126	1,403
Total Basic Skills / Remedial - Instruction	409,400	16,125	425,525	422,319	3,206
Bilingual Education - Instruction					
Salaries of Teachers	606,900	63,621	670,521	670,521	
Other Salaries for Instruction	180,150	(67,957)	112,193	111,288	905
Purchased Professional - Educational Services	4,000		4,000	476	3,524
Total Bilingual Education - Instruction	791,050	(4,336)	786,714	782,285	4,429
School Sponsored Co-curricular Activities - Instruction					
Salaries	65,000	5,247	70,247	70,247	
Supplies and Materials	15,550	23,802	39,352	6,316	33,036
Other Objects	2,000	1,273	3,273	2,953	320
Total School Sponsored Co-curricular Activities - Instruction	82,550	30,322	112,872	79,516	33,356
School Sponsored Athletics - Instruction					
Salaries	186,350	10,504	196,854	196,854	
Purchased Services (300-500 Series)	76,750	(4,123)	72,627	72,627	
Supplies and Materials	36,000	3,705	39,705	39,705	
Other Objects	5,000	371	5,371	5,371	
Total School Sponsored Athletics - Instruction	304,100	10,457	314,557	314,557	
Summer School - Instruction					
Salaries of Teachers	22,955	2,753	25,708	18,175	7,533
Purchased Professional & Technical Services	5,000	3,507	8,507		8,507
Total Summer School - Instruction	27,955	6,260	34,215	18,175	16,040
Total Instruction	14,261,250	194,729	14,455,979	14,063,570	392,409

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 50,250	\$ (24,012)	\$ 26,238	\$ 25,690	\$ 548
Tuition to Other LEAs Within the State - Special	58,730	(3,310)	55,420	44,953	10,467
Tuition to County Voc School Dist - Regular	333,900	33,216	367,116	296,163	70,953
Tuition to CSSD & Regional Day Schools	917,849	216,564	1,134,413	1,119,726	14,687
Tuition to Private Schools for the Disabled - Within State	578,726	19,014	597,740	597,739	1
Tuition to Priv Schools for the Disabled & Oth LEAs-Spl, O/S St	214,529	46,469	260,998	256,320	4,678
Tuition - State Facilities	36,806		36,806	36,806	
Total Undistributed Expenditures - Instruction	2,190,790	287,941	2,478,731	2,377,397	101,334
Undistributed Expenditures - Attendance & Social Work:					
Salaries	25,700	(175)	25,525	25,525	
Total Undistributed Expend. - Attend. & Social Work	25,700	(175)	25,525	25,525	
Undistributed Expenditures - Health Services					
Salaries	288,000	(73,650)	214,350	207,114	7,236
Purchased Professional and Technical Services	119,975	(41,847)	78,128	70,086	8,042
Other Purchased Services (400-500 series)	1,000	(913)	87	87	
Supplies and Materials	14,224	473	14,697	9,733	4,964
Total Undistributed Expenditures - Health Services	423,199	(115,937)	307,262	287,020	20,242
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	127,100	(63,066)	64,034	64,034	
Purchased Professional - Educational Services	108,750	180,271	289,021	286,074	2,947
Supplies and Materials	300	(300)			
Total Undistributed Expenditures - Speech, OT, PT & Related Services	236,150	116,905	353,055	350,108	2,947
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	544,800	(94,839)	449,961	449,961	
Salaries of Secretarial and Clerical Assistants	90,400	(1,497)	88,903	88,903	
Other Purchased Professional and Technical Services	29,150	(1,100)	28,050	28,038	12
Supplies and Materials	16,704	1,445	18,149	17,440	709
Total Undistributed Expenditures - Guidance	681,054	(95,991)	585,063	584,342	721
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	449,000	(33,323)	415,677	415,577	100
Salaries of Secretarial and Clerical Assistants	52,600	307	52,907	52,906	1
Purchased Professional- Educational Services	45,000	5,147	50,147	49,370	777
Other Purchased Professional and Technical Services	16,178	2,277	18,455		18,455
Misc Purchased Services (400-500 Series Other than Resid Cost	9,360	(6,933)	2,427	1,400	1,027
Supplies and Materials	11,640	5,150	16,790	15,416	1,374
Other Objects	5,000	(500)	4,500	3,805	695
Total Undistributed Expenditures - Child Study Team	588,778	(27,875)	560,903	538,474	22,429
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	253,350	2,179	255,529	253,644	1,885
Salaries of Other Professional Staff	30,900	6,496	37,396	24,389	13,007
Salaries of Secretarial and Clerical Assistants	58,800		58,800	57,676	1,124
Supplies and Materials	3,000	482	3,482	1,967	1,515
Other Objects	2,000		2,000	1,834	166
Total Undistributed Expenditures - Improvement of Instruction	348,050	9,157	357,207	339,510	17,697

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries	\$ 276,975	\$ (24,711)	\$ 252,264	\$ 213,110	\$ 39,154
Salaries of Technology Coordinators	77,556	1,427	78,983	77,434	1,549
Purchased Professional and Technical Services	2,832		2,832	2,832	
Other Purchased Services (400-500 series)	15,170	(2,717)	12,453	12,118	335
Supplies and Materials	23,661	2,850	26,511	23,299	3,212
Total Undistributed Expenditures - Educational Media Services/ School Library:	396,194	(23,151)	373,043	328,793	44,250
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	30,000	(7,038)	22,962	17,143	5,819
Other Purchased Services (400-500 series)	52,000	10,000	62,000	50,873	11,127
Total Undistributed Expenditures - Instructional Staff Training :	82,000	2,962	84,962	68,016	16,946
Undistributed Expenditures - Support Services - General Administration:					
Salaries	206,600	(1,141)	205,459	205,415	44
Legal Services	87,500	5,860	93,360	85,371	7,989
Audit Fees	26,000		26,000	25,275	725
Architectural/Engineering Services	20,000	(4,332)	15,668	13,814	1,854
Other Purchased Professional Services	30,000	11,489	41,489	36,197	5,292
Purchased Technical Services	2,000	4,443	6,443	6,443	
Communications/Telephone	102,350	86,347	188,697	181,923	6,774
BOE Other Purchased Services	9,000	(686)	8,314	7,711	603
Other Purchased Services	401,718	(2,457)	399,261	387,093	12,168
General Supplies	14,000	652	14,652	14,408	244
Miscellaneous Expenditures	1,000	211	1,211	841	370
BOE Membership Dues and Fees	15,000	(1,063)	13,937	13,690	247
Total Undistributed Expenditures - Support Services - General Administration	915,168	99,323	1,014,491	978,181	36,310
Undistributed Expenditures - Support Service - School Administration:					
Salaries of Principals/Assistant Principals	964,000	25,810	989,810	988,296	1,514
Salaries of Other Professional Staff	105,350	2,179	107,529	106,764	765
Salaries of Secretarial and Clerical Assistants	494,400	(49,049)	445,351	422,896	22,455
Purchased Professional and Technical Services	10,000	(2,000)	8,000		8,000
Other Purchased Services (400-500 Series)	2,267	(335)	1,932	750	1,182
Supplies and Materials	31,887	2,060	33,947	29,807	4,140
Other Objects	5,000		5,000	5,000	
Total Undistributed Expenditures - Support Services - School Administration	1,612,904	(21,335)	1,591,569	1,553,513	38,056
Undistributed Expenditures - Central Services					
Salaries	376,200	793	376,993	376,991	2
Purchased Technical Services	86,184	57,368	143,552	104,929	38,623
Supplies and Materials	2,000	727	2,727	2,692	35
Other Objects	2,100	(52)	2,048	1,801	247
Total Undistributed Expenditures - Central Services	466,484	58,836	525,320	486,413	38,907
Undistributed Expenditures - Administrative Information Technology					
Salaries	182,050	(1,500)	180,550	179,395	1,155
Total Undistributed Expenditures - Administrative Information	182,050	(1,500)	180,550	179,395	1,155
Undistributed Expenditures - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	222,000	150,099	372,099	360,453	11,646
General Supplies	122,000	(7,558)	114,442	107,074	7,368
Total Undistributed Expenditures - Required Maintenance for School Facilities	344,000	142,541	486,541	467,527	19,014

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,522,500	\$ 8,972	\$ 1,531,472	\$ 1,465,217	\$ 66,255
Salaries of Non-Instructional Aides	210,000	(69,000)	141,000	128,459	12,541
Purchased Professional and Technical Services	500		500	85	415
Cleaning, Repair and Maintenance Services	43,750	33,202	76,952	64,271	12,681
Other Purchased Property Services	84,000	5,564	89,564	81,338	8,226
Insurance	135,820		135,820	135,327	493
General Supplies	133,970	(1,041)	132,929	95,976	36,953
Energy (Natural Gas)	225,000	597	225,597	155,163	70,434
Energy (Electricity)	450,000	32,157	482,157	444,272	37,885
Energy (Gasoline)	12,000	(787)	11,213	7,436	3,777
Total Undistributed Expenditures - Custodial Services	2,817,540	9,664	2,827,204	2,577,544	249,660
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	169,500	(4,923)	164,577	148,037	16,540
Cleaning, Repair and Maintenance Services	1,500	35,083	36,583	30,482	6,101
General Supplies	20,000	2,587	22,587	22,402	185
Total Undistributed Expenditures - Care and Upkeep of Grounds	191,000	32,747	223,747	200,921	22,826
Undistributed Expenditures - Security					
Salaries	120,900	(24,953)	95,947	95,947	
Purchased Professional and Technical Services	1,000	10,900	11,900	11,900	
Cleaning, Repair and Maintenance Services	14,000	(10,520)	3,480	3,480	
General Supplies	1,000	24,819	25,819	24,019	1,800
Total Undistributed Expenditures - Security	136,900	246	137,146	135,346	1,800
Undistributed Expenditures - Student Transportation Services					
Salaries - Between Home and School - Regular	57,600	(130)	57,470	57,470	
Management Fee - ESC Transportation Program	3,000	(1,900)	1,100	971	129
Other Purchased Professional and Technical Services	4,000	2,050	6,050	6,050	
Contracted Services - (Between Home and School) - Vendors	828,200	(25,130)	803,070	780,192	22,878
Contracted Services - (Other than Bet Home & School) - Vendors	84,940	11,164	96,104	92,226	3,878
Contracted Services (Between Home and School) - Joint Agreem	58,150	(38,090)	20,060	20,060	
Contracted Services (Special Education Students) - Vendors	496,100	8,213	504,313	504,312	1
Contracted Services (Reg Education Students) - ESC's	75,000	2,886	77,886	68,337	9,549
Contracted Services (Spec Education Students) - ESC's	283,500	37,262	320,762	313,916	6,846
Contracted Services - Aid in Lieu Payments - Non Pub School	23,100	32,752	55,852	45,244	10,608
Contracted Services - Aid in Lieu Payments - Choice Schl	17,700	2,791	20,491	17,872	2,619
Transportation Supplies	250	(250)			
Total Undistributed Expenditures - Student Transportation Ser	1,931,540	31,618	1,963,158	1,906,650	56,508
Unallocated Benefits:					
Social Security Contributions	424,100	7,417	431,517	431,447	70
Other Retirement Contributions - PERS	586,750	(43,000)	543,750	529,662	14,088
Workmen's Compensation	330,000	(124)	329,876	329,876	
Health Benefits	5,234,000	(189,347)	5,044,653	4,899,314	145,339
Tuition Reimbursement	115,000	(25,671)	89,329	63,943	25,386
Other Employee Benefits	388,000	50,055	438,055	422,500	15,555
Total Unallocated Benefits	7,077,850	(200,670)	6,877,180	6,676,742	200,438
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				1,754,060	(1,754,060)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,461,531	(1,461,531)
Long-term Disability (On Behalf - Non-Budgeted)				3,076	(3,076)
Reimbursed TPAF Social Security (Non-Budgeted)				1,096,998	(1,096,998)
Total On-Behalf Contributions				4,315,665	(4,315,665)
Total Undistributed Expenditures	20,647,351	305,306	20,952,657	24,377,082	(3,424,425)
Total Current Expense	34,908,601	500,035	35,408,636	38,440,652	(3,032,016)

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Interest Deposit on Capital Reserve					
<hr/>					
Equipment:					
Special Education - Instruction					
Multiple Disabilities		3,374	3,374	3,374	
Undistributed Expenditures:					
Custodial Services	6,000	16,695	22,695	16,375	6,320
Total Equipment	<u>6,000</u>	<u>20,069</u>	<u>26,069</u>	<u>19,749</u>	<u>6,320</u>
<hr/>					
Facilities Acquisition and Construction Services					
Architerctural/Engineering Services	25,000	(25,000)			
Construction Services	200,000	25,685	225,685	81,500	144,185
Other Objects - Debt Service Assessment	52,666		52,666	52,666	
Total Facilities Acquisition and Construction Services	<u>277,666</u>	<u>685</u>	<u>278,351</u>	<u>134,166</u>	<u>144,185</u>
Total Capital Outlay	<u>283,666</u>	<u>20,754</u>	<u>304,420</u>	<u>153,915</u>	<u>150,505</u>
<hr/>					
Total Expenditures	<u>35,192,267</u>	<u>520,789</u>	<u>35,713,056</u>	<u>38,594,567</u>	<u>(2,881,511)</u>
<hr/>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,075,850)</u>	<u>(520,789)</u>	<u>(1,596,639)</u>	<u>158,995</u>	<u>1,755,634</u>
<hr/>					
OTHER FINANCING SOURCES (USES):					
Operating Transfers (Out) :					
Interest Earned Transferred from Capital Project Fund					
Total Other Financing Sources (Uses):					
Net Change in Fund Balances	<u>(1,075,850)</u>	<u>(520,789)</u>	<u>(1,596,639)</u>	<u>158,995</u>	<u>1,755,634</u>
<hr/>					
Fund Balances - Beginning of Year	4,301,497		4,301,497	4,301,497	
Fund Balances - End of Year	\$ <u>3,225,647</u>	\$ <u>(520,789)</u>	\$ <u>2,704,858</u>	\$ <u>4,460,492</u>	\$ <u>1,755,634</u>
<hr/>					
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 873,688	
Maintenance Reserve				18,877	
Excess Surplus				439,122	
Assigned Fund Balance:					
Capital Reserve - Designated For Subsequent Year's Expenditures				355,000	
Year-End Encumbrances				452,761	
Excess Surplus Designated For Subsequent Year's Expenditures				970,041	
Designated For Subsequent Year's Expenditures				523,074	
Unassigned				827,929	
				<u>4,460,492</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,067,950)	
				<u>\$ 2,392,542</u>	

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Early Childhood	\$ 766,935	\$	\$ 766,935	\$ 766,935	\$
Total - State Sources	766,935		766,935	766,935	
Federal Sources:					
Title I	1,312,624	(58,658)	1,253,966	1,253,966	
Title II	138,533	6,253	144,786	144,786	
Title III	52,390	(1,107)	51,283	51,283	
I.D.E.A., Part B	621,000	(65,402)	555,598	555,598	
I.D.E.A., Part B. Preschool Incentive		21,274	21,274	21,274	
Total - Federal Sources	2,124,547	(97,640)	2,026,907	2,026,907	
Other Sources:					
Whole Kids		14,642	14,642	14,642	
CASE Grant		222	222	222	
Total - Other Sources		14,864	14,864	14,864	
Total Revenues	2,891,482	(82,776)	2,808,706	2,808,706	
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,015,612	(28,844)	986,768	986,768	
Other Salaries for Instruction	294,401	7,252	301,653	301,653	
Purchased Professional and Technical Services	2,472	(1,072)	1,400	1,400	
Tuition	621,000	(65,402)	555,598	555,598	
General Supplies	179,360	(15,390)	163,970	163,970	
Other Objects		132	132	132	
Total Instruction	2,112,845	(103,324)	2,009,521	2,009,521	
Support Services:					
Salaries of Teachers	12,407	(3,562)	8,845	8,845	
Salaries of Principals, Assistant Principals and Program Directors	51,157	(373)	50,784	50,784	
Salaries of Other Professional Staff	100,488	33,791	134,279	134,279	
Salaries of Secretarial and Clerical Assistants	45,478	(332)	45,146	45,146	
Other Salaries	45,196	444	45,640	45,640	
Personal Services - Employee Benefits	28,044	44,582	72,626	72,626	
Medical Benefits	223,720	(46,150)	177,570	177,570	
Other Employee Benefits	148,053	8,202	156,255	156,255	
Purchased Professional - Technical Services	107,953	(15,353)	92,600	92,600	
Travel	360	(360)			
Other Purchased Services (400-500 Series)	1,170	(990)	180	180	
General Supplies	1,800	332	2,132	2,132	
Miscellaneous Expenditures	12,811	317	13,128	13,128	
Total Support Services	778,637	20,548	799,185	799,185	
Total Expenditures	2,891,482	(82,776)	2,808,706	2,808,706	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:					
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 38,753,562	[C-2]	\$	2,808,706
Difference - Budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		2,058,211			72,248
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		<u>(2,067,950)</u>			<u>(76,693)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 38,743,823</u>	[B-2]	\$	<u>2,804,261</u>
Uses/Outflows of Resources:					
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 38,594,567	[C-2]	\$	2,808,706
Differences - Budget to GAAP:					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 38,594,567</u>	[B-2]	\$	<u>2,808,706</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedules of Required Supplementary Information Part III

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

Public Employee's Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability(Asset)	0.060805%	0.061391%	0.059992%	0.060235%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 18,008,632	\$ 13,780,972	\$ 11,232,180	\$ 11,512,069
District's Covered-Employee Payroll	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	437.89%	324.37%	271.36%	276.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 543,474	\$ 527,795	\$ 494,567	\$ 453,857
Contributions in Relation to the Contractually Required Contribution	<u>(543,474)</u>	<u>(527,795)</u>	<u>(494,567)</u>	<u>(453,857)</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
Contributions as a Percentage of Covered-Employee Payroll	13.21%	12.42%	11.95%	10.92%

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedules of Required Supplementary Information

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

Teachers Pension Plan

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability(Asset)	0.156891%	0.154707%	0.164519%	0.167044%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 123,420,739	\$ 97,781,586	\$ 87,929,793	\$ 84,422,895
District's Covered-Employee Payroll	\$ 15,473,667	\$ 15,423,386	\$ 15,866,952	\$ 15,564,334
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	797.62%	633.98%	554.17%	542.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Teachers' Pension Plan

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules

For the Fiscal Year Ended June 30, 2017

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016)

	N.C.L.B.			Total Carried Forward
	Title I Part A	Title II A Training	N.C.L.B. Title III	
	2016-2017	2016-2017	2016-2017	
REVENUES:				
Federal Sources	\$ 1,253,966	\$ 144,786	\$ 51,283	\$ 1,450,035
State Sources				
Other				
Total Revenues	\$ 1,253,966	\$ 144,786	\$ 51,283	\$ 1,450,035
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 493,442	\$ 100,474	\$	\$ 593,916
Other Salaries for Instruction	133,673		26,377	160,050
Purchased Professional Technical Services	1,400			1,400
General Supplies	135,984		13,254	149,238
Total Instruction	764,499	100,474	39,631	904,604
Support Services:				
Salaries of Teachers	8,845			8,845
Salaries of Other Professional Staff	65,002			65,002
Personal Services - Employee Benefits		27,701	2,018	29,719
Medical Benefits	151,669	16,611	9,290	177,570
Other Employee Benefits	156,255			156,255
Purchased Professional - Technical Services	92,600			92,600
Other Purchased Services (400-500)	180			180
Supplies	2,132			2,132
Miscellaneous Expenditures	12,784		344	13,128
Total Support Services	489,467	44,312	11,652	545,431
Total Expenditures	1,253,966	144,786	51,283	1,450,035
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016)

	<u>Total Brought Forward</u>	<u>I.D.E.A. Part B Basic 2016-2017</u>	<u>I.D.E.A. Part B Preschool 2016-2017</u>	<u>Total Carried Forward</u>
REVENUES:				
Federal sources	\$ 1,450,035	\$ 555,598	\$ 21,274	\$ 2,026,907
State Sources				
Local Sources				
Total Revenues	<u>\$ 1,450,035</u>	<u>\$ 555,598</u>	<u>\$ 21,274</u>	<u>\$ 2,026,907</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 593,916			\$ 593,916
Other Salaries for Instruction	160,050		18,998	179,048
Purchased Professional Technical Services	1,400			1,400
Tuition		555,598		555,598
General Supplies	149,238			149,238
Total Instruction	<u>904,604</u>	<u>555,598</u>	<u>18,998</u>	<u>1,479,200</u>
Support Services:				
Salaries of Teachers	8,845			8,845
Salaries of Other Professional Staff	65,002			65,002
Personal Services - Employee Benefits	29,719		2,276	31,995
Medical Benefits	177,570			177,570
Other Employee Benefits	156,255			156,255
Purchased Professional - Technical Services	92,600			92,600
Other Purchased Services (400-500 Series)	180			180
General Supplies	2,132			2,132
Miscellaneous Expenditures	13,128			13,128
Total Support Services	<u>545,431</u>		<u>2,276</u>	<u>547,707</u>
Total Expenditures	<u>1,450,035</u>	<u>555,598</u>	<u>21,274</u>	<u>2,026,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

District-Wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 392,852	\$ 392,852	
Other Salaries for Instruction	122,605	122,605	
Total Instruction	515,457	515,457	
Support Services:			
Salaries of Principals	50,784	50,784	
Salaries of Other Professional Staff	69,277	69,277	
Salaries of Secretarial/Clerical Assistants	45,146	45,146	
Other Salaries	45,640	45,640	
Other Employee Benefits	40,631	40,631	
Total Support Services	251,478	251,478	
Total Expenditures	\$ 766,935	\$ 766,935	\$

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2016-2017 Preschool Education Aid Allocation	\$ 766,935	(1)
Add: Actual ECPA Carryover (June 30, 2016)		(2)
Add: Budgeted Transfer from the General Fund 2016-17		(3)
Total Preschool Education Aid Funds Available for 2016-2017 Budget	766,935	(4)
Less: 2016-2017 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	(766,935)	(5)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2017		(6)
Add: June 30, 2017 Unexpended Preschool Education Aid		(7)
Less: 2016-17 Commissioner-approved Transfer to the General Fund		(8)
2016-17 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-18	\$	(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

DOE Project Number	Issue/Project Title	Date	Appropriations	Adjusted/ Cancelled	Expenditures to Date		Unexpended Balance 6/30/17	Memo Only	
					Prior Year	Current Year		Encumbrances	Available Balance
4070-50-10-1004	Science Lab & Auditorium Upgrade at Penns Grove High School Parking Lot Improvements at the Lafayette-Pershing School		\$ 3,000,000	\$ (203,404)	\$ 2,796,596	\$	\$	\$	\$
				62,124	57,948		4,176		4,176
N/A	Site Expansion at Lafayette-Pershing Elementary School	4/13/15	291,189				291,189		291,189
4070-050-14-1001	Penns Grove HS HVAC	4/13/15	2,646,100		104,854	2,210,147	331,099		331,099
4070-050-14-1002	Penns Grove HS Renovation	4/13/15	4,755,760		3,702,695	436,772	616,293		616,293
4070-080-14-1003	Paul W. Carleton ES Renovation	4/13/15	508,400		91,402	262,039	154,959		154,959
4070-080-14-1004	Paul W. Carleton HVAC	4/13/15	1,036,200		38,303	827,037	170,860		170,860
4070-090-14-1005	Field Street ES HVAC	4/13/15	1,453,100		37,407	1,361,937	53,756		53,756
4070-090-14-1006	Field Street ES Renovation	4/13/15	1,437,590		1,161,616	34,020	241,954		241,954
4070-100-14-1007	Lafayette-Pershing ES Roof; Ext Doors	4/13/15	684,950		538,849	(34,654)	180,755		180,755
4070-105-14-1008	Penns Grove MS Renovation	4/13/15	7,125,999		1,562,831	2,269,715	3,293,453		3,293,453
4070-105-14-1009	Penns Grove MS Roof	4/13/15	14,500		0	14,500			
4070-105-14-1010	Penns Grove MS HVAC	4/13/15	64,900		64,900				
4070-105-14-1011	Penns Grove MS HVAC - Admin Off	4/13/15	90,900		273	829	89,798		89,798
			<u>\$ 23,109,588</u>	<u>\$ (141,280)</u>	<u>\$ 10,157,674</u>	<u>\$ 7,382,342</u>	<u>\$ 5,428,292</u>	<u>\$</u>	<u>\$ 5,428,292</u>
							\$ 8,834,747		
							(3,406,455)		
							<u>\$ 5,428,292</u>		

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

**Revenues and Other Financing
Sources**

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

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	\$	700,447
Construction Services		6,594,686
Other Costs		87,209
Total Expenditures		<hr/> 7,382,342 <hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers		(7,382,342)
Transfer of Interest Income to General Fund		
Excess (Deficiency) of Revenues Over (Under) Expenditures		<hr/> (7,382,342)
Fund Balance - Beginning		12,810,634
Fund Balance - Ending	\$	<hr/> 5,428,292 <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Additional project information:

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,803,764		\$ 1,803,764	\$ 1,803,764
Bond Proceeds & Transfers	842,336		842,336	842,336
Total Revenues	<u>2,646,100</u>		<u>2,646,100</u>	<u>2,646,100</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	100,684	61,281	161,965	275,500
Construction Services	4,170	2,142,121	2,146,291	2,136,000
Other Costs		6,745	6,745	234,600
Total Expenditures	<u>104,854</u>	<u>2,210,147</u>	<u>2,315,001</u>	<u>2,646,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,541,246</u>	<u>\$ (2,210,147)</u>	<u>\$ 331,099</u>	<u>\$ -</u>

Additional project information:

DOE Project Number	4070-050-14-1001
SDA Project Number	4070-050-14-G2NH
Grant Date	4/13/15
Original Authorization Cost	\$2,646,100
Additional Authorized Cost	
Revised Authorized Cost	2,646,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	74%
Original Target Completion Date	9/2016
Revised Target Completion Date	11/1/17

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 3,241,854	\$	\$ 3,241,854	\$ 3,241,854
Bond Proceeds & Transfers	1,513,906		1,513,906	1,513,906
Total Revenues	<u>4,755,760</u>		<u>4,755,760</u>	<u>4,755,760</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	120,750	218,030	338,780	520,900
Construction Services	3,581,945	198,242	3,780,187	3,793,560
Other Costs		20,500	20,500	441,300
Total Expenditures	<u>3,702,695</u>	<u>436,772</u>	<u>4,139,467</u>	<u>4,755,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,053,065</u>	<u>\$ (436,772)</u>	<u>\$ 616,293</u>	<u>\$ -</u>
Additional project information:				
DOE Project Number	4070-050-14-1002			
SDA Project Number	4070-050-14-G2JL			
Grant Date	4/13/15			
Original Authorization Cost	\$4,755,760			
Additional Authorized Cost				
Revised Authorized Cost	4,755,760			
Percentage Decrease over Original Authorized Cost				
Percentage Completion	72%			
Original Target Completion Date	9/2017			
Revised Target Completion Date	11/1/17			

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PAUL W. CARLETON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 346,561	\$	\$ 346,561	\$ 346,561
Bond Proceeds & Transfers	161,839		161,839	161,839
Total Revenues	<u>508,400</u>		<u>508,400</u>	<u>508,400</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	11,328	14,557	25,885	121,550
Construction Services	80,074	247,482	327,556	284,000
Other Costs				102,850
Total Expenditures	<u>91,402</u>	<u>262,039</u>	<u>353,441</u>	<u>508,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 416,998</u>	<u>\$ (262,039)</u>	<u>\$ 154,959</u>	<u>\$ -</u>

Additional project information:

Doe Project Number	4070-080-14-1003
SDA Project Number	4070-080-14-G2JM
Grant Date	4/13/15
Original Authorization Cost	\$508,400
Additional Authorized Cost	
Revised Authorized Cost	508,400
Percentage Decrease over Original Authorized Cost	
Percentage Completion	67%
Original Target Completion Date	9/2016
Revised Target Completion Date	11/1/17

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PAUL W. CARLETON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 706,345	\$	\$ 706,345	\$ 706,345
Bond Proceeds & Transfers	329,855		329,855	329,855
Total Revenues	<u>1,036,200</u>		<u>1,036,200</u>	<u>1,036,200</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	36,683	23,031	59,714	108,300
Construction Services	1,620	797,518	799,138	836,000
Other Costs		6,488	6,488	91,900
Total Expenditures	<u>38,303</u>	<u>827,037</u>	<u>865,340</u>	<u>1,036,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 997,897</u>	<u>\$ (827,037)</u>	<u>\$ 170,860</u>	<u>\$ -</u>
Additional project information:				
DOE Project Number	4070-080-14-1004			
SDA Project Number	4070-080-14-G2NI			
Grant Date	4/13/15			
Original Authorized Cost	\$1,036,200			
Additional Authorized Cost				
Revised Authorized Cost	1,036,200			
Percentage Decrease over Original Authorized Cost				
Percentage Completion	62%			
Original Target Completion Date	9/2016			
Revised Target Completion Date	11/1/17			

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 990,533	\$	\$ 990,533	\$ 990,533
Bond Proceeds & Transfers	462,567		462,567	462,567
Total Revenues	1,453,100		1,453,100	1,453,100
Expenditures and Other Financing Uses				
Other Professional and Technical Services	35,187	43,143	78,330	152,200
Construction Services	2,220	1,316,989	1,319,209	1,172,000
Other Costs		1,805	1,805	128,900
Total Expenditures	37,407	1,361,937	1,399,344	1,453,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,415,693	\$ (1,361,937)	\$ 53,756	\$ -

Additional project information:

DOE Project Number	4070-090-14-1005
SDA Project Number	4070-090-14-G2NJ
Grant Date	4/13/15
Original Authorization Cost	\$1,453,100
Additional Authorized Cost	
Revised Authorized Cost	1,453,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	83%
Original Target Completion Date	9/2017
Revised Target Completion Date	11/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 979,961	\$	\$ 979,961	\$ 979,961
Bond Proceeds & Transfers	457,629		457,629	457,629
Total Revenues	1,437,590		1,437,590	1,437,590
Expenditures and Other Financing Uses				
Other Professional and Technical Services	81,267	8,139	89,406	166,500
Construction Services	1,080,349	24,146	1,104,495	1,133,310
Other Costs		1,735	1,735	137,780
Total Expenditures	1,161,616	34,020	1,195,636	1,437,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 275,974	\$ (34,020)	\$ 241,954	\$ -

Additional project information:

DOE Project Number	4070-090-14-1006
SDA Project Number	4070-090-14-G3JN
Grant Date	4/13/15
Original Authorization Cost	\$1,437,590
Additional Authorized Cost	
Revised Authorized Cost	1,437,590
Percentage Decrease over Original Authorized Cost	
Percentage Completion	83%
Original Target Completion Date	9/2016
Revised Target Completion Date	11/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF ROOF AND EXTERIOR DOORS AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 466,909	\$	\$ 466,909	\$ 466,909
Bond Proceeds & Transfers	218,041		218,041	218,041
Total Revenues	<u>684,950</u>		<u>684,950</u>	<u>684,950</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	15,206	32,013	47,219	71,700
Construction Services	523,643	(66,667)	456,976	552,500
Other Costs		0	0	60,750
Total Expenditures	<u>538,849</u>	<u>(34,654)</u>	<u>504,195</u>	<u>684,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 146,101</u>	<u>\$ 34,654</u>	<u>\$ 180,755</u>	<u>\$ -</u>

Additional project information:

DOE Project Number	4070-100-14-1007
SDA Project Number	4070-100-14-G2NK
Grant Date	4/13/15
Original Authorization Cost	\$684,950
Additional Authorized Cost	
Revised Authorized Cost	684,950
Percentage Decrease over Original Authorized Cost	
Percentage Completion	87%
Original Target Completion Date	9/2016
Revised Target Completion Date	11/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 4,857,573	\$	\$ 4,857,573	\$ 4,857,573
Transfer from Capital Reserve	254,599		254,599	254,599
Bond Proceeds & Transfers	2,013,827		2,013,827	2,013,827
Total Revenues	7,125,999		7,125,999	7,125,999
Expenditures and Other Financing Uses				
Other Professional and Technical Services	147,467	299,646	447,113	794,600
Construction Services	1,415,364	1,920,133	3,335,497	5,658,100
Other Costs		49,936	49,936	673,299
Total Expenditures	1,562,831	2,269,715	3,832,546	7,125,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,563,168	\$ (2,269,715)	\$ 3,293,453	\$ -

Additional project information:

DOE Project Number	4070-105-14-1008
SDA Project Number	4070-105-14-G3JO
Grant Date	4/13/15
Original Authorization Cost	\$7,125,999
Additional Authorized Cost	
Revised Authorized Cost	7,125,999
Percentage Decrease over Original Authorized Cost	
Percentage Completion	68%
Original Target Completion Date	9/2017
Revised Target Completion Date	11/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARTIAL ROOF REPLACEMENT AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 9,884	\$	\$ 9,884	\$ 9,884
Transfer from Capital Reserve	4,616		4,616	4,616
Total Revenues	<u>14,500</u>		<u>14,500</u>	<u>14,500</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services		77	77	3,500
Construction Services		14,423	14,423	10,000
Other Costs				1,000
Total Expenditures		<u>14,500</u>	<u>14,500</u>	<u>14,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,500</u>	<u>\$ (14,500)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

DOE Project Number	4070-105-14-1009
SDA Project Number	4070-105-14-G2NL
Grant Date	4/13/15
Original Authorization Cost	\$14,500
Additional Authorized Cost	
Revised Authorized Cost	14,500
Percentage Decrease over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	10/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Additional project information:

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES- ADMINISTRATIVE OFFICES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 61,964	\$	\$ 61,964	\$ 61,964
Transfer from Capital Reserve	28,936		28,936	28,936
Total Revenues	<u>90,900</u>		<u>90,900</u>	<u>90,900</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services		530	530	13,400
Construction Services	273	299	572	70,000
Other Costs				7,500
Total Expenditures	<u>273</u>	<u>829</u>	<u>1,102</u>	<u>90,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 90,627</u>	<u>\$ (829)</u>	<u>\$ 89,798</u>	<u>\$ -</u>

Additional project information:

DOE Project Number	4070-105-14-1011
SDA Project Number	4070-105-14-G3JP
Grant Date	4/13/15
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	
Revised Authorized Cost	90,900
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1.0%
Original Target Completion Date	9/2017
Revised Target Completion Date	11/2017

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 291,189	\$	\$ 291,189	\$ 291,189
Total Revenues	<u>291,189</u>		<u>291,189</u>	<u>291,189</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services				
Construction Services				291,189
Total Expenditures				<u>291,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 291,189</u>	<u>\$</u>	<u>\$ 291,189</u>	<u>\$ -</u>
Additional project information:				
Original Authorization Cost	\$291,189			
Additional Authorized Cost				
Revised Authorized Cost	291,189			
Percentage Decrease over Original Authorized Cost	N/A			
Percentage Completion	0%			
Original Target Completion Date	6/30/2016			
Revised Target Completion Date	6/20/17			

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2017
(with comparative totals for June 30, 2016)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals 2017</u>	<u>Totals 2016</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 9,361		\$ 9,361	\$ 21,407
Accounts Receivable:				
State	759		759	864
Federal	62,507		62,507	70,190
Other	2,907		2,907	8,030
Interfund Accounts Receivable	466,083	26,245	492,328	469,228
Inventories	33,983		33,983	28,644
Total Current Assets	575,600	26,245	601,845	598,363
Non Current Assets:				
Furniture, Machinery and Equipment	781,509	30,118	811,627	765,606
Less: Accumulated Depreciation	(632,456)	(23,087)	(655,543)	(639,841)
Total Non Current Assets	149,053	7,031	156,084	125,765
Total Assets	\$ 724,653	\$ 33,276	\$ 757,929	\$ 724,128
LIABILITIES				
Current Liabilities:				
Compensated Absences Payable				11,990
Accounts Payable	51,221		51,221	14,680
Unearned Revenue	20,204		20,204	24,948
Total Current Liabilities	71,425		71,425	51,618
Non-Current Liabilities:				
Compensated Absences	10,510		10,510	
Total Liabilities	81,935		81,935	51,618
NET POSITION				
Investment in Capital Assets Net of Related Debt	149,053	7,031	156,084	104,005
Unrestricted	493,665	26,245	519,910	568,505
Total Net Position	\$ 642,718	\$ 33,276	\$ 675,994	\$ 672,510

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(with comparative totals for June 30, 2016)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2017</u>	<u>2016</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 109,774	\$	\$ 109,774	\$ 102,434
Total Daily Sales-Reimbursable Programs	109,774		109,774	102,434
Daily Sales Non-Reimbursable Programs	126,677		126,677	121,688
Special Functions	10,491		10,491	10,073
Miscellaneous				3,433
Academy Tuition		134,055	134,055	330,150
Total Operating Revenue	246,942	134,055	380,997	567,778
OPERATING EXPENSES:				
Salaries	551,398	29,299	580,697	724,174
Employee Benefits	95,165		95,165	159,920
Employee Property Services	45,799		45,799	24,113
General Supplies	28,994	635	29,629	36,487
Depreciation	13,695	2,007	15,702	18,207
Transportation				256
Tuition		151,100	151,100	13,720
Miscellaneous	4,209		4,209	8,788
Cost of Sales - Reimbursable	467,858		467,858	472,705
Cost of Sales - Non Reimbursable	57,625		57,625	57,625
Total Operating Expenses	1,264,743	183,041	1,447,784	1,515,995
Operating Loss	(1,017,801)	(48,986)	(1,066,787)	(948,217)
Non-Operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	12,704		12,704	13,396
Federal Sources:				
National School Breakfast Program	237,375		237,375	178,885
National School Lunch Program	676,660		676,660	696,658
National Snack Program	10,632		10,632	13,374
Fruit and Vegetable Grant	20,150		20,150	44,876
Food Distribution Program	112,668		112,668	107,982
NSLP Equipment Assistance Grant				10,244
Local Grant:				
Interest and Investment Revenue	82		82	99
Total Non-Operating Revenues (Expenses)	1,070,271		1,070,271	1,065,514
Change in Net Position	52,470	(48,986)	3,484	117,297
Total Net Position-July 1	590,248	82,262	672,510	555,213
Total Net Position-June 30	\$ 642,718	\$ 33,276	\$ 675,994	\$ 672,510

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Food Service	Academy Program	Totals	
			2017	2016
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 246,942	\$ 134,055	\$ 380,997	\$ 567,778
Payments to Employees	(551,398)	(29,299)	(580,697)	(724,174)
Payments for Employee Benefits	(95,165)		(95,165)	(159,920)
Payments to Suppliers	(524,007)	(104,756)	(628,763)	(640,258)
Net Cash Provided by (Used for) Operating Activities	(923,628)		(923,628)	(956,574)
Cash Flows from Non-Capital Financing Activities:				
State Sources	12,704		12,704	13,396
Federal Sources	944,817		944,817	944,037
Local Sources				
Total Cash Provided by Non-Capital Financing Activities	957,521		957,521	957,433
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(46,021)		(46,021)	
Net Cash Provided by (Used For) Capital and Related Financing Activities	(46,021)		(46,021)	
Net Increase Before Investing Activities	(12,128)		(12,128)	859
Cash Flows from Investing Activities:				
Interest on Investments	82		82	99
Net Cash Provided by Investing Activities	82		82	99
Net Increase/(Decrease) in Cash and Cash Equivalents	(12,046)		(12,046)	958
Cash and Cash Equivalents, July 1	21,407		21,407	20,449
Cash and Cash Equivalents, June 30	\$ 9,361	\$	\$ 9,361	\$ 21,407
Operating Income (Loss)				
Operating Income (Loss)	\$ (1,017,801)	\$ (48,986)	\$ (1,066,787)	\$ (948,217)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	13,695	2,007	15,702	18,027
Federal Commodities Food Distribution	112,668		112,668	107,982
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	12,911		12,911	4,207
(Increase)/Decrease in Inventory	(5,339)		(5,339)	668
(Increase)/Decrease in Interfund Receivable	(70,079)	46,979	(23,100)	(91,458)
(Increase)/Decrease in Fixed Assets				(39,967)
Increase/(Decrease) in Accounts Payable	36,541		36,541	(16,494)
Increase/(Decrease) in Compensated Absences Payable	(1,480)		(1,480)	(1,265)
Increase/(Decrease) in Unearned Revenue	(4,744)		(4,744)	9,763
Total Adjustments	94,173	48,986	143,159	(8,537)
Net Cash Used by Operating Activities	\$ (923,628)	\$	\$ (923,628)	\$ (956,754)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Food Service Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Food Service Director Services	\$ 8,700
Total Operating Revenue	<u>8,700</u>
OPERATING EXPENSES:	
Salaries	8,700
Total Operating Expenses	<u>8,700</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	\$ <u><u> </u></u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

(with comparative totals for June 30, 2016)

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2017</u>	<u>2016</u>
ASSETS:						
Cash and Cash Equivalents	\$ 2,390	\$ 150,342	\$ 52,474	\$ 479,562	\$ 684,768	\$ 641,886
Accounts Receivable			1,245		1,245	
Total Assets	\$ 2,390	\$ 150,342	\$ 53,719	\$ 479,562	\$ 686,013	\$ 641,886
LIABILITIES, RESERVES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$	\$ 5,281	\$ 2,400	\$	\$ 7,681	\$ 2,296
Due to Student Groups			51,319		51,319	64,996
Payroll Deductions and Withholdings				392,173	392,173	314,692
Employee Sec 125 Plan				87,389	87,389	82,354
Total Liabilities		5,281	53,719	479,562	538,562	464,338
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	2,390	145,061			147,451	177,548
Total Net Position	2,390	145,061			147,451	177,548
Total Liabilities, Reserves and Net Position	\$ 2,390	\$ 150,342	\$ 53,719	\$ 479,562	\$ 686,013	\$ 641,886

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$	\$
Other	95	48,825	48,825
			95
Total Contributions	95	48,825	48,920
Investment Earnings:			
Interest		252	252
Total Additions	95	49,077	49,172
DEDUCTIONS:			
Uniforms	145		145
Unemployment Claims		79,124	79,124
Total Deductions	145	79,124	79,269
Change in Net Position	(50)	(30,047)	(30,097)
Net Position - July 1	2,440	175,108	177,548
Net Position - June 30	\$ 2,390	\$ 145,061	\$ 147,451

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2017</u>
CARLETON SCHOOL	\$ 8,832	\$ 16,006	\$ 14,965	\$	\$	\$ 9,873
Total Carleton School	8,832	16,006	14,965			9,873
MIDDLE SCHOOL						
General Account	2,460	10,423	12,195			688
Total Middle School	2,460	10,423	12,195			688
HIGH SCHOOL						
General Account	52,691	221,515	232,897	1,245	2,400	40,154
Future Farmers of America	1,013	6,631	7,040			604
Petty Cash		550	550			
Total High School	53,704	228,696	240,487	1,245	2,400	40,758
Total All Schools	\$ 64,996	\$ 255,125	\$ 267,647	\$ 1,245	\$ 2,400	\$ 51,319

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1,</u> <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 397,046	\$ 23,747,874	\$ 23,665,358	\$ 479,562
Total Assets	<u>\$ 397,046</u>	<u>\$ 23,747,874</u>	<u>\$ 23,665,358</u>	<u>\$ 479,562</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 314,692	\$ 12,323,575	\$ 12,246,094	\$ 392,173
Employee Sec 125 Plan	82,354	5,035		87,389
Net Payroll		11,419,264	11,419,264	
Total Liabilities	<u>\$ 397,046</u>	<u>\$ 23,747,874</u>	<u>\$ 23,665,358</u>	<u>\$ 479,562</u>

LONG-TERM DEBT SCHEDULES

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2015	11/13/14	\$ 3,810,000	3/1/18	\$ 755,000	2.000%	\$ 3,040,000	\$	\$ 750,000	\$ 2,290,000
			3/1/19	770,000	2.000%				
			3/1/20	765,000	2.000%				
Improvements and Renovations to Penns Grove High School, Middle School, Paul Carlton Elementary School, Field St. Elementary School, Lafayette- Pershing Elementary School, Necessary Furniture, Equip. Site Work & Land Acquisition	2/18/15	6,000,000	3/1/18-20	180,000	2.000%	6,000,000		180,000	5,820,000
			3/1/21-31	360,000	3.000%				
			3/1/32-35	330,000	3.250%				
						<u>\$ 9,040,000</u>	<u>\$</u>	<u>\$ 930,000</u>	<u>\$ 8,110,000</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 808,403	\$	\$ 808,403	\$ 775,635	\$ (32,768)
State Sources:					
Debt Service Aid Type II	352,722		352,722	352,722	
Total Revenues	1,161,125		1,161,125	1,128,357	(32,768)
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	231,125		231,125	231,125	
Redemption of Principal	930,000		930,000	930,000	
Total expenditures	1,161,125		1,161,125	1,161,125	
Excess (Deficiency) of Revenues Over (Under) Expenditures				(32,768)	(32,768)
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				(32,768)	(32,768)
Fund Balance, July 1	32,768		32,768	32,768	
Fund Balance, June 30	\$ 32,768	\$	\$ 32,768	\$ -	\$ (32,768)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 23,408,192	\$ 15,627,700	\$ 9,195,641	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473	\$ 9,833,365	\$ 9,063,530	\$ 6,153,613	\$ 5,466,736
Restricted (Deficit)	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610
Unrestricted (Deficit)	(14,491,773)	(13,115,830)	(12,997,104)	(1,883,674)	(1,576,577)	(1,569,361)	(1,879,345)	(2,497,600)	(2,099,580)	(919,416)
Total Governmental Activities Net Position	\$ 8,619,453	\$ 7,049,092	\$ 3,844,878	\$ 13,819,000	\$ 13,478,824	\$ 13,451,270	\$ 10,907,566	\$ 10,311,367	\$ 7,603,398	\$ 6,313,930
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 156,084	\$ 125,765	\$ 104,005	\$ 104,128	\$ 119,590	\$ 135,615	\$ 122,865	\$ 139,845	\$ 128,735	\$ 120,764
Restricted										
Unrestricted	519,910	546,745	451,208	356,362	279,788	251,543	349,715	394,749	363,562	390,584
Total Business-Type Activities Net Position	\$ 675,994	\$ 672,510	\$ 555,213	\$ 460,490	\$ 399,378	\$ 387,158	\$ 472,580	\$ 534,594	\$ 492,297	\$ 511,348
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 23,564,276	\$ 15,753,465	\$ 9,299,646	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088	\$ 9,956,230	\$ 9,203,375	\$ 6,282,348	\$ 5,587,500
Restricted (Deficit)	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610
Unrestricted (Deficit)	(13,971,863)	(12,569,085)	(12,545,896)	(1,527,312)	(1,296,789)	(1,317,818)	(1,529,630)	(2,102,851)	(1,736,018)	(528,832)
Total District-Wide Net Position	\$ 9,295,447	\$ 7,721,602	\$ 4,400,091	\$ 14,279,490	\$ 13,878,202	\$ 13,838,428	\$ 11,380,146	\$ 10,845,961	\$ 8,095,695	\$ 6,825,278

Source: CAFR Schedule A-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

(Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ending June 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,153,402	11,090,323	11,790,222	11,848,422	11,559,741	11,826,681	11,790,076	13,172,703	11,697,895	11,966,132
Special Education	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022
Other Special Instruction	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043
Other Instruction	412,248	414,379	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803
Support Services										
Tuition	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119
Student and Instruction Related Services	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284
General Administrative Services	1,035,182	965,674	949,095	838,268	993,548					
School Administrative Services	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,549,345	1,548,441	1,679,595	1,595,764	1,416,545
Other Administrative Services	680,912	592,553	585,251	571,040	576,493	1,473,381	1,438,909	1,417,393	1,468,983	1,383,040
Plant Operations and Maintenance	3,648,380	3,286,059	3,411,630	3,383,562	3,897,524	3,355,922	2,828,113	3,086,329	2,910,473	3,277,642
Pupil Transportation	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886
Unallocated Benefits	20,192,024	15,223,138	13,632,801	9,503,065	9,147,425	8,082,765	7,941,614	6,900,907	7,295,474	8,227,428
Amortization of Debt Issuance Cost						71,109	77,394	83,407	85,053	87,322
Interest on Long-Term Debt	299,776	311,090	334,042	298,628	298,791	259,043	284,533	308,407	338,093	373,968
Total Governmental Activities Expenses	50,975,399	45,426,277	44,233,372	39,881,608	39,593,752	38,583,796	37,620,272	38,010,338	35,499,230	35,666,234
Business-Type Activities										
Food Service	1,264,743	1,257,062	1,218,000	1,152,487	1,206,552	1,169,776	1,126,629	1,168,399	1,159,740	1,089,620
Academy Program	183,041	258,933	135,854	199,081	173,333	201,065	223,064	193,070	185,508	89,831
Internal Service Fund	8,700	8,500	8,250	8,800	7,500	7,500	5,000			
Latchkey Program										
Total Business-Type Activities Expense	1,456,484	1,524,495	1,362,104	1,360,368	1,387,385	1,378,341	1,354,693	1,361,469	1,345,248	1,179,451
Total District Expenses	\$ 52,431,883	46,950,772	45,595,476	41,241,976	40,981,137	39,962,137	38,974,965	39,371,807	36,844,478	36,845,685
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 688,950	807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,604	1,581,229	1,213,440	1,618,302
Operating Grants and Contributions	5,719,957	6,044,797	6,105,854	6,491,654	6,689,485	6,238,796	6,002,990	7,485,268	6,335,059	9,821,627
Total Governmental Activities Prog Revenues	6,408,907	6,852,472	6,939,223	7,645,584	8,007,943	7,491,439	7,709,594	9,066,497	7,548,499	11,439,929
Business-Type Activities										
Charges for Services										
Food Service	246,942	237,628	250,251	270,222	300,936	284,110	299,594	319,768	354,253	384,566
Academy Program	134,055	330,150	135,854	186,707	181,693	165,309	171,035	175,135	136,750	153,375
Internal Service Fund	8,700	8,500	8,250	8,800	7,500	7,500	5,000			
Latchkey Program										
Operating Grants and Contributions	1,070,189	1,065,415	1,062,384	955,653	909,382	835,864	816,887	908,659	833,777	765,715
Total Business-Type Activities Prog Revenues	1,459,886	1,641,693	1,456,739	1,421,382	1,399,511	1,292,783	1,292,516	1,403,562	1,324,780	1,303,656
Total District Program Revenues	\$ 7,868,793	8,494,165	8,395,962	9,066,966	9,407,454	8,784,222	9,002,110	10,470,059	8,873,279	12,743,585
Net (Expense)/Revenue										
Governmental Activities	\$ 44,566,492	38,573,805	37,294,149	32,236,024	31,585,809	31,092,357	29,910,678	28,943,841	27,950,731	24,226,305
Business-Type Activities	(3,402)	(117,198)	(94,635)	(61,014)	(12,126)	85,558	62,177	(42,093)	20,468	(124,205)
Total District-Wide Net Expense	\$ 44,563,090	38,456,607	37,199,514	32,175,010	31,573,683	31,177,915	29,972,855	28,901,748	27,971,199	24,102,100
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 20,674,154	17,228,024	10,818,459	10,368,642	10,002,588	9,491,035	9,380,255	9,019,476	9,289,494	9,229,034
Taxes Levied for Debt Service	775,635	690,923	549,929	550,349	551,884	552,912	555,419	455,930	468,193	643,920
Federal and State Aid Unrestricted	24,303,622	23,631,220	26,905,535	21,546,619	21,283,731	23,807,981	20,471,743	22,121,688	19,355,414	14,417,410
Federal and State Aid Restricted-Cancellation						(300,244)				
Loss on Disposal of Asset							(20,983)			
Miscellaneous Income	383,442	227,852	104,316	110,590	44,540	84,377	120,442	54,715	127,099	231,693
Lease Purchase Proceeds										
Transfers										500,000
Other Financing Uses					(199,228)					1,482
Total Governmental Activities	46,136,853	41,778,019	38,378,239	32,576,200	31,683,515	33,636,061	30,506,876	31,651,809	29,240,200	25,023,539
Business-Type Activities										
Investment Earnings	82	99	88	98	94	136	163	204	1,417	1,776
Transfer										(1,482)
Total Business-Type Activities	82	99	88	98	94	136	163	204	1,417	294
Total District-Wide	\$ 46,136,935	41,778,118	38,378,327	32,576,298	31,683,609	33,636,197	30,507,039	31,652,013	29,241,617	25,023,833
Change in Net Position										
Governmental Activities	\$ 1,570,361	3,204,214	1,084,090	340,176	97,706	2,543,704	596,198	2,707,968	1,289,469	797,234
Business-Type Activities	3,484	117,297	94,723	61,112	12,220	(85,422)	(62,014)	42,297	(19,051)	124,499
Total District-Wide	\$ 1,573,845	3,321,511	1,178,813	401,288	109,926	2,458,282	534,184	2,750,265	1,270,418	921,733

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Restricted	\$ 2,656,728	\$ 2,451,819	\$ 1,516,799	\$ 1,609,717	\$ 1,519,305	\$	\$	\$	\$	\$
Assigned	975,835	1,008,080	832,767	1,083,781	1,564,402	1,144,455	916,405			
Unassigned (Deficit)	(1,240,021)	(1,216,613)	(1,264,483)	(1,284,628)	(1,368,260)	(1,217,034)	(1,266,588)			
Reserved								3,396,047	3,591,334	1,789,282
Unreserved						1,498,817	2,069,613	(1,317,082)	(810,362)	597,045
Total General Fund	\$ 2,392,542	\$ 2,243,286	\$ 1,085,083	\$ 1,408,870	\$ 1,715,447	\$ 1,498,817	\$ 2,069,613	\$ 2,078,965	\$ 2,780,972	\$ 2,386,327
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund (Deficit)	\$ (76,693)	\$ (72,248)	\$ (86,697)	\$ (86,697)	\$ (79,059)	\$ (78,660)	\$ (74,232)	\$ (74,412)	\$ (71,996)	\$ (168,930)
Capital Projects Fund	(3,406,455)	1,625,859	5,701,642	62,124	62,124	535,196	626,408	451,965	42,976	72,058
Debt Service Fund		32,768	32,767						8,749	8,750
Total All Other Governmental Funds	\$ (3,483,148)	\$ 1,586,379	\$ 5,647,712	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176	\$ 377,553	\$ (20,271)	\$ (88,122)

Source: CAFR Schedule B-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax Levy	\$ 12,176,438	\$ 11,948,501	\$ 11,368,388	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947	\$ 9,935,674	\$ 9,475,406	\$ 9,757,687	\$ 9,872,954
Tuition Charges	688,950	807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,605	1,581,229	1,213,440	1,618,302
Transportation Charges	15,681	2,826	13,818	16,692	13,785					
Miscellaneous	367,761	225,026	90,498	93,898	30,755	84,377	120,442	54,715	127,099	231,693
Lease Purchase Proceeds										500,000
Local Sources										5,955
State Sources	29,673,373	28,609,071	26,689,945	25,854,384	25,936,114	27,024,603	23,888,904	22,241,078	45	21,998,476
Federal Sources	2,104,266	2,323,079	2,426,400	2,183,889	2,037,102	3,022,174	2,585,829	7,365,877	23,321,436	2,234,606
Total Revenues	45,026,469	43,916,178	41,422,418	40,221,784	39,890,686	41,427,744	38,237,454	40,718,305	36,788,700	36,461,986
Expenditures										
Instruction										
Regular Instruction	10,859,450	10,796,077	11,487,364	11,544,931	11,256,915	11,520,712	11,485,476	12,873,203	11,398,565	11,663,798
Special Education Instruction	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022
Other Special Instruction	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043
Other Instruction	412,248	414,379	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803
Undistributed Expenditures										
Support Services										
Tuition	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119
Student and Instruction Related Services	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284
General Administrative Services	978,181	908,242	892,094	781,045	934,781					
School Administrative Services	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,533,970	1,533,066	1,664,220	1,580,389	1,401,170
Other Administrative Services	665,808	577,449	570,147	555,755	561,368	1,411,309	1,379,743	1,355,078	1,404,367	1,316,304
Plant Operations and Maintenance	3,381,338	3,024,909	3,156,324	3,153,643	2,936,380	3,102,427	2,987,832	3,055,618	2,836,767	2,647,060
Pupil Transportation	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886
Unallocated Employee Benefits	11,398,858	10,201,871	9,696,957	9,507,464	9,275,689	8,094,578	7,606,954	6,901,727	7,345,784	8,220,737
Capital Outlay	7,536,257	6,157,657	1,717,805	498,068	730,941	2,826,394	651,899	2,746,225	579,957	496,882
Debt Service										
Principal	930,000	955,000	900,000	845,000	820,000	795,000	775,000	750,000	725,000	1,165,000
Interest and Other Charges	231,125	240,663	122,898	211,470	239,416	266,391	291,204	314,823	347,879	383,654
Total Expenditures	49,946,740	46,819,308	42,073,920	40,535,999	39,875,720	41,516,331	38,422,366	41,022,491	36,326,203	36,228,762
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(4,920,271)	(2,903,130)	(651,502)	(314,215)	14,966	(88,587)	(184,912)	(304,184)	462,495	233,224
Other Financing Sources (Uses)										
Refunding Bond Proceeds			6,000,000							
Cancellation of State Aid					(199,228)	(300,244)				
Total Other Financing Sources (Uses)			6,000,000		(199,228)	(300,244)				
Net Change in Fund Balances	\$ (4,920,271)	\$ (2,903,130)	\$ 5,348,498	\$ (314,215)	\$ (184,262)	\$ (388,831)	\$ (184,912)	\$ (304,184)	\$ 462,495	\$ 233,224
Debt Service as a Percentage of										
Noncapital Expenditures	2.3%	2.6%	2.4%	2.6%	2.7%	2.6%	2.8%	2.6%	3.0%	4.3%

Source: CAFR Schedule B-2

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Refunds of Prior Year Expenses	\$	\$ 13,855	\$ 20,246	\$ 23,021	\$ 2,579	\$ 839	\$ 62,609	\$ 9,054	\$ 54,971	\$ 14,552
Homeless Tuition	315,050	185,784								
Prior Year Tuition	10,959		39,029							
Transportation Fees	29,998	2,826	13,818	16,692	13,785	1,495	1,546	3,750		4,488
Interest on Investments	5,957	8,193	6,164	5,105	6,943	9,573	9,831	14,673	45,458	190,064
Miscellaneous	4,136	478	319	41,020	1,834	25,356	22,282	13,023	10,320	645
Sale of Obsolete Equipment										
Athletic Department Ticket Sales	7,545	7,482	13,872	15,445	12,049	10,264	10,779		9,350	10,334
Facility Use				1,200	1,050		8,150	9,715	3,000	2,000
Building Rentals	9,250	7,400	7,039	7,120	6,300	36,850	5,250	4,500	4,000	9,610
	<u>\$ 382,895</u>	<u>\$ 226,018</u>	<u>\$ 100,487</u>	<u>\$ 109,603</u>	<u>\$ 44,540</u>	<u>\$ 84,377</u>	<u>\$ 120,447</u>	<u>\$ 54,715</u>	<u>\$ 127,099</u>	<u>\$ 231,693</u>

Source: District Records

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

Borough of Penns Grove

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2017	\$ 3,661,500	\$ 130,289,000	\$	\$	\$ 32,825,200	\$	\$ 3,599,400	\$ 170,375,100	\$	\$ 170,375,100	\$ 62,931,700	\$ 132,887,528	\$ 1.280
2016	3,654,400	131,674,400			32,760,400		3,599,400	171,688,600		171,688,600	62,849,200	142,314,821	1.280
2015	3,656,300	133,711,300			34,805,100		3,682,500	175,855,200		175,855,200	61,758,800	153,129,299	1.212
2014	3,617,500	134,416,600			33,885,400		3,682,500	175,602,000		175,602,000	62,718,600	167,636,422	1.226
2013	3,497,900	135,369,000			34,908,200		3,682,500	177,457,600		177,457,600	62,202,200	173,865,114	1.213
2012	3,495,400	135,711,800			34,581,200		3,682,500	177,470,900	1,728,950	179,199,850	62,111,700	177,669,170	1.189
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181
2010	3,486,700	135,709,400			34,895,900		3,682,500	177,774,500	1,789,417	179,563,917	62,908,800	177,774,500	1.149
2009 (3)	3,526,900	135,673,300			34,852,200		3,682,500	177,734,900	1,742,997	179,477,897	62,957,500	183,762,449	1.187
2008	2,494,200	71,006,200			15,073,100		2,173,300	90,746,800	1,032,879	91,779,679	30,060,500	170,937,269	2.364

Township of Carney's Point

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2017	\$ 20,609,500	\$ 385,625,700	\$ 12,772,800	\$ 2,010,400	\$ 118,757,000	\$ 103,067,600	\$ 24,154,300	\$ 666,997,300	\$ 764,120	\$ 667,761,420	\$ 122,701,200	\$ 543,999,103	\$ 1.411
2016	21,466,200	410,069,400	12,732,100	2,005,300	120,308,900	105,033,200	26,206,500	697,821,600	800,300	698,621,900	121,457,400	598,782,907	1.411
2015	26,041,800	433,158,000	12,856,900	1,919,200	125,204,100	105,509,500	26,206,500	730,896,000	809,372	731,705,372	136,716,800	704,755,689	1.300
2014	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	757,545,200	796,031	758,341,231	120,401,800	684,322,638	1.233
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	119,968,400	706,895,759	1.177
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	121,122,900	694,349,524	1.127
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089
2010	28,240,000	421,999,000	13,490,000	2,035,800	124,644,500	103,067,900	26,206,500	719,683,700	1,412,193	721,138,092	121,648,100	719,683,700	1.060
2009 (3)	28,552,500	421,710,900	14,021,100	2,033,400	126,309,400	89,083,800	26,206,500	707,917,600	1,411,270	709,328,870	137,691,600	704,186,993	1.064
2008	11,406,300	208,526,550	6,850,700	1,926,820	67,754,400	42,911,200	13,550,900	352,926,870	753,563	353,680,433	83,484,528	627,267,537	2.177

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

Source: District records Tax list summary & Municipal Tax Assessor

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

Borough of Penns Grove

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	Salem County	Municipal Open Space	
2017	\$ 1.240	\$ 0.084	\$ 1.324	\$ 1.812	\$ 0.912	\$	\$ 4.048
2016	1.206	0.074	1.280	1.753	0.862		3.895
2015	1.153	0.059	1.212	1.648	0.871		3.731
2014	1.164	0.062	1.226	1.600	0.864		3.690
2013	1.150	0.063	1.213	1.512	0.946		3.671
2012	1.124	0.065	1.189	1.450	0.940		3.579
2011	1.115	0.066	1.181	1.420	0.920		3.521
2010	1.095	0.054	1.149	1.340	0.870		3.359
2009	1.130	0.057	1.187	1.130	0.900		3.217
2008	2.210	0.154	2.364	2.120	1.730		6.214

Township of Carney's Point

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Carney's Point	Salem County	Municipal Open Space	
2017	\$ 1.364	\$ 0.093	\$ 1.457	\$ 0.529	\$ 0.949	\$ 0.001	\$ 2.936
2016	1.329	0.082	1.411	0.484	0.933	0.001	2.829
2015	1.237	0.063	1.300	0.435	0.961	0.001	2.697
2014	1.171	0.062	1.233	0.413	0.907		2.553
2013	1.115	0.062	1.177	0.392	0.936	0.001	2.506
2012	1.067	0.060	1.127	0.380	0.920		2.427
2011	1.029	0.060	1.089	0.380	0.860		2.329
2010	1.010	0.050	1.060	0.356	0.817		2.233
2009	1.012	0.052	1.064	0.356	0.880		2.300
2008	2.035	0.142	2.177	0.660	1.640		4.477

Source: District Records and Municipal Tax Collector

Note:

- 1 NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.
- 2 The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

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

Borough of Penns Grove

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Incollingo's Penns Grove Properties	\$ 2,609,000	1	1.53%			
NJEC Associates & Walgreens	2,313,500	2	1.36%			
Rite Aid of New Jersey	2,000,000	3	1.17%			
Argyosomus LLC	1,800,000	4	1.06%			
Spirit Master Funding VII LLC	1,636,900	5	0.96%			
Realty INC	1,271,800	6	0.75%		N/A	
99 Regional LLC	1,165,800	7	0.68%			
Salem Day Care Realty, LLC	1,012,000	8	0.59%			
JAZ Assets, LLC	1,000,600	9	0.15%			
Bell Atlantic	863,500	10	0.51%			
Total	\$ 15,673,100		8.76%	\$ -		0.00%

Township of Carney's Point

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chambers Cogeneration Ltd. Partnership	\$ 52,000,000	1	7.79%			
Chemours Co. Fc, LLC	25,000,000	2	3.74%			
PHI Service Co	19,028,600	3	2.85%			
McLane New Jersey	19,000,000	4	2.85%			
Delaware River & Bay Authorities	12,778,100	5	1.91%			
RBA Association LLC	9,000,000	6	1.35%		N/A	
Sandy Ridge Apartments	8,108,200	7	1.21%			
Southgate Realy	7,126,000	8	1.07%			
CFJ Properties	6,500,000	9	0.97%			
Merion Gardens Assisted Living Co	4,961,800	10	0.74%			
Total	\$ 163,502,700		16.70%	\$ -		0.00%

Source: Municipal Tax Assessor

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

Borough of Penns Grove

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2017	\$ 2,300,147	\$ 2,060,167	89.57%	\$ 239,980
2016	2,150,167	1,904,393	88.57%	245,774
2015	2,130,951	1,880,739	88.26%	250,212
2014	2,076,826	1,437,025	69.19%	639,801
2013	2,152,277	1,655,511	76.92%	496,766
2012	2,114,023	1,624,776	76.86%	489,247
2011	2,111,317	1,644,098	77.87%	267,219
2010	2,013,928	1,794,056	89.08%	219,872
2009	2,130,567	1,621,524	76.11%	509,043
2008	2,170,349	1,343,863	61.92%	826,486

Township of Carney's Point

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2017	\$ 9,909,059	\$ 9,909,059	100%	\$
2016	9,802,772	9,802,772	100%	
2015	9,511,374	9,511,374	100%	
2014	8,291,816	8,291,816	100%	
2013	8,568,357	8,568,357	100%	
2012	7,929,924	7,929,924	100%	
2011	7,824,357	7,824,357	100%	
2010	7,461,478	7,461,478	100%	
2009	7,627,120	7,627,120	100%	
2008	7,702,605	7,702,602	100%	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ²	Per Capita ³
	General Obligation Bonds ¹	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2017	\$ 8,110,000		\$	\$	\$	8,110,000	1.47%	\$ 44,148
2016	9,040,000					9,040,000	1.64%	43,711
2015	9,995,000					9,995,000	1.81%	43,279
2014	4,795,000					4,795,000	0.90%	42,850
2013	5,640,000					5,640,000	1.06%	41,262
2012	6,460,000					6,460,000	0.61%	40,817
2011	7,255,000		8,110,000			15,365,000	0.55%	40,818
2010	8,030,000	325,000				8,355,000	0.48%	39,460
2009	8,780,000	422,505				9,202,505	0.42%	38,815
2008	9,505,000	505,250				10,010,250	0.39%	38,892

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2017	\$ 8,110,000	\$	\$ 8,110,000	0.95%	\$ 645
2016	9,040,000		9,040,000	1.05%	714
2015	9,995,000		9,995,000	1.17%	784
2014	4,795,000		4,795,000	0.56%	373
2013	5,640,000		5,640,000	0.64%	436
2012	6,460,000		6,460,000	0.71%	495
2011	7,255,000		7,255,000	0.80%	553
2010	8,030,000		8,030,000	0.89%	610
2009	8,780,000		8,780,000	0.99%	693
2008	9,505,000		9,505,000	2.13%	751

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Penns Grove Borough	\$ 1,441,415	100%	\$ 1,441,415
Carneys Point Township	3,788,438	100%	3,788,438
Other debt			
County of Salem - Township's Share	39,534,364	13.930%	5,507,109
Subtotal, Overlapping Debt			<u>10,736,962</u>
Penns Grove-Carneys Point School District Direct Debt			8,110,000
Total Direct and Overlapping Debt			<u>\$ 18,846,962</u>

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

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

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

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
Municipal Debt: (1)			
Penns Grove-Carneys Point Regional School District	\$ 8,110,000	\$ 8,110,000	-
Borough of Penns Grove	1,441,415		1,441,415
Township of Carneys Point	3,788,438		3,788,438
	<u>13,339,853</u>	<u>8,110,000</u>	<u>5,229,853</u>
Overlapping Debt Apportioned to the Municipality			
County Of Salem: (2)			
Borough of Penns Grove (4)	1,422,304	357,709	1,064,595
Township of Carneys Point (4)	5,822,457	1,464,345	4,358,112
Salem County Improvement Authority/Utilities Authority (2)			
Borough of Penns Grove (4)	2,232,507	2,232,507	
Township of Carneys Point (4)	173,622	173,622	
	<u>9,650,890</u>	<u>4,228,183</u>	<u>5,422,707</u>
	<u>\$ 22,990,743</u>	<u>\$ 12,338,183</u>	<u>\$ 10,652,560</u>

Sources:

- (1) 2016 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2016 Equalized Value, which is 11.02% and 2.69%, respectively. The source for this computation was the 2016 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,599,511	\$ 34,238,463	\$ 33,907,190	\$ 32,688,613	\$ 30,414,680	\$ 27,233,333
Total Net Debt Applicable to Limit	<u>8,110,000</u>	<u>9,040,000</u>	<u>9,995,000</u>	<u>4,795,000</u>	<u>5,640,000</u>	<u>6,460,000</u>	<u>7,255,000</u>	<u>8,030,000</u>	<u>8,780,000</u>	<u>9,505,000</u>
Legal Debt Margin	<u>\$ 26,449,511</u>	<u>\$ 25,519,511</u>	<u>\$ 24,564,511</u>	<u>\$ 29,764,511</u>	<u>\$ 28,959,511</u>	<u>\$ 27,778,463</u>	<u>\$ 26,652,190</u>	<u>\$ 24,658,613</u>	<u>\$ 21,634,680</u>	<u>\$ 17,728,333</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.47%	26.16%	28.92%	13.87%	16.30%	18.87%	21.40%	24.57%	28.87%	34.90%

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

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

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

Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ³	Unemployment Rate ⁴	
				Borough of Penns Grove	Township of Carneys Point
2017	** 12,566	\$ 554,768,767	\$ 44,148	8.1%	5.8%
2016	12,656	564,702,157	43,711	9.0%	6.8%
2015	12,746	551,627,761	43,279	10.0%	8.0%
2014	12,864	551,222,400	42,850	11.4%	9.0%
2013	12,926	533,352,612	41,262	14.2%	11.2%
2012	13,044	532,416,948	40,817	16.3%	12.6%
2011	13,111	535,164,798	40,818	14.1%	13.6%
2010	13,166	519,530,360	39,460	10.9%	13.5%
2009	12,667	491,669,605	38,815	16.1%	8.7%
2008	12,659	492,333,828	38,892	13.0%	5.4%

Source:

¹Population information provided by the NJ Dept of Labor and Workforce Development

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

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

⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

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

Borough of Penns Grove

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

Township of Carney's Point

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

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

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction										
Regular	142	147	149	160	157	155	144	150	163	165
Special Education	39	41	42	41	45	46	48	42	46	45
Other Special Education	31	30	27	31	29	30	6	6	6	6
Other Instruction	12	33	32	32	30	33	80	80	58	58
Support Services:										
Student & Instruction Related Services	21	21	21	21	20	18	12	13	13	13
General Administrative Services	9	10	9	9	9	9	9	9	9	9
School Administrative Services	21	22	23	23	24	22	21	23	23	22
Business Administrative Services	4	5	5	5	5	5	5	5	5	5
Plant Operations and Maintenance	37	46	54	41	41	41	35	34	35	35
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Food Service	32	34	30	36	33	31	31	33	36	36
Total	349	390	393	400	394	391	392	395	395	395

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2017	2,160	\$ 38,440,652	\$ 17,797	12.45%	197	1 : 13.2	1 : 12.1	1 : 10.8	1 : 9.1	1 : 9.8	2,143.5	2,001.4	-6.29%	93.37%
2016	2,212	36,530,271	16,515	4.35%	206	1 : 13.2	1 : 12.1	1 : 10.8	1 : 9.1	1 : 9.8	2,206.3	2,058.5	-3.54%	93.30%
2015	2,289	36,226,675	15,826	2.93%	212	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,287.3	2,122.2	-2.31%	92.78%
2014	2,342	36,011,810	15,377	0.73%	220	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	221	1 : 14.2	1 : 10.8	1 : 11.1	1 : 8.8	1 : 8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	228	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,258.7	2,120.7	-4.02%	93.89%
2011	2,372	33,456,848	14,105	5.56%	238	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,375.4	2,209.6	-3.22%	93.02%
2010	2,436	32,549,622	13,362	5.71%	229	1 : 13.6	1 : 10.8	1 : 11.1	1 : 8.6	1 : 9.4	2,449.8	2,283.0	-0.91%	93.19%
2009	2,465	31,156,616	12,640	9.53%	231	1 : 15.0	1 : 11.6	1 : 11.6	1 : 8.8	1 : 9.8	2,496.4	2,304.0	-1.47%	92.29%
2008	2,478	28,594,859	11,539	-	222	1 : 14.6	1 : 12.8	1 : 9.4	1 : 9.5	1 : 10.9	2,496.4	2,338.4	3.40%	93.67%

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

Note: Enrollment based on annual October District count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2008 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District Building										
Elementary										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	304	350	350	393	375	370	369	353	359	387
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	530	547	547	552	513	511	556	551	559	538
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	328	312	312	313	347	334	334	356	371	345
Middle School										
Penns Grove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	444	485	485	500	475	499	519	510	492	498
High School										
Penns Grove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	519	544	544	564	515	546	594	665	684	687
Other										
Administration Building (2000)										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2017
 Elementary = 3
 Middle School = 1
 High School = 1
 Other = 1

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Penns Grove High School	166,000	\$ 139,153	\$ 95,285	\$ 99,482	\$ 72,038	\$ 71,404	\$ 122,078	\$ 116,262	\$ 192,057	\$ 79,002	\$ 100,741
Penns Grove Middle School	85,540	135,689	39,016	97,369	55,072	51,927	76,144	23,044	50,562	39,135	33,030
Paul W. Carleton School	53,115	38,698	37,958	34,679	30,633	17,804	53,584	46,116	27,386	22,294	27,077
Field Street School	67,901	93,009	35,080	30,521	120,897	41,541	55,353	31,817	49,570	29,694	39,120
Lafayette-Pershing School	47,470	56,874	25,932	24,385	41,598	26,822	46,138	20,149	45,298	21,382	19,963
Total School Facilities		<u>463,423</u>	<u>233,271</u>	<u>286,436</u>	<u>320,238</u>	<u>209,498</u>	<u>353,297</u>	<u>237,388</u>	<u>364,873</u>	<u>191,507</u>	<u>219,931</u>
Other Facilities	7,850	4,104	7,375	8,908	5,227	9,314	7,352	4,460	10,330	4,876	4,217
Grand Total		<u>\$ 467,527</u>	<u>\$ 240,646</u>	<u>\$ 295,344</u>	<u>\$ 325,465</u>	<u>\$ 218,812</u>	<u>\$ 360,649</u>	<u>\$ 241,848</u>	<u>\$ 375,203</u>	<u>\$ 196,383</u>	<u>\$ 224,148</u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
Unaudited

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

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board of Education of the Penns Grove-Carneys Point Regional's basic financial statements and have issued our report thereon dated October 30, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting 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 Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting.

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

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

Compliance and Other Matters

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

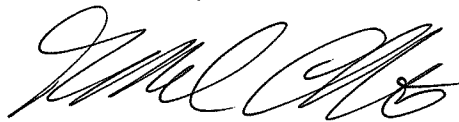
Purpose of this Report

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

October 30, 2017

NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Penns Grove-Carneys Point Regional School District's major federal and state programs for the fiscal year ended June 30, 2017. The Penns Grove-Carneys Point Regional Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Program

In our opinion, the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over compliance that we consider to be significant deficiency, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated October 30, 2017. 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 Uniform Guidance and New Jersey Treasury Circular OMB 15-08.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', written in a cursive style.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
October 30, 2017

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2016			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	June 30, 2017	
						Accounts Receivable	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue
General Fund														
U.S. Department of Education:														
Passed-through State Department of Education														
Medical Assistance Program	93.778	1705NJ5MAP	N/A	7/1/16-6/30/17	\$ 77,359	\$	\$	\$	\$ 76,556	\$ (77,359)	\$	\$ (77,359)	(803)	\$
Medical Assistance Program	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	109,837	(24,680)			24,680					
Total General Fund						(24,680)			101,236	(77,359)		(77,359)	(803)	
Special Revenue Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I - Part A	84.010A	S010A160030	NCLB407017	7/1/16-6/30/17	1,335,054				1,113,648	(1,253,966)		(1,253,966)	(140,318)	
Title I - Part A	84.010A	S010A150030	NCLB407016	7/1/15-6/30/16	1,458,473	(261,396)			261,396					
Title II A	84.367A	S367A160029	NCLB407017	7/1/16-6/30/17	144,786				136,929	(144,786)		(144,786)	(7,857)	
Title II A	84.367A	S367A150029	NCLB407016	7/1/15-6/30/16	153,925	(30,537)			30,537					
Title III	84.365A	S365A160030	NCLB407017	7/1/16-6/30/17	52,257				49,134	(51,283)		(51,283)	(2,149)	
Title III	84.365A	S365A150030	NCLB407016	7/1/15-6/30/16	58,212	(10,234)			10,234					
IDEA Cluster:														
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	IDEA407017	7/1/16-6/30/17	555,598				555,598	(555,598)		(555,598)		
I.D.E.A. Preschool Incentive	84.173	H173A160114	IDEAPS407017	7/1/16-6/30/17	21,274				21,274	(21,274)		(21,274)		
I.D.E.A. Preschool Incentive	84.173	H173A150114	IDEAPS407016	7/1/15-6/30/16	21,351	(1,338)			1,338					
Total U.S. Department of Education						(303,505)			2,180,088	(2,026,907)		(2,026,907)	(150,324)	
Enterprise Fund														
U.S. Dept. of Agriculture Passed-through State Dept. of Education:														
Child Nutrition Cluster:														
Cash Assistance:														
National School Lunch Program	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	676,660				635,793	(676,660)		(676,660)	(40,867)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	696,658	(45,329)			45,329					
National School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/16-6/30/17	237,375				222,874	(237,375)		(237,375)	(14,501)	
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	178,885	(12,781)			12,781					
National School Snack Program	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	10,632				9,885	(10,632)		(10,632)	(747)	
National School Snack Program	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	13,374	(694)			694					
Fresh Fruits and Vegetables	10.582	171NJ304L1603	N/A	7/1/16-6/30/17	20,150				13,758	(20,150)		(20,150)	(6,392)	
Fresh Fruits and Vegetables	10.582	16161NJ304L1603	N/A	7/1/15-6/30/16	44,876	(11,386)			11,386					
Non-Cash Assistance:														
Food Distribution Program	10.565	Unknown	N/A	7/1/16-6/30/17	112,080				112,080	(91,876)		(91,876)		20,204
Food Distribution Program	10.565	Unknown	N/A	7/1/15-6/30/16	113,589	20,792				(20,792)		(20,792)		
Total U.S. Department of Agriculture						(49,398)			1,064,580	(1,057,485)		(1,057,485)	(62,507)	20,204
Total Federal Financial Awards						\$ (377,583)	\$	\$ 3,345,904	\$ (3,161,751)	\$	\$ (3,161,751)	\$ (213,634)	\$ 20,204	

(A) There were no awards passed through to subrecipients.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		June 30, 2016			Budgetary Expenditures	June 30, 2017		MEMO	
					(Accounts Receivable)	Unearned Revenue	Cash Received		(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund - Current Expense:												
Special Education Categorical Aid	17-495-034-5120-089	\$ 1,190,528	7/1/16 to 6/30/17	\$	\$	\$ 1,076,019	\$ (1,190,528)	\$ (114,509)	\$	\$ (114,509)	*\$	1,190,528
Special Education Categorical Aid	16-495-034-5120-089	1,752,562	7/1/15 to 6/30/16	(113,152)		113,152						
Equalization Aid	17-495-034-5120-078	19,825,465	7/1/16 to 6/30/17			17,918,565	(19,825,465)	(1,906,900)		(1,906,900)	*	19,825,465
Equalization Aid	16-495-034-5120-078	19,728,590	7/1/15 to 6/30/16	(1,903,815)		1,903,815						
Security Aid	17-495-034-5120-084	299,644	7/1/16 to 6/30/17			270,823	(299,644)	(28,821)		(28,821)	*	299,644
Security Aid	16-495-034-5120-084	281,855	7/1/15 to 6/30/16	(27,199)		27,199						
Transportation Aid	17-495-034-5120-014	121,679	7/1/16 to 6/30/17			109,975	(121,679)	(11,704)		(11,704)	*	121,679
Transportation Aid	16-495-034-5120-014	103,538	7/1/15 to 6/30/16	(9,991)		9,991						
PARCC Readiness Aid	17-495-034-5120-098	21,010	7/1/16 to 6/30/17			18,989	(21,010)	(2,021)		(2,021)	*	21,010
PARCC Readiness Aid	16-495-034-5120-098	21,010	7/1/15 to 6/30/16	(2,027)		2,027						
Per Pupil Growth Aid	17-495-034-5120-097	21,010	7/1/16 to 6/30/17			18,989	(21,010)	(2,021)		(2,021)	*	21,010
Per Pupil Growth Aid	16-495-034-5120-097	21,010	7/1/15 to 6/30/16	(2,027)		2,027						
Professional Learning Comm Aid	17-495-034-5120-101	20,520	7/1/16 to 6/30/17			18,546	(20,520)	(1,974)		(1,974)	*	20,520
Extraordinary Special Education Aid	17-495-034-5120-473	391,389	7/1/16 to 6/30/17				(391,389)	(391,389)			*	391,389
Extraordinary Special Education Aid	16-495-034-5120-473	297,583	7/1/15 to 6/30/16	(297,583)		297,583						
Nonpublic Transportation aid	17-495-034-5120-014	10,962	7/1/16 to 6/30/17				(10,962)	(10,962)			*	10,962
Nonpublic Transportation aid	16-495-034-5120-014	8,381	7/1/15 to 6/30/16	(8,381)		8,381						
Family Crisis Transportation Aid	16-495-034-5120-100	28,667	7/1/15 to 6/30/16	(28,667)		28,667						
Reimbursed TPAF Social Security Contrib.	17-495-034-5095-002	1,096,998	7/1/16 to 6/30/17			1,043,504	(1,096,998)	(53,494)			*	1,096,998
							(2,392,842)					22,999,205
												(2,067,950)
												22,999,205
Special Revenue Fund:												
Preschool Education Aid	17-495-034-5120-086	766,935	7/1/16 to 6/30/17			690,242	(766,935)	(76,693)		(76,693)	*	766,935
Preschool Education Aid	16-495-034-5120-086	722,475	7/1/15 to 6/30/16	(72,248)		72,248						
							(72,248)					766,935
												766,935

See accompanying notes to schedules of financial assistance

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2016			Budgetary Expenditures	June 30, 2017		MEMO	
				(Accounts Receivable)	Unearned Revenue	Cash Received		(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
Capital Projects Fund:											
New Jersey Schools Development Authority:											
Educational Facilities Construction and Financing Act:											
Penns Grove HS HVAC	4070-050-14-1001	\$ 1,803,764	Project Completion	\$ (33,378)	\$	\$	(703,558)	\$ (736,937)	\$	\$	*\$ 736,937
Penns Grove HS Renovation	4070-050-14-1002	3,241,854	Project Completion	(1,178,682)			(139,038)	(1,317,721)			* 1,317,721
Paul W. Carleton ES Renovation	4070-080-14-1003	346,561	Project Completion	(29,095)			(83,415)	(112,511)			* 112,511
Paul W. Carleton HVAC	4070-080-14-1004	706,345	Project Completion	(12,193)			(263,272)	(275,465)			* 275,465
Field Street ES HVAC	4070-090-14-1005	990,533	Project Completion	(11,908)			(433,547)	(445,455)			* 445,455
Field Street ES Renovation	4070-090-14-1006	979,961	Project Completion	(369,778)			(10,830)	(380,608)			* 380,608
Lafayette-Pershing ES Roof, Ext Doors	4070-100-14-1007	466,909	Project Completion	(171,532)		316,833	11,031	156,332			* 160,501
Penns Grove MS Renovation	4070-105-14-1008	4,857,573	Project Completion	(11,741)			(722,521)	(734,261)			* 734,261
Penns Grove MS Roof Replacement	4070-105-14-1009	9,884	Project Completion	0			(4,616)	(4,616)			* 4,616
Penns Grove MS HVAC	4070-105-14-1010	44,240	Project Completion	(20,665)			0	(20,665)			* 20,665
Penns Grove MS HVAC - Admin Off	4070-105-14-1011	61,964	Project Completion	(82)			(264)	(346)			* 346
				(1,839,056)		316,833	(2,350,028)	(3,872,251)			4,189,084
Debt Service Fund:											
Debt Service Aid Type II	17-495-034-5120-075	352,722	7/1/16 to 6/30/17			352,722	(352,722)				* 352,722
State Department of Agriculture:											
Enterprise Fund											
National School Lunch Program (State Share	17-100-010-3350-023	12,704	7/1/16 to 6/30/17			11,945	(12,704)	(759)			* 12,704
National School Lunch Program (State Share	16-100-010-3350-023	13,396	7/1/15 to 6/30/16	(864)		864					
				(864)		12,809	(12,704)	(759)			12,704
Total State Financial Assistance Subject to OMB 15-08				\$ (4,305,010)	\$	\$ 24,313,106	\$ (26,481,594)	\$ (6,473,498)	\$	\$ (2,144,643)	\$ 28,320,650
State Financial Assistance Not Subject to OMB 15-08											
On-Behalf TPAF Pension Contribution	17-495-034-5095-002	1,754,060	7/1/16 to 6/30/17			\$ 1,754,060	\$ (1,754,060)				
On-Behalf TPAF Post Retirement Medical	17-495-034-5095-001	1,461,531	7/1/16 to 6/30/17			1,461,531	(1,461,531)				
Long-term Disability (On Behalf - Non-Budge	17-495-034-5095-004	3,076	7/1/16 to 6/30/17			3,076	(3,076)				
Total State Financial Assistance						\$ 27,531,773	\$ (29,700,261)				

The accompanying Notes to Financial Statements and Notes to the Schedules of Financial Assistance are an integral part of this schedule.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,739) for the general fund and (\$4,445) for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 77,359	\$ 26,208,133	\$ 26,285,492
Special Revenue Fund	2,026,907	762,490	2,789,397
Debt Service Fund		352,722	352,722
Capital Projects Fund		2,350,028	2,350,028
Food Service Fund	<u>1,057,485</u>	<u>12,704</u>	<u>1,070,189</u>
Total Awards & Financial Assistance	\$ <u>3,161,751</u>	\$ <u>29,686,077</u>	\$ <u>32,847,828</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Penns Grove-Carneys Point Regional School District had no outstanding State or federal loans at June 30, 2017.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. 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, 2017.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

School-wide programs are not separate Federal programs as defined under Uniform Guidance; amounts used in school wide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The district does not operate any school wide programs.

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

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

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

Unmodified

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

_____ yes X no

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	S010A160030	Title I

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 794,448

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
17-495-034-5120-078	Equalization Aid
17-495-034-5120-089	Special Education Categorical Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-098	PARCC Readiness Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-014	Transportation Aid
17-495-034-5120-101	Professional Learning Community Aid
17-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)**

Section II - Financial Statement Findings

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

There were no matters to be reported.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)**

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

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

FEDERAL AWARDS N/A

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)

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

STATE AWARDS N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

STATUS OF PRIOR - YEAR FINDINGS

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

Condition:

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

Current Status:

Resolved.