

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

BOROUGH OF PINE HILL SCHOOL DISTRICT
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INTRODUCTORY SECTION



December 16, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Pine Hill School District for the fiscal year ending June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Pine Hill Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Pine Hill School District. All disclosures necessary to enable the reader to obtain an understanding of the Pine Hill School District's financial activities have been included.

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



- 1.) **REPORTING ENTITY AND ITS SERVICES:** The Pine Hill School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the Pine Hill School District are included in this report. The Pine Hill Board of Education and all its schools constitute the Pine Hill School District's reporting entity.

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

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

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

The District's structure is as follows:

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

The Pine Hill School District completed the 2018-2019 fiscal year with an in-district enrollment of 1852 students. As of June 30, 2019, 35 special education students attended outside placements, and 9 students were out on homebound instruction. The following details the changes in the student enrollment of the Pine Hill School District over the last five years.

Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	1,933	1.63%
2015-2016	1,894	(2.02%)
2016-2017	1,866	(1.48%)
2017-2018	1,873	0.38%
2018-2019	1,852	(1.12%)

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

The Pine Hill School District's enrollment is stabilized; however there has been an increase in the number of transit students. This includes an increase of non-English speaking students that required continued expansion of our ESL services. The additional services combined with an increase in the number of families receiving free and reduced lunch benefits puts a strain on our local budget. Therefore, we continue to rely heavily on state funding and federal grants to supplement the district's budget. Furthermore, the Mayor and Council are actively working to attract new businesses to increase ratables.

3.) **MAJOR INITIATIVES:** The Board of Education identified the following budget priorities around the district goals for the 2018-2019 school year budget process:

- Air conditioned many areas throughout the district
- Additional high school roofing replacement at the at the high school
- Renovations of the Athletic Stadium
- Renovations to the High School Weight Room and Athletic Trainers Facility
- Improvements to the grounds including fencing throughout the district
- Replacement windows at the high school in various classrooms and Media Center

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2019.

- 6.) **ACCOUNTING SYSTEM AND REPORT:** The Pine Hill School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Pine Hill School District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.
- 7.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the Pine Hill School District continues to meet its responsibility for sound financial management.
- 8.) **DEBT ADMINISTRATION:** As of June 30, 2019, the Pine Hill School District had an outstanding debt of \$4,735,000.00.
- 9.) **CASH MANAGEMENT:** The investment policy of the Pine Hill School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The Pine Hill School District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 10.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and student accident insurance.

11.) **OTHER INFORMATION:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition, to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12.) **ACKNOWLEDGMENTS:**

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

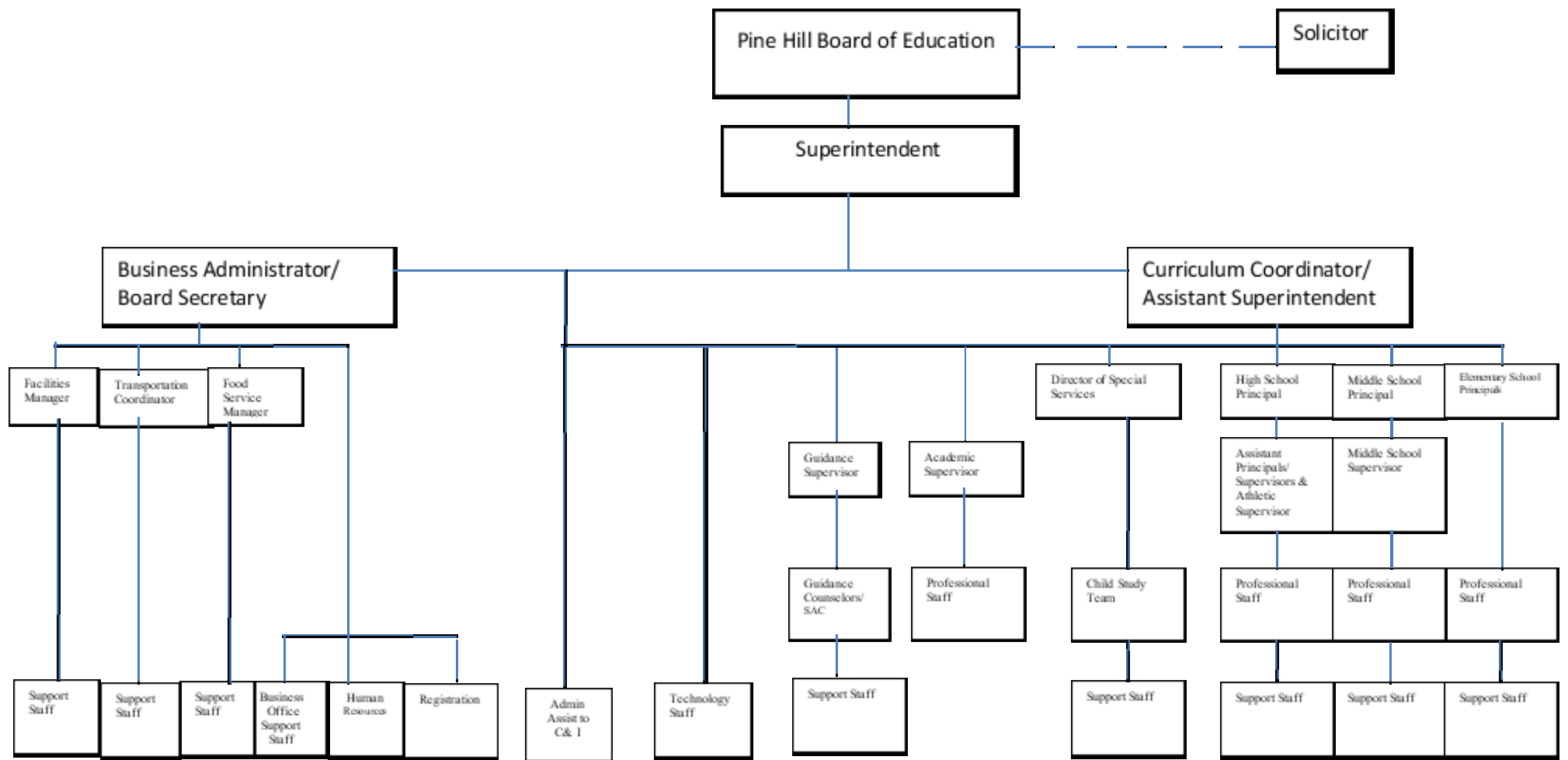
Respectfully submitted,



Dr. Kenneth P. Koczur
Superintendent of Schools



Deborah Piccirillo
School Business Administrator



**PINE HILL BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2019**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Les Gallagher	President	2019
Angela Cooper	Vice-President	2021
Zipporah Daniels-Browne	Member	2021
Lori Corry	Member	2020
Randy Freiling	(Clementon)	2021
Thomas Bermingham	Member	2020
Lois Parker	Member	2019
Kimberly Reed	(Berlin)	2021
Christine Boyd	Member	2019
Sharon Young	Member	2021
Marty Mendetta	Member	2020

SUPERINTENDENT

Kenneth P. Koczur

BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

Deborah Piccirillo

TREASURER OF SCHOOL MONIES

Thomas Cardis

**PINE HILL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2019**

INDEPENDENT AUDITOR

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

ATTORNEY

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

OFFICIAL DEPOSITORS

Audubon Savings Bank / William Penn Bank
Beneficial Bank / Bank of Princeton Bank

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Pine Hill School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019 on our consideration of the Borough of Pine Hill School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Borough of Pine Hill School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Pine Hill School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
December 16, 2019

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Pine Hill School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
December 16, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

The management's discussion and analysis of the Borough of Pine Hill School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2019 and 2018. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2019:

- The assets of the Pine Hill School District exceeded its liabilities at the close of the fiscal year by \$9,482,922 (net position).
- The School District's total net position increased by \$2,241,753. This increase is attributable to the Pine Hill School District's budgeting practices, corresponding realization of excess revenues over expenditures and the payment of long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,036,612 a decrease of \$363,766 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$875,954 which is an increase of \$54,348 in comparison with the prior year.
- The Pine Hill School District's total bonded debt decreased by \$1,700,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has three kinds of funds:

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2019 and 2018.

TABLE 1
Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 3,351,826	\$ 3,716,345	\$ (364,519)	-9.81%
Capital Assets, net	<u>21,947,991</u>	<u>21,224,387</u>	<u>723,605</u>	<u>3.41%</u>
Total Assets	<u>25,299,818</u>	<u>24,940,732</u>	<u>359,086</u>	<u>1.44%</u>
Deferred Outflows of Resources:				
Related to Pensions	1,771,446	2,617,684	(846,238)	-32.33%
Deferred Loss on Refunding	<u>53,074</u>	<u>159,222</u>	<u>(106,148)</u>	<u>-66.67%</u>
Total Deferred Outflows of Resources	<u>1,824,520</u>	<u>2,776,906</u>	<u>(952,386)</u>	<u>-34.30%</u>
Liabilities:				
Long-Term Liabilities	13,767,052	17,461,796	(3,694,744)	-21.16%
Other Liabilities	<u>515,212</u>	<u>546,264</u>	<u>(31,052)</u>	<u>-5.68%</u>
Total Liabilities	<u>14,282,264</u>	<u>18,008,061</u>	<u>(3,725,796)</u>	<u>-20.69%</u>
Deferred Inflow of Resources - Related to Pensions	<u>3,359,151</u>	<u>2,468,408</u>	<u>890,743</u>	<u>36.09%</u>
Net Position:				
Net Investment in Capital Assets	17,039,318	14,647,079	2,392,239	16.33%
Restricted	2,007,342	1,889,109	118,233	6.26%
Unrestricted (Deficit)	<u>(9,563,738)</u>	<u>(9,295,019)</u>	<u>(268,719)</u>	<u>2.89%</u>
Total Net Position	<u>\$ 9,482,922</u>	<u>\$ 7,241,169</u>	<u>\$ 2,241,753</u>	<u>30.96%</u>

Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Net Position.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,771,446	\$ 2,617,684	\$ (846,238)	-32.33%
Less: Net Pension Liability	(7,712,676)	(9,611,080)	1,898,404	19.75%
Less: Deferred Inflows Related to Pensions	<u>(3,359,151)</u>	<u>(2,468,408)</u>	<u>(890,743)</u>	<u>-36.09%</u>
	<u>\$ (9,300,381)</u>	<u>\$ (9,461,804)</u>	<u>\$ 161,423</u>	<u>-1.71%</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2019 and 2018.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 5,509,936	\$ 5,265,433	\$ 244,503	4.64%
Operating Grants and Contributions	11,286,425	14,656,075	(3,369,650)	-22.99%
General Revenues:				
Property Taxes	12,445,421	12,335,132	110,289	0.89%
Grants and Contributions	18,693,288	17,817,791	875,497	4.91%
Other	221,356	328,027	(106,671)	-32.52%
Total Revenues	<u>48,156,426</u>	<u>50,402,458</u>	<u>(2,246,032)</u>	<u>-4.46%</u>
Expenses:				
Instruction:				
Regular	9,507,580	9,077,799	429,781	4.73%
Special Education	4,112,737	3,854,124	258,613	6.71%
Other Special Instruction	528,985	510,444	18,541	3.63%
Other Instruction	1,117,553	1,043,663	73,890	7.08%
Tuition	2,458,903	2,345,807	113,096	4.82%
Student Services:				
Student and Instruction Related	3,240,184	3,259,666	(19,482)	-0.60%
School Administrative Services	1,258,293	1,217,652	40,641	3.34%
Other Administrative Services	1,045,158	946,373	98,785	10.44%
Plant Operations and Maintenance	4,033,747	3,552,222	481,525	13.56%
Pupil Transportation	1,721,062	1,669,364	51,698	3.10%
Unallocated Benefits	14,028,082	17,556,669	(3,528,587)	-20.10%
Reimbursed TPAF Pension and Social Security	1,062,646	1,039,535	23,110	2.22%
Transfer to Charter Schools	183,942	196,164	(12,222)	-6.23%
Interest on Long-Term Debt	210,319	256,349	(46,031)	-17.96%
Unallocated Depreciation	466,081	505,847	(39,765)	-7.86%
Food Service	939,401	984,540	(45,139)	-4.58%
Total Expenses	<u>45,914,673</u>	<u>48,016,218</u>	<u>(2,101,545)</u>	<u>-4.38%</u>
Increase (Decrease) in Net Position	2,241,753	2,386,240	(144,486)	-6.05%
Beginning Net Position (Deficit)	<u>7,241,169</u>	<u>4,854,929</u>	<u>2,386,240</u>	<u>49.15%</u>
Ending Net Position	<u>\$ 9,482,922</u>	<u>\$ 7,241,169</u>	<u>\$ 2,241,753</u>	<u>30.96%</u>

The table above includes revenues and expenses related to Governmental Accounting Standards Board (GASB) Statement No. 75 for the 2019 and 2018 fiscal years.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

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

Governmental Activities

In 2018-2019, Governmental Activities Revenues were \$47,213,497 or 98.04% of total revenues.

In 2017-2018, Governmental Activities Revenues were \$49,429,390 or 98.07% of total revenues.

The \$2,215,893 decrease in Governmental Activities Revenues from FY 2017-2018 to FY 2018-2019 was mainly related to the implementation of GASB 75.

In 2018-2019, General Revenues - Property Taxes of \$12,445,421 made up 25.84%, and Grants and Contributions of \$29,284,609 made up 60.81% of total governmental revenues.

In 2017-2018, General Revenues - Property Taxes of \$12,335,132 made up 24.95%, and Grants and Contributions of \$31,769,873 made up 63.03% of total governmental revenues.

In 2018-2019, the School District's Governmental Activities expenditures decreased by \$2,056,407 or 4.37%. This decrease was mainly the result of Unallocated Benefits decreasing due to GASB 68 & 75 reported expenses.

Business-Type Activities

In 2018-2019 Business-Type Activities Revenues were \$942,929 or 1.96% of total revenues. In 2017-2018 Business-Type Activities Revenues were \$974,076 or 1.93% of total revenues.

Charges for Services for Business-Type Activities were \$247,741 in 2018-2019 compared to \$269,984 in 2017-2018, a 8.24% decrease.

Expenses for Business-Type Activities were \$939,401 in 2018-2019 compared to \$984,540 in 2017-2018, a 4.58% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$35,457,251.

The 2018-2019 General Fund Tax Levy was \$11,700,715, an increase of \$115,849 or 1.00% from the 2017-2018 General Fund Tax Levy of \$11,584,866.

During fiscal year 2019, the School District budgeted \$11,700,715 for property taxes (local tax levy), \$17,857,150 for state revenues and \$92,711 for federal revenues.

The School District also received \$1,060,060 and \$3,958,057 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions, Long-term Disability Insurance and Non-Contributory Insurance, respectively. The Pine Hill School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions, Long-term Disability Insurance and Non-Contributory Insurance of \$1,060,060 and \$3,958,057 respectively.

The final budgetary basis expenditure appropriation estimate was \$38,598,369 which was \$96,528 less than the original budget.

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2019
 (Unaudited) (Cont'd)

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

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$3,036,612, a decrease of \$363,766 in comparison with the prior year.

Of the combined ending fund balances of \$3,036,612, \$883,296 constitutes unassigned fund balance deficits and the fund balances of \$3,919,908 are restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$159,335 in unrestricted net position.

CAPITAL ASSETS

The Pine Hill School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$21,947,991 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment. There was a net increase in the Pine Hill School District's investment in capital assets for the current fiscal year of 3.41 percent. The net increase was the result of construction. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land	\$ 400,000	\$ 400,000
Construction in Progress	8,965,485	9,026,205
Land Improvements	500,398	551,436
Building and Improvements	11,157,834	10,571,848
Furniture, Fixtures and Equipment	<u>924,274</u>	<u>674,898</u>
 Total Capital Assets	 <u>\$ 21,947,991</u>	 <u>\$ 21,224,387</u>

Depreciation expense was \$766,564 for fiscal year ended 2019 and \$704,324 for fiscal year ended 2018.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Pine Hill School District had total bonded debt outstanding of \$4,735,000. The entire Pine Hill School District's bonded debt is governmental as opposed to business-type. The 2020 adopted budget has an appropriation of \$335,000 representing the payment of the annual principal. The 2012 refunding bonds will mature on December 15, 2032.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2018-2019 school year, the Pine Hill School District was able to sustain its budget through the tax levy, federal aid, state aid and miscellaneous revenue sources in the governmental activities. 25.84 percent of total revenue is from local tax levy and 62.25 percent of the Pine Hill School District's revenue is from grants and contributions (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Deborah Piccirillo, School Business Administrator/Board Secretary at the Pine Hill School District, 1003 Turnerville Road, Pine Hill, New Jersey 08021. Please visit our website at <http://www.pinehill.k12.nj.us>.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BOROUGH OF PINE HILL SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,161,044.14	\$ 119,658.66	\$ 1,280,702.80
Receivables, net	2,022,045.22	40,520.63	2,062,565.85
Inventory		8,557.80	8,557.80
Restricted Cash and Cash Equivalents	0.34		0.34
Capital Assets, net (Note 6)	<u>21,842,791.23</u>	<u>105,199.70</u>	<u>21,947,990.93</u>
Total Assets	<u>25,025,880.93</u>	<u>273,936.79</u>	<u>25,299,817.72</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	1,771,446.00		1,771,446.00
Deferred Loss on Refunding	<u>53,073.95</u>		<u>53,073.95</u>
Total Deferred Outflows	<u>1,824,519.95</u>	<u>-</u>	<u>1,824,519.95</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	353,443.00		353,443.00
Other	132,284.10		132,284.10
Accrued Interest	5,888.54		5,888.54
Unearned Revenue	14,193.96	9,402.35	23,596.31
Noncurrent Liabilities (Note 7):			
Due within One Year	575,571.90		575,571.90
Due beyond One Year	<u>13,191,480.42</u>		<u>13,191,480.42</u>
Total Liabilities	<u>14,272,861.92</u>	<u>9,402.35</u>	<u>14,282,264.27</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	<u>3,359,151.00</u>	<u>-</u>	<u>3,359,151.00</u>
NET POSITION:			
Net Investment in Capital Assets	16,934,118.08	105,199.70	17,039,317.78
Restricted for:			
Capital Projects	688,337.60		688,337.60
Other Purposes	1,319,004.62		1,319,004.62
Unrestricted (Deficit)	<u>(9,723,072.34)</u>	<u>159,334.74</u>	<u>(9,563,737.60)</u>
Total Net Position	<u>\$ 9,218,387.96</u>	<u>\$ 264,534.44</u>	<u>\$ 9,482,922.40</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 9,507,580.26	\$ 3,653,863.21			\$ (5,853,717.05)		\$ (5,853,717.05)
Special Education	4,112,737.11	1,608,332.32	\$ 790,127.81		(1,714,276.98)		(1,714,276.98)
Other Special Instruction	528,984.54				(528,984.54)		(528,984.54)
Other Instruction	1,117,553.28				(1,117,553.28)		(1,117,553.28)
Tuition	2,458,903.37		416,513.30		(2,042,390.07)		(2,042,390.07)
Support Services:							
Student and Instruction Related Services	3,240,183.74		19,638.71		(3,220,545.03)		(3,220,545.03)
School Administrative Services	1,258,293.08				(1,258,293.08)		(1,258,293.08)
Other Administrative Services	1,045,157.97				(1,045,157.97)		(1,045,157.97)
Plant Operations and Maintenance	4,033,747.18				(4,033,747.18)		(4,033,747.18)
Pupil Transportation	1,721,062.41				(1,721,062.41)		(1,721,062.41)
Unallocated Benefits	14,028,081.74		8,282,535.84		(5,745,545.90)		(5,745,545.90)
Reimbursed TPAF and Social Security	1,062,645.50		1,062,645.50				
Transfer to Charter School	183,942.00				(183,942.00)		(183,942.00)
Interest on Long-Term Debt	210,318.67		19,859.53		(190,459.14)		(190,459.14)
Unallocated Depreciation	466,081.26				(466,081.26)		(466,081.26)
Total Governmental Activities	44,975,272.11	5,262,195.53	10,591,320.69	-	(29,121,755.89)	-	(29,121,755.89)
Business-Type Activities:							
Food Service	939,400.80	247,740.56	695,104.01	-	-	\$ 3,443.77	3,443.77
Total Government	\$ 45,914,672.91	\$ 5,509,936.09	\$ 11,286,424.70	-	(29,121,755.89)	3,443.77	(29,118,312.12)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					11,700,715.00		11,700,715.00
Taxes Levied for Debt Service					744,706.00		744,706.00
Federal and State Aid Not Restricted					18,026,772.96		18,026,772.96
Federal and State Aid Restricted					666,515.47		666,515.47
Miscellaneous Income					317,799.34	84.55	317,883.89
Operating Transfers					(96,528.00)		(96,528.00)
Total General Revenues and Transfers					31,359,980.77	84.55	31,360,065.32
Change in Net Position					2,238,224.88	3,528.32	2,241,753.20
Net Position -- July 1					6,980,163.08	261,006.12	7,241,169.20
Net Position -- June 30					\$ 9,218,387.96	\$ 264,534.44	\$ 9,482,922.40

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

FUND FINANCIAL STATEMENTS

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,161,044.14			\$ 0.34	\$ 1,161,044.48
Receivables, net:					
Interfund Receivable:					
Capital Projects Fund	909,677.13				909,677.13
Special Revenue Fund	170,107.74				170,107.74
Receivables from Other Governments:					
Federal	2,231.28	\$ 309,244.33			311,475.61
State of New Jersey	374,953.72		\$ 1,157,199.78		1,532,153.50
Other	177,380.61				177,380.61
Other Receivables	1,035.50				1,035.50
Total Assets	\$ 2,796,430.12	\$ 309,244.33	\$ 1,157,199.78	\$ 0.34	\$ 4,262,874.57
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable		\$ 132,284.10			\$ 132,284.10
Interfund Payable:					
General Fund		170,107.74	\$ 909,677.13		1,079,784.87
Unearned Revenue		14,193.96			14,193.96
Total Liabilities	-	316,585.80	909,677.13	-	1,226,262.93
Fund Balances:					
Restricted:					
Capital Reserve	\$ 440,814.95				440,814.95
Maintenance Reserve	568,069.94				568,069.94
Excess Surplus	383,200.80				383,200.80
Excess Surplus Designed for Subsequent Year's Expenditures	367,733.88				367,733.88
Capital Projects			247,522.65		247,522.65
Debt Service				\$ 0.34	0.34
Assigned:					
Other Purposes	1,394,011.82				1,394,011.82
Subsequent Year's Expenditures	518,553.12				518,553.12
Unassigned (Deficit)	(875,954.39)	(7,341.47)			(883,295.86)
Total Fund Balances	2,796,430.12	(7,341.47)	247,522.65	0.34	3,036,611.64
Total Liabilities and Fund Balances	\$ 2,796,430.12	\$ 309,244.33	\$ 1,157,199.78	\$ 0.34	

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 \$42,041,830.63 and the accumulated depreciation is \$20,199,039.40.	21,842,791.23
Deferred losses on the defeasance of bonds is recorded as a deferred outflow of resources in the Statement of Net Position and amortized over the life of the refunding bonds.	53,073.95
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(5,888.54)
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(13,767,052.32)
Accounts Payable related to the April 1, 2020 Required PERS pension contribution that is not to be liquidated with current financial resources.	(353,443.00)
Deferred Outflows of Resources - Related to Pensions	1,771,446.00
Deferred Inflows of Resources - Related to Pensions	(3,359,151.00)
Net Position of governmental activities	\$ 9,218,387.96

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 11,700,715.00			\$ 744,706.00	\$ 12,445,421.00
Tuition	5,262,195.53				5,262,195.53
Miscellaneous	317,799.34				317,799.34
Federal Sources	101,912.96	\$ 1,130,810.68			1,232,723.64
State Sources	22,942,976.50	157,063.00		681,844.00	23,781,883.50
Other Local Revenue		24,122.98			24,122.98
Total Revenues	<u>40,325,599.33</u>	<u>1,311,996.66</u>	<u>-</u>	<u>1,426,550.00</u>	<u>43,064,145.99</u>
EXPENDITURES:					
Regular Instruction	9,336,815.93				9,336,815.93
Special Education Instruction	3,319,687.46	790,127.81			4,109,815.27
Other Special Instruction	528,984.54				528,984.54
Other Instruction	1,117,553.28				1,117,553.28
Tuition	2,042,390.07	416,513.30			2,458,903.37
Support Services and Undistributed Costs:					
Student and Instruction Related Services	3,220,545.03	19,638.71			3,240,183.74
School Administrative Services	1,258,293.08				1,258,293.08
Other Administrative Services	1,017,852.16				1,017,852.16
Plant Operations and Maintenance	4,424,295.66				4,424,295.66
Pupil Transportation	1,700,484.83				1,700,484.83
Unallocated Benefits	5,974,273.69	137,713.84			6,111,987.53
Reimbursed TPAF Pension, Medical and Social Security	5,018,116.50				5,018,116.50
Transfer to Charter Schools	183,942.00				183,942.00
Debt Service:					
Principal				1,385,000.00	1,385,000.00
Interest and Other Charges				41,550.00	41,550.00
Capital Outlay	1,454,134.66				1,454,134.66
Total Expenditures	<u>40,597,368.89</u>	<u>1,363,993.66</u>	<u>-</u>	<u>1,426,550.00</u>	<u>43,387,912.55</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(271,769.56)</u>	<u>(51,997.00)</u>	<u>-</u>	<u>-</u>	<u>(323,766.56)</u>
OTHER FINANCING SOURCES (USES):					
Transfers To Special Revenue Fund	(56,528.00)	56,528.00			
Transfers To Unemployment Fund	(40,000.00)				(40,000.00)
Total Other Financing Sources and Uses	<u>(96,528.00)</u>	<u>56,528.00</u>	<u>-</u>	<u>-</u>	<u>(40,000.00)</u>
Net Change in Fund Balances	<u>(368,297.56)</u>	<u>4,531.00</u>	<u>-</u>	<u>-</u>	<u>(363,766.56)</u>
Fund Balance (Deficit) -- July 1	<u>3,164,727.68</u>	<u>(11,872.47)</u>	<u>\$ 247,522.65</u>	<u>0.34</u>	<u>3,400,378.20</u>
Fund Balance (Deficit) -- June 30	<u>\$ 2,796,430.12</u>	<u>\$ (7,341.47)</u>	<u>\$ 247,522.65</u>	<u>\$ 0.34</u>	<u>\$ 3,036,611.64</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds	\$	(363,766.56)
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	\$	(747,017.57)
Capital Outlays		<u>1,454,134.66</u>
		707,117.09
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,700,000.00
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Loss on Refunding Bonds		(106,147.86)
Amortization of Bond Premiums		74,782.11
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation. (+)		
		7,072.08
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 (+).		
		(9,559.77)
Repayment of the Early Retirement Incentive Program is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		
		31,117.79
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		<u>197,610.00</u>
Change in Net Position of Governmental Activities	\$	<u>2,238,224.88</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Proprietary Fund
 Business Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2019

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 119,658.66
Accounts Receivable:	
State	424.59
Federal	26,840.08
Other	13,255.96
Inventories	<u>8,557.80</u>
Total Current Assets	<u>168,737.09</u>
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	858,373.71
Less Accumulated Depreciation	<u>(753,174.01)</u>
Total Noncurrent Assets	<u>105,199.70</u>
Total Assets	<u>273,936.79</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	<u>9,402.35</u>
NET POSITION:	
Net Investment in Capital Assets	105,199.70
Unrestricted	<u>159,334.74</u>
Total Net Position	<u>\$ 264,534.44</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Fund
Business Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 151,938.11
School Breakfast Program	11,007.87
Special Milk Program	823.60
Daily Sales - Non-Reimbursable Programs	79,000.64
Special Functions	<u>4,970.34</u>
Total Operating Revenues	<u>247,740.56</u>
OPERATING EXPENSES:	
Salaries	314,946.32
Employee Benefits	68,854.54
Management Fee	50,699.94
General Supplies	40,859.74
Depreciation	19,546.77
Cleaning, Repairs & Maintenance Services	6,309.50
Other Purchased Services	27,926.89
Cost of Sales - Reimbursable Programs	362,488.91
Cost of Sales - Non-Reimbursable Programs	<u>47,768.19</u>
Total Operating Expenses	<u>939,400.80</u>
Operating Income / (Loss)	<u>(691,660.24)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	10,207.78
Federal Sources:	
National School Lunch Program	461,977.49
After School Snack Program	36,226.19
National School Breakfast Program	119,120.11
Special Milk Program	880.75
Food Distribution Program	66,691.69
Interest Revenue	<u>84.55</u>
Total Nonoperating Revenues (Expenses)	<u>695,188.56</u>
Change in Net Position	3,528.32
Net Position -- July 1	<u>261,006.12</u>
Net Position -- June 30	<u><u>\$ 264,534.44</u></u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Fund
Business Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 251,126.09
Payments to Employees	(314,946.32)
Payments for Employee Benefits	(68,854.54)
Payments for Supplies and Services	<u>(536,665.18)</u>
Net Cash Provided by (used for) Operating Activities	<u>(669,339.95)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	10,434.84
Federal Sources	696,566.11
Operating Subsidies and Transfers	<u>(9,206.84)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>697,794.11</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u>(36,034.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Revenue	<u>84.55</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,495.29)
Cash and Cash Equivalents -- July 1	<u>127,153.95</u>
Cash and Cash Equivalents -- June 30	<u>\$ 119,658.66</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (691,660.24)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	19,546.77
(Increase) Decrease in Inventories	(612.01)
Increase (Decrease) in Unearned Revenue	(616.36)
(Increase) Decrease in Accounts Receivable	<u>4,001.89</u>
Total Adjustments	<u>22,320.29</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (669,339.95)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Food Distribution Program	<u>\$ 66,691.69</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2019

	Private Purpose Trust Fund		Agency Funds		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 82,963.70	\$ 1,646.01	\$ 172,873.33	\$ 52,284.02	\$ 309,767.06
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund	-	-	-	5,334.85	5,334.85
Total Assets	<u>82,963.70</u>	<u>1,646.01</u>	<u>\$ 172,873.33</u>	<u>\$ 57,618.87</u>	<u>315,101.91</u>
LIABILITIES:					
Accounts Payable	298.78				298.78
Interfund Accounts Payable:					
Due Payroll Fund	5,334.85				5,334.85
Payable to Student Groups			\$ 172,873.33		172,873.33
Payroll Deductions and Withholdings				\$ 57,618.87	57,618.87
Total Liabilities	<u>5,633.63</u>	<u>-</u>	<u>\$ 172,873.33</u>	<u>\$ 57,618.87</u>	<u>236,125.83</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 77,330.07</u>	<u>\$ 1,646.01</u>			<u>\$ 78,976.08</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Fund		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
ADDITIONS:			
Contributions and Donations from			
Payroll Deductions Withheld	\$ 31,883.82		\$ 31,883.82
Employer Contributions	40,000.00		40,000.00
Scholarship Donations		\$ 698.01	698.01
Investment Earnings:			
Interest	39.07		39.07
Total Additions	<u>71,922.89</u>	<u>698.01</u>	<u>72,620.90</u>
DEDUCTIONS:			
Unemployment Claims	25,772.66		25,772.66
Scholarship Awards		1,510.00	1,510.00
Total Deductions	<u>25,772.66</u>	<u>1,510.00</u>	<u>27,282.66</u>
Change in Net Position	46,150.23	(811.99)	45,338.24
Net Position -- July 1	<u>31,179.84</u>	<u>2,458.00</u>	<u>33,637.84</u>
Net Position -- June 30	<u>\$ 77,330.07</u>	<u>\$ 1,646.01</u>	<u>\$ 78,976.08</u>

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms and two members from the sending districts. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-Kindergarten through twelve at its four schools. The School District has an approximate enrollment at June 30, 2019 of 1,852.

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

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

Enterprise Funds

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

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

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

The School District maintains the following fiduciary funds:

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

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

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

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

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

Budgets / Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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 exhibit I-3, includes all amendments to the adopted budget, if any.

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019. The School District had no prepaid expenses for the fiscal year ended June 30, 2019.

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

Short-Term Interfund Receivables / Payables

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

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

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

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

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

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

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

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

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

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

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

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

Interfund Activity

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

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

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

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

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2019:

Statement 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 Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement 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 Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd) - As of June 30, 2019, the School District's bank balances of \$3,404,645.93 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,404,645.93
Uninsured and uncollateralized	<u>-</u>
Total	<u>\$ 3,404,645.93</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 390,770.19
Increased by:	
Deposits	400,000.00
Interest Earnings	<u>44.76</u>
	790,814.95
Decreased by:	
Withdrawals	<u>350,000.00</u>
Ending Balance, June 30, 2019	<u>\$ 440,814.95</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted projects at June 30, 2019 is \$12,248,721.30. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards	\$ 2,231.28	\$ 309,244.33		\$ 311,475.61	\$ 26,840.08	\$ 338,315.69
State Awards	374,953.72		\$ 1,157,199.78	1,532,153.50	424.59	1,532,578.09
Other	177,380.61			177,380.61	13,255.96	190,636.57
	<u>\$ 554,565.61</u>	<u>\$ 309,244.33</u>	<u>\$ 1,157,199.78</u>	<u>\$ 2,021,009.72</u>	<u>\$ 40,520.63</u>	<u>\$ 2,061,530.35</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2019 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 5,951.54
Supplies	<u>2,606.26</u>
	<u>\$ 8,557.80</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 is as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2019</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 400,000.00			\$ 400,000.00
Construction in Progress	9,026,204.75		\$ (60,720.00)	8,965,484.75
Total Capital Assets, not being Depreciated	9,426,204.75	-	(60,720.00)	9,365,484.75
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	3,468,627.59	\$ 376,440.04		3,845,067.63
Buildings and Improvements	25,599,330.11	1,077,694.62	60,720.00	26,737,744.73
Land Improvements	2,093,533.52			2,093,533.52
Total Capital Assets, being Depreciated	31,161,491.22	1,454,134.66	60,720.00	32,676,345.88
Total Capital Assets, Cost	40,587,695.97	1,454,134.66	-	42,041,830.63
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(2,882,441.71)	(143,551.68)		(3,025,993.39)
Buildings and Improvements	(15,027,482.16)	(552,428.21)		(15,579,910.37)
Land Improvements	(1,542,097.96)	(51,037.68)		(1,593,135.64)
Total Accumulated Depreciation	(19,452,021.83)	(747,017.57)	-	(20,199,039.40)
Total Capital Assets, being Depreciated, Net	11,709,469.39	707,117.09	60,720.00	12,477,306.48
Governmental Activities Capital Assets, Net	<u>\$ 21,135,674.14</u>	<u>\$ 707,117.09</u>	<u>-</u>	<u>\$ 21,842,791.23</u>
	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>
Business-Type Activities:				
Capital Assets:				
Furniture, Fixtures and Equipment	\$ 822,339.71	\$ 36,034.00		\$ 858,373.71
Less Accumulated Depreciation	(733,627.24)	(19,546.77)		(753,174.01)
Business-Type Activities Capital Assets, Net	<u>\$ 88,712.47</u>	<u>\$ 16,487.23</u>	<u>-</u>	<u>\$ 105,199.70</u>

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

Governmental Activities:	
Instruction	\$ 164,126.40
Transportation	20,577.58
General and Business Administrative Services	27,305.81
Plant Operations and Maintenance	68,926.52
Unallocated	466,081.26
Total Depreciation Expense - Governmental Activities	<u>\$ 747,017.57</u>
Business-Type Activities:	
Food Service	<u>\$ 19,546.77</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations for governmental activities:

Governmental Activities:	Balance July 1, 2018	Adjustments/ Additions	Reductions	Balance June 30, 2019	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 6,435,000.00	-	\$ (1,700,000.00)	\$ 4,735,000.00	\$ 335,000.00
Other Liabilities:					
Net Pension Liability	9,611,080.00	\$ 4,078,431.00	(5,976,835.00)	7,712,676.00	
Compensated Absences	1,032,665.62	216,092.89	(206,533.12)	1,042,225.39	208,445.08
Early Retirement Pension Obligations	81,521.62		(31,117.79)	50,403.83	32,126.82
Total Other Liabilities	10,725,267.24	4,294,523.89	(6,214,485.91)	8,805,305.22	240,571.90
Other Adjustments to Debt:					
Unamortized Premium on Bonds	301,529.21	-	(74,782.11)	226,747.10	-
Governmental Activities Long-Term Liabilities	\$ 17,461,796.45	\$ 4,294,523.89	\$ (7,989,268.02)	\$ 13,767,052.32	\$ 575,571.90

The 2014 bonds payable are liquidated by the debt service fund, while capital leases, the 2012 energy savings improvement bonds, compensated absences, net pension liability, and early retirement pension obligations are liquidated by the general fund.

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

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

On February 24, 2005, the School District issued \$12,595,000.00 of refunding bonds at interest varying from 3.00% to 4.00%. The proceeds were used to advance refund and redeem on May 1, 2009 all of the District's outstanding callable School Bonds Series 1999. The final maturity of these bonds was originally May 1, 2019, however the School District issued \$6,680,000.00 of refunding bonds on January 16, 2014 to provide funding to refund the callable portion of the outstanding bonds. The Refunding Bonds were issued at interest rates varying from 2.00% to 3.00%. The final maturity of these bonds was paid on May 1, 2019.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 335,000.00	\$ 137,975.00	\$ 472,975.00
2021	350,000.00	130,687.50	480,687.50
2022	370,000.00	122,125.00	492,125.00
2023	390,000.00	112,137.50	502,137.50
2024	415,000.00	101,068.80	516,068.80
2025-2029	2,085,000.00	302,956.27	2,387,956.27
2030-2033	790,000.00	65,150.00	855,150.00
	<u>\$ 4,735,000.00</u>	<u>\$ 972,100.07</u>	<u>\$ 5,707,100.07</u>

Note 7: LONG-TERM LIABILITIES (CONT'D)

Bonds Authorized but not Issued - As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Early Retirement Incentive - In fiscal year 2012, the School District approved an early retirement incentive program for certain Teachers' Pension and Annuity Fund and Public Employees Retirement Fund members. The members had to meet certain age and service requirements and had to apply for retirement between certain dates to be eligible. The School District is liable for its proportionate share of the additional costs under the program. As of June 30, 2019, the School District had an accrued liability of \$50,403.83 payable in annual installments from the general fund with final liquidation of the liability in fiscal year 2022.

Obligations under Capital Lease - As of June 30, 2019, the School District had no capital leases.

Note 8: OPERATING LEASES

At June 30, 2019, the School District had operating lease agreements in effect for copy machines and mail machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2020	\$ 6,201.20
2021	<u>2,412.00</u>
	<u>\$ 8,613.20</u>

Rental payments under operating leases for the fiscal year ended June 30, 2019 were \$34,599.90.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration.

Note 9: PENSION PLANS (CONT'D)

The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and TPAF plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - 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 the PERS.

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 14.01% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$2,090,868.00, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$1,131,406.78.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 12.98% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$353,443.00, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$206,376.40.

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

For the fiscal year ended June 30, 2019, employee contributions totaled \$14,961.94, and the School District recognized pension expense, which equaled the required contributions, of \$8,326.31. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	87,994,126.00
	<u>\$ 87,994,126.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. For the June 30, 2018 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2018, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2018 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .1383167192%, which was a decrease of .0033754455% from its proportion measured as of June 30, 2017.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - For the fiscal year ended June 30, 2019, the School District recognized \$5,129,750.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

Public Employees' Retirement System - At June 30, 2019, the School District reported a liability of \$7,712,676.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the School District's proportion was .0391715131%, which was a decrease of .0021160308% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized pension expense of \$198,790.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 147,082.00	\$ 39,769.00
Changes of Assumptions	1,270,921.00	2,466,104.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	72,345.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	780,933.00
School District Contributions Subsequent to the Measurement Date	353,443.00	-
	<u>\$ 1,771,446.00</u>	<u>\$ 3,359,151.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - \$353,443.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2020	\$ (182,007.00)
2021	(295,297.00)
2022	(698,881.00)
2023	(564,045.00)
2024	(200,918.00)
	<u>\$ (1,941,148.00)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
Through 2026	1.55% - 4.15% Based on Yrs. of Service	1.65% - 4.15% Based on Age
Thereafter	2.00% - 5.45% Based on Yrs. of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

For PERS, preretirement 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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).

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2018 were 4.86% and 5.66% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. 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 2040 for TPAF and 2046 for PERS. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for TPAF and 2046 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the Plan's measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	104,007,386.00	87,994,126.00	74,719,524.00
	<u>\$ 104,007,386.00</u>	<u>\$ 87,994,126.00</u>	<u>\$ 74,719,524.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
School District's Proportionate Share of the Net Pension Liability	\$ 9,697,801.00	\$ 7,712,676.00	\$ 6,047,282.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms - At June 30, 2018, the OPEB Plan's Measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>362,181</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2019 was \$77,928,594.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

The total Non-Employer OPEB Liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was .1690027895%, which was an increase of .0008574765% from its proportion measured as of June 30, 2017.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2017 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP (1)</u>	<u>PERS (2)</u>	<u>PFRS (2)</u>
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) - Based on years of service

(2) - Based on age

Inflation Rate - 2.50%.

Mortality Rates - Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Experience Studies - The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PERS and PFRS, respectively. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Discount Rate - The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2018		\$ 90,192,880.00
Changes for the Year:		
Service Cost	\$ 2,788,378.00	
Interest Cost	3,293,035.00	
Difference Between Expected and Actual Experience	(7,391,239.00)	
Changes in Assumptions	(8,942,696.00)	
Gross Benefit Payments	(2,083,783.00)	
Member Contributions	72,019.00	
Net Changes		<u>(12,264,286.00)</u>
Balance at June 30, 2019		<u>\$ 77,928,594.00</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions reflect a decrease in the liability from June 30, 2017 to June 30, 2018 due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 92,127,462.00</u>	<u>\$ 77,928,594.00</u>	<u>\$ 66,641,960.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 64,412,522.00	\$ 77,928,594.00	\$ 95,804,117.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

For the fiscal year ended June 30, 2019, the School District recognized \$3,015,072.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2019, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 460,261.00	\$ 546,460.00
Difference Between Expected and Actual Experience	-	7,564,710.00
Changes of Assumptions	-	17,468,093.00
	<u>\$ 460,261.00</u>	<u>\$ 25,579,263.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

Year Ending June 30,	
2020	\$ (3,103,060.00)
2021	(3,103,060.00)
2022	(3,103,060.00)
2023	(3,103,060.00)
2024	(3,103,060.00)
Thereafter	<u>(9,603,702.00)</u>
	<u>\$ (25,119,002.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,665,365.00, \$55,793.00, \$1,234,313.00, and \$2,586.00, respectively.

Note 12: RISK MANAGEMENT

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

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

Note 12: RISK MANAGEMENT (CONT'D)**New Jersey Unemployment Compensation Insurance (Cont'd)**

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 40,000.00	\$ 31,883.82	\$ 39.07	\$ 25,772.66	\$ 77,330.07
2018	45,000.00	31,490.26	10.91	51,594.55	31,179.84
2017	18,575.16	31,592.23	26.94	55,329.28	6,273.22

Joint Insurance Fund - The School District is a member of the School Alliance Insurance Pool Joint Insurance Fund. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides its members with the following coverage:

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

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2019, which can be obtained from:

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

Note 13: DEFERRED COMPENSATION

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

AXA
 Midland National
 Lincoln Investment Planning

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2019, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,042,225.39. No liability exists as of June 30, 2019 for the proprietary fund.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,079,784.87	
Special Revenue		\$ 170,107.74
Capital Projects		909,677.13
Food Service		
Fiduciary	<u>5,334.85</u>	<u>5,334.85</u>
	<u>\$ 1,085,119.72</u>	<u>\$ 1,085,119.72</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2020, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Fiduciary Fund</u>	<u>Special Revenue</u>
General Fund	<u>\$ (40,000.00)</u>	<u>\$ (56,528.00)</u>

The \$40,000.00 transfer from the general fund to the fiduciary fund is the school district's contribution to the unemployment fund and the \$56,528.00 transfer from the general fund to the special revenue fund is the school district's contribution to the preschool education aid program.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2019 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Tozour-Trane: ESIP Project	2013	\$ <u>236,998.05</u>

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$875,954.39 in the general fund and \$7,341.47 in the special revenue fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance and special revenue fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$883,295.86 is less than the June state aid payments.

Note 20: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$750,934.68. Of this balance, \$367,733.88 of excess fund balance which was generated during 2017-2018 has been restricted and designated for utilization in the 2019-2020 budget.

For Capital Reserve Account - As of June 30, 2019, the balance in the capital reserve account is \$440,814.95. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2019, the balance in the maintenance reserve account is \$568,069.94. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Capital Projects Fund - On December 15, 2012, the School District issued \$6,470,000.00 of refunding bonds pursuant to (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Board on November 27, 2012. The Bonds were authorized through an Energy Savings Improvement Program. The bond issuance was for various energy savings projects at the District's four schools. In addition, the district authorized several other projects for various purposes funded by School Development Authority grants and local funds. As of June 30, 2019, the restricted fund balance amount was \$247,522.65.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has \$0.34 of debt service fund balance at June 30, 2019.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019, \$518,533.12 of general fund balance at June 30, 2019.

Note 20: FUND BALANCES (CONT'D)**ASSIGNED (CONT'D)****General Fund (Cont'd)**

Other Purposes - As of June 30, 2019, the School District had \$1,394,011.82 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, 2019, the general fund balance deficit of \$875,954.39 was unassigned.

Special Revenue Fund - As of June 30, 2019, the special revenue fund balance deficit of \$7,341.47 was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,700,715.00		\$ 11,700,715.00	\$ 11,700,715.00	
Tuition from Other LEAs Within the State	5,312,750.00		5,312,750.00	5,244,895.69	\$ (67,854.31)
Tuition from Other Governmental Sources within the State	230,000.00		230,000.00	17,299.84	(212,700.16)
Transportation Fees from Other LEAs	145,100.00		145,100.00	127,797.68	(17,302.32)
Unrestricted Miscellaneous Revenues	118,700.00		118,700.00	189,443.53	70,743.53
Interest Earned on Maintenance Reserve Funds	25.00		25.00	513.37	488.37
Interest Earned on Capital Reserve Funds	100.00		100.00	44.76	(55.24)
Total - Local Sources	17,507,390.00	-	17,507,390.00	17,280,709.87	(226,680.13)
State Sources:					
School Choice Aid	349,355.00		349,355.00	349,355.00	
Transportation Aid	588,996.00		588,996.00	588,996.00	
Extraordinary Aid	185,000.00		185,000.00	301,511.00	116,511.00
Special Education Aid	1,283,209.00		1,283,209.00	1,283,209.00	
Equalization Aid	14,914,421.00		14,914,421.00	14,914,421.00	
Security Aid	536,169.00		536,169.00	536,169.00	
Homeless Aid				9,816.00	9,816.00
Additional Non-Public Transportation Aid				10,946.00	10,946.00
On-behalf TPAF Pension Contributions (non-budgeted)				2,665,365.00	2,665,365.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				55,793.00	55,793.00
On-behalf TPAF Medical Contributions (non-budgeted)				1,234,313.00	1,234,313.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,586.00	2,586.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,060,059.50	1,060,059.50
Total - State Sources	17,857,150.00	-	17,857,150.00	23,012,539.50	5,155,389.50
Federal Sources:					
Impact Aid	10,000.00		10,000.00		(10,000.00)
Special Education Medicaid Initiative	82,711.00		82,711.00	85,301.19	2,590.19
Medicaid Administrative Claiming Aid				16,611.77	16,611.77
Total - Federal Sources	92,711.00	-	92,711.00	101,912.96	9,201.96
Total Revenues	35,457,251.00	-	35,457,251.00	40,395,162.33	4,937,911.33

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Local Contribution - Transfer to Special Revenue - Regular	\$ 56,528.00	\$ (56,528.00)			
Kindergarten	500,919.00	(14,887.15)	\$ 486,031.85	\$ 474,681.30	\$ 11,350.55
Grades 1 - 5	2,946,292.00	(129,395.33)	2,816,896.67	2,787,643.18	29,253.49
Grades 6 - 8	1,963,548.00	(101,777.72)	1,861,770.28	1,854,095.18	7,675.10
Grades 9 - 12	3,010,732.10	(117,491.32)	2,893,240.78	2,855,576.42	37,664.36
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000.00	21,437.50	41,437.50	41,437.50	
Purchased Professional - Educational Services	68,000.00	(32,779.40)	35,220.60	24,342.80	10,877.80
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	270,500.00	(38,501.10)	231,998.90	231,398.90	600.00
Purchased Professional - Educational Services	69,800.00	220,814.95	290,614.95	282,628.95	7,986.00
Purchased Technical Services	197,522.00	(6,899.32)	190,622.68	182,542.45	8,080.23
Other Purchased Services	92,390.50	(19,190.24)	73,200.26	46,869.41	26,330.85
General Supplies	458,340.02	112,727.29	571,067.31	546,437.84	24,629.47
Textbooks	4,000.00	(200.00)	3,800.00		3,800.00
Other Objects	14,000.00		14,000.00	9,162.00	4,838.00
Total - Regular Programs	9,672,571.62	(162,669.84)	9,509,901.78	9,336,815.93	173,085.85
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	502,062.00	16,837.57	518,899.57	504,749.96	14,149.61
Other Salaries for Instruction	113,444.00	(10,237.32)	103,206.68	92,809.86	10,396.82
Purchased Professional - Educational Services		6,820.16	6,820.16	6,668.46	151.70
General Supplies	12,000.00	(4,497.22)	7,502.78	5,367.97	2,134.81
Total - Learning and/or Language Disabilities	627,506.00	8,923.19	636,429.19	609,596.25	26,832.94
Behavioral Disabilities:					
Salaries of Teachers	150,189.00	2,543.27	152,732.27	152,111.73	620.54
Other Salaries for Instruction	28,528.00	76.80	28,604.80	25,485.45	3,119.35
Purchased Professional - Educational Services		1,046.60	1,046.60	696.60	350.00
General Supplies	4,500.00	1,644.49	6,144.49	4,488.26	1,656.23
Total - Behavioral Disabilities	183,217.00	5,311.16	188,528.16	182,782.04	5,746.12
Multiple Disabilities:					
Salaries of Teachers	627,685.00	12,083.09	639,768.09	620,252.68	19,515.41
Other Salaries for Instruction	276,566.00	14,288.92	290,854.92	280,396.91	10,458.01
Purchased Professional - Educational Services	20,000.00	996.11	20,996.11	12,749.70	8,246.41
General Supplies	36,590.00	(6,317.51)	30,272.49	20,308.39	9,964.10
Other Objects		2,650.00	2,650.00		2,650.00
Total - Multiple Disabilities	960,841.00	23,700.61	984,541.61	933,707.68	50,833.93

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education(Cont'd):					
Resource Room/Center:					
Salaries of Teachers	\$ 1,462,356.00	\$ (50,214.23)	\$ 1,412,141.77	\$ 1,397,843.72	\$ 14,298.05
Other Salaries for Instruction	44,494.00	(14,701.96)	29,792.04	27,746.52	2,045.52
Purchased Professional - Educational Services		23,871.32	23,871.32	23,005.86	865.46
Purchased Professional and Technical Services		1,165.43	1,165.43	1,165.43	
General Supplies	9,279.52	(374.98)	8,904.54	6,942.55	1,961.99
Total - Resource Room/Center	1,516,129.52	(40,254.42)	1,475,875.10	1,456,704.08	19,171.02
Preschool Disabilities - Part-Time:					
Salaries of Teachers	57,656.00	2,115.12	59,771.12	59,471.12	300.00
Other Salaries for Instruction	47,983.74	(15,467.71)	32,516.03	11,789.02	20,727.01
Purchased Professional - Educational Services		1,625.40	1,625.40	1,625.40	
General Supplies	3,000.00	(232.20)	2,767.80	2,605.73	162.07
Total - Preschool Disabilities - Part-Time	108,639.74	(11,959.39)	96,680.35	75,491.27	21,189.08
Home Instruction:					
Salaries of Teachers	3,800.00		3,800.00	1,632.00	2,168.00
Purchased Professional - Educational Services	72,000.00	30,594.65	102,594.65	59,774.14	42,820.51
Total - Home Instruction	75,800.00	30,594.65	106,394.65	61,406.14	44,988.51
Total - Special Education	3,472,133.26	16,315.80	3,488,449.06	3,319,687.46	168,761.60
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	418,483.00	(376.30)	418,106.70	411,306.90	6,799.80
Other Salaries for Instruction	33,346.60	(5,108.60)	28,238.00	27,686.60	551.40
Purchased Professional - Educational Services		3,523.83	3,523.83	2,620.63	903.20
Total - Basic Skills / Remedial - Instruction	451,829.60	(1,961.07)	449,868.53	441,614.13	8,254.40
Bilingual Education:					
Salaries of Teachers	110,018.00	1,552.55	111,570.55	85,939.85	25,630.70
Purchased Professional - Educational Services		100.00	100.00		100.00
General Supplies	4,100.00	170.98	4,270.98	1,430.56	2,840.42
Total - Bilingual Education	114,118.00	1,823.53	115,941.53	87,370.41	28,571.12
Vocational Programs - Local - Instruction					
Salaries of Teachers	289,648.00	(952.02)	288,695.98	273,340.13	15,355.85
Purchased Professional - Educational Services		2,100.12	2,100.12	2,100.12	
Other Purchased Services		8,690.00	8,690.00	7,900.00	790.00
General Supplies	28,791.98	(11,577.38)	17,214.60	3,479.85	13,734.75
Total - Vocational Programs	318,439.98	(1,739.28)	316,700.70	286,820.10	29,880.60

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 132,506.00	\$ 10,395.33	\$ 142,901.33	\$ 140,668.85	\$ 2,232.48
Purchased Services	31,691.00		31,691.00	21,268.74	10,422.26
Supplies and Materials	17,600.00	(5,051.00)	12,549.00	3,275.00	9,274.00
Other Objects	17,445.00	1,415.55	18,860.55	15,478.35	3,382.20
Total - School Sponsored Cocurricular Activities - Instruction	199,242.00	6,759.88	206,001.88	180,690.94	25,310.94
School Sponsored Athletics - Instruction:					
Salaries	421,155.80	(20,711.52)	400,444.28	341,192.63	59,251.65
Purchased Services	64,168.30	13,719.57	77,887.87	75,070.87	2,817.00
Supplies and Materials	60,200.00	(5,181.41)	55,018.59	55,018.59	
Other Objects	20,300.00	450.85	20,750.85	17,986.54	2,764.31
Total - School Sponsored Athletics - Instruction	565,824.10	(11,722.51)	554,101.59	489,268.63	64,832.96
Alternative Education Program - Instruction					
Salaries of Teachers	76,000.00	(2,296.75)	73,703.25	73,703.25	
Purchased Professional and Technical Services	10,000.00	2,792.49	12,792.49	6,583.00	6,209.49
Total - Alternative Education Program - Instruction	86,000.00	495.74	86,495.74	80,286.25	6,209.49
Alternative Education Program - Support Services					
Salaries	76,000.00		76,000.00	73,440.00	2,560.00
Supplies and Materials		406.24	406.24	406.24	
Total - Alternative Education Program - Support Services	76,000.00	406.24	76,406.24	73,846.24	2,560.00
Community Services Programs/Operations					
Supplies and Materials	5,000.00	2,995.22	7,995.22	6,641.12	1,354.10
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	198,553.18	(35,000.00)	163,553.18	126,021.71	37,531.47
Tuition to Other LEAs within the State - Special	146,000.00	(59,060.00)	86,940.00	28,019.00	58,921.00
Tuition to County Voc. School Dist. - Regular	140,600.00	14,060.00	154,660.00	140,600.00	14,060.00
Tuition to County Voc. School Dist. - Special	39,180.00	8,015.00	47,195.00	47,193.60	1.40
Tuition to CSSD & Reg. Day Schools	215,115.00	(73,115.00)	142,000.00	2,264.40	139,735.60
Tuition to Private School for the Disabled within State	2,163,706.98	(144,291.12)	2,019,415.86	1,657,507.36	361,908.50
Tuition -- State Facilities	40,784.00		40,784.00	40,784.00	
Total - Undistributed Expenditures - Instruction	2,943,939.16	(289,391.12)	2,654,548.04	2,042,390.07	612,157.97
Total - Instruction	17,905,097.72	(438,687.41)	17,466,410.31	16,345,431.28	1,120,979.03

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Attendance and Social Work:					
Salaries	\$ 57,634.00	\$ 5,137.92	\$ 62,771.92	\$ 62,771.92	
Purchased Professional and Technical Services	54,740.00	(7,466.71)	47,273.29	46,811.89	\$ 461.40
Supplies and Materials	3,125.90	(405.06)	2,720.84	1,125.90	1,594.94
Total Attendance and Social Work	115,499.90	(2,733.85)	112,766.05	110,709.71	2,056.34
Health Services:					
Salaries	286,550.00	763.24	287,313.24	274,095.15	13,218.09
Purchased Professional and Technical Services	64,900.00	14,656.28	79,556.28	70,782.83	8,773.45
Other Professional Services	1,550.00	(376.00)	1,174.00	579.00	595.00
Supplies and Materials	15,691.03	603.22	16,294.25	16,030.24	264.01
Other Objects	500.00		500.00		500.00
Total - Health Services	369,191.03	15,646.74	384,837.77	361,487.22	23,350.55
Other Support Services - Students - Related Services:					
Salaries	327,529.00		327,529.00	319,492.00	8,037.00
Purchased Professional - Educational Services	52,000.00		52,000.00	33,493.33	18,506.67
Supplies and Materials	3,800.00	122.28	3,922.28	3,920.48	1.80
Total - Other Support Services-Students-Related Services	383,329.00	122.28	383,451.28	356,905.81	26,545.47
Other Support Services - Students - Extra Services:					
Salaries	143,624.00	(23,791.82)	119,832.18	104,523.90	15,308.28
Purchased Professional - Educational Services	216,500.00	(27,565.34)	188,934.66	159,844.35	29,090.31
Supplies and Materials	1,500.00	183.55	1,683.55	1,624.51	59.04
Total - Other Support Services - Students - Extra Services	361,624.00	(51,173.61)	310,450.39	265,992.76	44,457.63
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	505,795.00	4,131.00	509,926.00	500,609.00	9,317.00
Salaries of Secretarial and Clerical Assistants	69,242.00	2,695.00	71,937.00	71,027.44	909.56
Purchased Professional - Educational Services	11,234.00	(951.00)	10,283.00	3,866.99	6,416.01
Other Purchased Professional and Technical Services	5,000.00	(1,500.00)	3,500.00		3,500.00
Other Purchased Services	9,250.00	3,234.89	12,484.89	4,341.60	8,143.29
Supplies and Materials	32,171.74	(1,089.80)	31,081.94	24,636.61	6,445.33
Other Objects	600.00	(160.20)	439.80	139.80	300.00
Total - Other Support Services - Students - Regular	633,292.74	6,359.89	639,652.63	604,621.44	35,031.19

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	\$ 378,064.00	\$ (2,057.78)	\$ 376,006.22	\$ 366,401.42	\$ 9,604.80
Salaries of Secretarial and Clerical Assistants	158,527.00		158,527.00	158,512.80	14.20
Other Salaries	3,500.00		3,500.00	93.00	3,407.00
Purchased Professional - Educational Services	32,000.00		32,000.00	29,233.50	2,766.50
Other Purchased Professional and Technical Services	25,000.00		25,000.00	2,293.90	22,706.10
Miscellaneous Purchased Services	1,750.00	(1,000.00)	750.00	312.23	437.77
Supplies and Materials	9,000.00		9,000.00	3,660.16	5,339.84
Other Objects	1,000.00		1,000.00		1,000.00
Total - Other Support Services - Students - Special Services	608,841.00	(3,057.78)	605,783.22	560,507.01	45,276.21
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	348,094.00	151.00	348,245.00	345,378.60	2,866.40
Salaries of Secretarial and Clerical Assistants	31,210.00		31,210.00	31,206.72	3.28
Other Salaries	64,745.00	(300.28)	64,444.72	55,537.79	8,906.93
Salaries of Facilitators, Math & Literacy Coaches	83,107.00	277.00	83,384.00	83,275.60	108.40
Purchased Professional - Educational Services	400.00	1,799.49	2,199.49	1,793.10	406.39
Other Purchased Services	6,150.00	(335.31)	5,814.69	5,085.60	729.09
Supplies and Materials	13,150.00	3,073.06	16,223.06	16,176.50	46.56
Other Objects	4,100.00	(213.34)	3,886.66	1,535.00	2,351.66
Total - Improvement of Instruction Services	550,956.00	4,451.62	555,407.62	539,988.91	15,418.71
Educational Media Services/School Library:					
Salaries	203,908.00	7,366.00	211,274.00	210,774.00	500.00
Salaries of Technology Coordinators	126,196.00		126,196.00	126,183.12	12.88
Purchased Professional and Technical Services	5,600.00	3,497.60	9,097.60	8,646.34	451.26
Other Purchased Services	11,900.00	(1,710.03)	10,189.97	8,910.44	1,279.53
Supplies and Materials	37,054.29	1,923.27	38,977.56	33,385.34	5,592.22
Other Objects	250.00		250.00		250.00
Total - Educational Media Services/School Library	384,908.29	11,076.84	395,985.13	387,899.24	8,085.89
Instructional Staff Training Services:					
Purchased Professional - Educational Services	39,500.00	(11,957.11)	27,542.89	17,362.00	10,180.89
Other Purchased Services	11,000.00	4,523.18	15,523.18	13,700.73	1,822.45
Supplies and Materials	1,025.00	872.81	1,897.81	1,370.20	527.61
Total - Instructional Staff Training Services	51,525.00	(6,561.12)	44,963.88	32,432.93	12,530.95

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BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 197,947.00	\$ (3,122.68)	\$ 194,824.32	\$ 194,824.32	
Legal Services	140,000.00	15,674.82	155,674.82	127,535.82	\$ 28,139.00
Audit Fees	43,000.00	(1,050.00)	41,950.00	41,950.00	
Architectural/Engineering Services	5,000.00	(5,000.00)			
Other Purchased Professional Services	11,000.00	(11,000.00)			
Communications/Telephone/ Postage	75,000.00	(18,449.91)	56,550.09	56,550.09	
BOE Other Purchased Services	6,600.00	(3,265.39)	3,334.61	3,334.61	
Other Purchased Services	67,790.00	(854.58)	66,935.42	66,935.42	
General Supplies	4,000.00	(339.44)	3,660.56	3,660.56	
BOE In-House Training / Meeting Supplies	6,000.00	(4,700.00)	1,300.00	1,300.00	
Judgments Against the School District	30,000.00	19,355.20	49,355.20	10,000.00	39,355.20
Miscellaneous Expenditures	3,000.00		3,000.00	200.00	2,800.00
BOE Membership Dues and Fees	14,500.00	(1,316.20)	13,183.80	13,183.80	
Total - Support Services General Administration	603,837.00	(14,068.18)	589,768.82	519,474.62	70,294.20
Support Services School Administration:					
Salaries of Principals/Assistant Principals	729,606.00	441.58	730,047.58	729,217.01	830.57
Salaries of Other Professional Staff	246,573.00		246,573.00	246,572.64	0.36
Salaries of Secretarial and Clerical Assistants	247,546.00	(7,604.57)	239,941.43	238,601.54	1,339.89
Other Purchased Services	8,250.00	2,756.54	11,006.54	9,537.84	1,468.70
Supplies and Materials	27,066.45	(4,691.08)	22,375.37	22,265.54	109.83
Other Objects	10,600.00	1,679.50	12,279.50	12,098.51	180.99
Total - Support Services School Administration	1,269,641.45	(7,418.03)	1,262,223.42	1,258,293.08	3,930.34
Central Services:					
Salaries	342,896.00	14,722.03	357,618.03	357,618.03	
Purchased Professional Services	1,400.00	15,350.00	16,750.00	1,750.00	15,000.00
Purchased Technical Services	35,000.00	(9,688.83)	25,311.17	23,811.17	1,500.00
Miscellaneous Purchased Services	14,000.00	415.98	14,415.98	14,415.98	
Supplies and Materials	9,000.00	1,932.10	10,932.10	10,932.10	
Miscellaneous Expenditures	1,500.00	(410.00)	1,090.00	1,090.00	
Total - Central Services	403,796.00	22,321.28	426,117.28	409,617.28	16,500.00

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Administrative Information Technology:					
Purchased Professional Services	\$ 60,000.00	\$ 13,439.94	\$ 73,439.94	\$ 73,439.94	
Purchased Technical Services	7,500.00	(7,500.00)			
Other Purchased Services	1,000.00	(172.80)	827.20	827.20	
Supplies and Materials	1,000.00	5,110.12	6,110.12	6,110.12	
Other Objects	500.00	(500.00)			
Total - Administrative Information Technology	70,000.00	10,377.26	80,377.26	80,377.26	-
Required Maintenance for School Facilities:					
Salaries	291,050.00	(6,920.24)	284,129.76	284,129.76	
Cleaning, Repair & Maintenance Services	443,680.54	1,019,246.44	1,462,926.98	903,366.41	\$ 559,560.57
Lead Testing of Drinking Water	7,500.00	(7,500.00)			
General Supplies	141,938.82	(60,627.86)	81,310.96	75,357.33	5,953.63
Total - Required Maintenance for School Facilities	884,169.36	944,198.34	1,828,367.70	1,262,853.50	565,514.20
Other Operation and Maintenance of Plant Services:					
Salaries	1,022,973.00	(67,068.93)	955,904.07	955,904.07	
Salaries of Non-Instructional Aides	85,485.00	(19,137.52)	66,347.48	66,347.48	
Purchased Professional and Technical Services	85,000.00	(20,135.18)	64,864.82	64,834.82	30.00
Cleaning, Repair and Maintenance Services	75,000.00	3,033.84	78,033.84	41,973.84	36,060.00
Other Purchased Property Services	80,000.00	(12,368.30)	67,631.70	67,631.70	
Insurance	163,531.00	(7,420.00)	156,111.00	156,111.00	
Miscellaneous Purchased Services	5,500.00	(3,984.10)	1,515.90	1,515.90	
General Supplies	213,007.68	21,266.24	234,273.92	231,945.10	2,328.82
Energy (Natural Gas)	165,000.00	46,437.67	211,437.67	211,437.67	
Energy (Electricity)	545,000.00	(95,655.30)	449,344.70	449,344.70	
Other Objects	1,000.00	(1,000.00)			
ESIP Interest Payment	144,475.00		144,475.00	144,475.00	
ESIP Principal Payment	315,000.00		315,000.00	315,000.00	
Total - Other Operation and Maintenance of Plant Services	2,900,971.68	(156,031.58)	2,744,940.10	2,706,521.28	38,418.82
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	220,560.00	(29,985.87)	190,574.13	190,574.13	
Purchased Professional and Technical Services	5,000.00	6,327.82	11,327.82	11,327.82	
Cleaning, Repair and Maintenance Services	20,000.00	33,520.30	53,520.30	53,520.30	
General Supplies	45,000.00	21,928.51	66,928.51	66,770.51	158.00
Other Objects	1,300.00	(1,300.00)			
Total - Care & Upkeep of Grounds	291,860.00	30,490.76	322,350.76	322,192.76	158.00

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Undistributed Expenditures - Security					
Purchased Professional and Technical Services	\$ 125,889.00	\$ 6,839.12	\$ 132,728.12	\$ 132,728.12	-
Student Transportation Services:					
Salaries of Non-Instructional Aids	43,000.00		43,000.00	34,355.39	\$ 8,644.61
Salaries for Pupil Transportation (Between Home & School) - Regular	66,146.00	(22,540.00)	43,606.00	43,595.92	10.08
Salaries for Pupil Transportation (Between Home & School) - Special Education	85,440.00	(1,125.51)	84,314.49	83,189.49	1,125.00
Management Fee - ESC & CTSA Transportation Program	30,769.00	6,944.46	37,713.46	36,085.41	1,628.05
Other Purchased Professional and Technical Services	1,500.00		1,500.00	50.00	1,450.00
Cleaning, Repair and Maintenance Services	5,000.00	1,394.78	6,394.78	6,232.85	161.93
Lease Purchase Payments - School Buses	10,000.00	(7,997.36)	2,002.64		2,002.64
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	48,000.00		48,000.00	33,772.44	14,227.56
Contracted Services - Aid in Lieu Payments - Charter School	16,000.00		16,000.00	14,035.16	1,964.84
Contracted Services - Aid in Lieu Payments - Choice School	15,000.00		15,000.00	8,233.52	6,766.48
Contracted Services (Between Home & School) - Vendors	638,356.00	(99,077.51)	539,278.49	522,479.41	16,799.08
Contracted Services (Other Than Between Home & School) - Vendors	177,530.00	(3,971.41)	173,558.59	125,049.20	48,509.39
Contracted Services (Between Home & School) - Joint Agreements	10,839.00	(10,839.00)			
Contracted Services (Special Education Students) - Vendors	5,509.00		5,509.00		5,509.00
Contracted Services (Special Education Students) - Joint Agreements	10,000.00	(3,400.00)	6,600.00	6,600.00	
Contracted Services (Regular Education Students) - ESCs & CTSA	67,991.00	146,310.79	214,301.79	214,301.79	
Contracted Services (Special Education Students) - ESCs & CTSA	674,815.00	(132,492.68)	542,322.32	538,035.61	4,286.71
Miscellaneous Purchased Services - Transportation	5,250.00	100.00	5,350.00	1,823.02	3,526.98
General Supplies	24,000.00	(10,000.00)	14,000.00	11,902.67	2,097.33
Transportation Supplies	31,050.00		31,050.00	20,466.75	10,583.25
Other Objects	500.00		500.00	276.20	223.80
Total - Student Transportation Services	1,966,695.00	(136,693.44)	1,830,001.56	1,700,484.83	129,516.73

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 38,000.00		\$ 38,000.00	\$ 36,289.13	\$ 1,710.87
Social Security Contributions	425,000.00		425,000.00	371,410.90	53,589.10
TPAF Contributions - ERIP	64,000.00	\$ (20,000.00)	44,000.00	33,616.00	10,384.00
Other Retirement Contributions - PERS	415,000.00	(7,334.94)	407,665.06	391,595.48	16,069.58
Other Retirement Contributions - ERIP	2,300.00		2,300.00		2,300.00
Unemployment Compensation	50,000.00	(40,000.00)	10,000.00		10,000.00
Workers Compensation	311,373.00		311,373.00	295,239.00	16,134.00
Health Benefits	4,929,020.00	(400,000.00)	4,529,020.00	4,457,870.55	71,149.45
Tuition Reimbursements	62,000.00		62,000.00	49,450.31	12,549.69
Other Employee Benefits	295,000.00	(24,253.41)	270,746.59	243,839.82	26,906.77
Unused Sick Payment to Terminated/Retired Staff	85,000.00	11,068.75	96,068.75	94,962.50	1,106.25
Total - Unallocated Benefits - Employee Benefits	6,676,693.00	(480,519.60)	6,196,173.40	5,974,273.69	221,899.71
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				2,665,365.00	(2,665,365.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				55,793.00	(55,793.00)
On-behalf TPAF Medical Contributions (non-budgeted)				1,234,313.00	(1,234,313.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				2,586.00	(2,586.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,060,059.50	(1,060,059.50)
Total TPAF Contributions	-	-	-	5,018,116.50	(5,018,116.50)
Total Undistributed Expenses	18,652,719.45	193,626.94	18,846,346.39	22,605,477.95	(3,759,131.56)
Int Interest Earned on Maintenance Reserve	25.00	-	25.00	-	25.00
Total Expenditures - Current Expense	36,557,842.17	(245,060.47)	36,312,781.70	38,950,909.23	(2,638,127.53)
CAPITAL OUTLAY:					
Capital Reserve					
Interest Deposit to Capital Reserve	100.00	-	100.00	-	100.00
Equipment:					
Undistributed Expenditures - Instruction		26,255.79	26,255.79	4,936.08	21,319.71
Undistributed Expenditures - Support Services - Students - Regular	13,095.60	3,518.66	16,614.26	16,614.26	
Undistributed Expenditures - Care and Upkeep of Grounds		20,704.61	20,704.61	20,704.61	
Undistributed Expenditures - Security	253,218.78	(3,854.29)	249,364.49	249,364.49	
Undistributed Expenditures - Student Transportation		84,820.60	84,820.60	84,820.60	
Undistributed Expenditures - Non-Instructional Service	165,685.10		165,685.10	165,685.10	
Total - Equipment	431,999.48	131,445.37	563,444.85	542,125.14	21,319.71

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY (CONT'D):					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 18,919.84	\$ (10,580.00)	\$ 8,339.84	\$ 2,450.00	\$ 5,889.84
Construction services	1,506,655.31	11,817.10	1,518,472.41	909,559.52	608,912.89
Assessment for Debt Service on SDA Funding	8,383.00		8,383.00	8,383.00	
Total - Facilities Acquisition and Construction Services	<u>1,533,958.15</u>	<u>1,237.10</u>	<u>1,535,195.25</u>	<u>920,392.52</u>	<u>614,802.73</u>
Total Capital Outlay	<u>1,966,057.63</u>	<u>132,682.47</u>	<u>2,098,740.10</u>	<u>1,462,517.66</u>	<u>636,222.44</u>
Transfer of Funds to Charter Schools	<u>170,997.00</u>	<u>15,850.00</u>	<u>186,847.00</u>	<u>183,942.00</u>	<u>2,905.00</u>
Total Expenditures	<u>38,694,896.80</u>	<u>(96,528.00)</u>	<u>38,598,368.80</u>	<u>40,597,368.89</u>	<u>(1,999,000.09)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,237,645.80)</u>	<u>96,528.00</u>	<u>(3,141,117.80)</u>	<u>(202,206.56)</u>	<u>2,938,911.24</u>
Other Financing Sources (Uses):					
Transfers out to Special Revenue Fund - Local Contribution		(56,528.00)	(56,528.00)	(56,528.00)	
Transfers out to Unemployment Fund		(40,000.00)	(40,000.00)	(40,000.00)	
Total - Other Financing Sources (Uses)	<u>-</u>	<u>(96,528.00)</u>	<u>(96,528.00)</u>	<u>(96,528.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(3,237,645.80)</u>	<u>-</u>	<u>(3,237,645.80)</u>	<u>(298,734.56)</u>	<u>2,938,911.24</u>
Fund Balances, July 1	<u>4,811,291.68</u>	<u>-</u>	<u>4,811,291.68</u>	<u>4,811,291.68</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,573,645.88</u>	<u>-</u>	<u>\$ 1,573,645.88</u>	<u>\$ 4,512,557.12</u>	<u>\$ 2,938,911.24</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 440,814.95	
Maintenance Reserve				568,069.94	
Excess Surplus				383,200.80	
Excess Surplus -- Designated for Subsequent Years Expenditures				367,733.88	
Assigned Fund Balance:					
Other Purposes				1,394,011.82	
Designated for Subsequent Years Expenditures				518,553.12	
Unassigned Fund Balance				<u>840,172.61</u>	
				4,512,557.12	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(1,716,127.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,796,430.12</u>	

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I, Part A	\$ 492,361.00	\$ 158,126.00	\$ 650,487.00	\$ 590,631.33	\$ 59,855.67
Title I, Part A - Reallocated		59,680.00	59,680.00	47,839.83	11,840.17
Title II, Part A	26,220.00	14,983.00	41,203.00	41,203.00	
I.D.E.A., Part B Basic	371,287.00	60,544.00	431,831.00	431,831.00	
I.D.E.A., Part B, Preschool Incentive		15,349.00	15,349.00	15,349.00	
Total - Federal Sources	<u>889,868.00</u>	<u>308,682.00</u>	<u>1,198,550.00</u>	<u>1,126,854.16</u>	<u>71,695.84</u>
State Sources:					
Preschool Education Aid	152,532.00	-	152,532.00	152,532.00	-
Local Sources:					
Revenue from Local Sources	12,770.00	21,607.31	34,377.31	23,627.31	10,750.00
Total Revenues	<u>\$ 1,055,170.00</u>	<u>\$ 330,289.31</u>	<u>\$ 1,385,459.31</u>	<u>\$ 1,303,013.47</u>	<u>\$ 82,445.84</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 515,570.74	\$ 121,697.07	\$ 637,267.81	\$ 603,108.66	\$ 34,159.15
Other Salaries for Instruction	57,518.00	13,247.78	70,765.78	70,765.78	
Purchased Professional & Educational Services		35,239.20	35,239.20	34,359.20	880.00
Other Purchased Services (400-500 series)	6,543.50	873.70	7,417.20	7,417.20	
Tuition	358,116.63	58,396.67	416,513.30	416,513.30	
General Supplies	44,882.64	52,757.47	97,640.11	67,421.68	30,218.43
Other Objects	7,914.27	(4,876.02)	3,038.25	1,817.25	1,221.00
Total Instruction	<u>990,545.78</u>	<u>277,335.87</u>	<u>1,267,881.65</u>	<u>1,201,403.07</u>	<u>66,478.58</u>
Support Services:					
Personal Services - Employee Benefits	95,142.36	46,610.76	141,753.12	137,713.84	4,039.28
Purchased Professional & Technical Services	2,079.99	668.01	2,748.00	2,748.00	
Other Purchased Professional Services	3,027.65	972.35	4,000.00	4,000.00	
Supplies and Materials	20,902.22	4,702.32	25,604.54	20,424.56	5,179.98
Total Support Services	<u>121,152.22</u>	<u>52,953.44</u>	<u>174,105.66</u>	<u>158,138.40</u>	<u>15,967.26</u>
Total Expenditures	<u>1,111,698.00</u>	<u>330,289.31</u>	<u>1,441,987.31</u>	<u>1,359,541.47</u>	<u>82,445.84</u>
Other Financing Sources (Uses):					
Transfers from/(to) General Fund	56,528.00	-	56,528.00	56,528.00	-
Total Expenditures and Other Financing Sources (Uses)	<u>\$ 1,055,170.00</u>	<u>\$ 330,289.31</u>	<u>\$ 1,385,459.31</u>	<u>\$ 1,303,013.47</u>	<u>\$ 82,445.84</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2019

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 40,395,162.33	\$ 1,303,013.47
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		4,452.19
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2018.	1,646,564.00	19,777.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2019.	<u>(1,716,127.00)</u>	<u>(15,246.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 40,325,599.33</u>	<u>\$ 1,311,996.66</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 40,597,368.89	\$ 1,359,541.47
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>4,452.19</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 40,597,368.89</u>	<u>\$ 1,363,993.66</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	Measurement Date Ending June 30,					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0391715131%	0.0418754390%	0.0422618231%	0.0444215275%	0.0449773759%	0.0455259852%
School District's Proportionate Share of the Net Pension Liability	\$ 7,712,676.00	\$ 9,611,080.00	\$ 12,516,740.00	\$ 9,971,743.00	\$ 8,420,995.00	\$ 8,700,920.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,837,804.00	\$ 2,951,796.00	\$ 3,043,724.00	\$ 3,106,124.00	\$ 3,264,788.00	\$ 3,279,480.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	271.78%	325.60%	411.23%	321.03%	257.93%	265.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	Fiscal Year Ended June 30,					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 353,443.00	\$ 389,630.00	\$ 382,485.00	\$ 375,448.00	\$ 381,906.00	\$ 370,787.00
Contributions in Relation to the Contractually Required Contribution	<u>(353,443.00)</u>	<u>(389,630.00)</u>	<u>(382,485.00)</u>	<u>(375,448.00)</u>	<u>(381,906.00)</u>	<u>(370,787.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,722,650.00	\$ 2,583,099.00	\$ 2,743,057.00	\$ 2,810,170.00	\$ 2,855,519.00	\$ 3,011,121.00
Contributions as a Percentage of School District's Covered Payroll	12.98%	15.08%	13.94%	13.36%	13.37%	12.31%

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

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

	Measurement Date Ending June 30,					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>87,994,126.00</u>	<u>95,533,967.00</u>	<u>109,294,057.00</u>	<u>93,953,229.00</u>	<u>80,661,319.00</u>	<u>79,096,752.00</u>
	<u>\$ 87,994,126.00</u>	<u>\$ 95,533,967.00</u>	<u>\$ 109,294,057.00</u>	<u>\$ 93,953,229.00</u>	<u>\$ 80,661,319.00</u>	<u>\$ 79,096,752.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 16,862,604.00	\$ 17,023,336.00	\$ 17,054,848.00	\$ 16,600,632.00	\$ 17,514,144.00	\$ 17,285,724.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	521.83%	561.19%	640.84%	565.96%	460.55%	457.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2019

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017 and 4.86% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011- June 30, 2015 experience study.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Two Plan Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District		
Changes for the Year:		
Service Cost	\$ 2,788,378.00	\$ 3,368,405.00
Interest Cost	3,293,035.00	2,861,233.00
Differences Between Expected and Actual Experience	(7,391,239.00)	
Changes in Assumptions	(8,942,696.00)	(12,049,344.00)
Gross Benefit Payments	(2,083,783.00)	(2,089,058.00)
Member Contributions	<u>72,019.00</u>	<u>76,924.00</u>
Net Change in Total Non-Employer OPEB Liability	(12,264,286.00)	(7,831,840.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>90,192,880.00</u>	<u>98,024,720.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 77,928,594.00</u>	<u>\$ 90,192,880.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 17,648,348.00</u>	<u>\$ 16,974,208.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	441.56%	531.35%

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2019

Changes of Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Total</u>	<u>E.S.S.A</u>			<u>I.D.E.A. Part B</u>		<u>Total Brought Forward</u>
		<u>Title I, Part A Grants to Local Educational Agencies</u>	<u>Title I, Part A Grants to Local Educational Agencies Reallocated</u>	<u>Supporting Effective Instruction State Grants (Title II, Part A) ESSA</u>	<u>Special Education Grants to States (IDEA Basic)</u>	<u>Special Education Preschool Grants (IDEA Preschool)</u>	
REVENUES:							
Federal Sources	\$ 1,126,854.16	\$ 590,631.33	\$ 47,839.83	\$ 41,203.00	\$ 431,831.00	\$ 15,349.00	
State Sources	152,532.00						\$ 152,532.00
Local Sources	23,627.31						23,627.31
Total Revenues	\$ 1,303,013.47	\$ 590,631.33	\$ 47,839.83	\$ 41,203.00	\$ 431,831.00	\$ 15,349.00	\$ 176,159.31
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 603,108.66	\$ 427,636.00	\$ 837.00	\$ 31,453.00			\$ 143,182.66
Other Salaries for Instruction	70,765.78	1,485.00				\$ 13,794.00	55,486.78
Purchased Professional & Educational Services	34,359.20		26,000.00				8,359.20
Other Purchased Services (400-500 series)	7,417.20	7,417.20					
Tuition	416,513.30				\$ 416,513.30		
General Supplies	67,421.68	21,024.21	20,938.80			500.00	24,958.67
Other Objects	1,817.25	1,117.25					700.00
Total Instruction	1,201,403.07	458,679.66	47,775.80	31,453.00	416,513.30	14,294.00	232,687.31
Support Services:							
Personal Services - Employee Benefits	137,713.84	126,844.81	64.03	9,750.00		1,055.00	
Supplies and Materials	20,424.56	5,106.86			15,317.70		
Total Support Services	158,138.40	131,951.67	64.03	9,750.00	15,317.70	1,055.00	-
Total Expenditures	1,359,541.47	590,631.33	47,839.83	41,203.00	431,831.00	15,349.00	232,687.31
Other Financing Sources (Uses):							
Transfers from/(to) General Fund	56,528.00	-	-	-	-	-	56,528.00
Total Expenditures and Other Financing Sources (Uses)	\$ 1,303,013.47	\$ 590,631.33	\$ 47,839.83	\$ 41,203.00	\$ 431,831.00	\$ 15,349.00	\$ 176,159.31

(Continued)

BOROUGH OF PINE HILL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Total Carried Forward</u>	<u>Preschool Education Aid</u>	<u>Local Grants</u>
REVENUES:			
Federal Sources			
State Sources	\$ 152,532.00	\$ 152,532.00	
Local Sources	<u>23,627.31</u>		\$ 23,627.31
Total Revenues	<u><u>\$ 176,159.31</u></u>	<u><u>\$ 152,532.00</u></u>	<u><u>\$ 23,627.31</u></u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 143,182.66	\$ 143,182.66	
Other Salaries for Instruction	55,486.78	55,486.78	
Purchased Professional & Educational Services	8,359.20	8,359.20	
Other Purchased Services (400-500 series)			
Tuition			
General Supplies	24,958.67	2,031.36	\$ 22,927.31
Other Objects	<u>700.00</u>		<u>700.00</u>
Total Instruction	<u><u>232,687.31</u></u>	<u><u>209,060.00</u></u>	<u><u>23,627.31</u></u>
Support Services:			
Personal Services - Employee Benefits			
Supplies and Materials			
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u><u>232,687.31</u></u>	<u><u>209,060.00</u></u>	<u><u>23,627.31</u></u>
Other Financing Sources (Uses):			
Transfers from/(to) General Fund	<u>56,528.00</u>	<u>56,528.00</u>	<u>-</u>
Total Expenditures and Other Financing Sources (Uses)	<u><u>\$ 176,159.31</u></u>	<u><u>\$ 152,532.00</u></u>	<u><u>\$ 23,627.31</u></u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 143,182.66	\$ 143,182.66	
Other Salaries for Instruction	55,486.78	55,486.78	
Purchased Professional & Educational Services	8,359.20	8,359.20	
General Supplies	<u>2,031.36</u>	<u>2,031.36</u>	
Total Instruction	<u>209,060.00</u>	<u>209,060.00</u>	-
Total Expenditures	<u>\$ 209,060.00</u>	<u>\$ 209,060.00</u>	-

Calculation of Budget and Carryover

Total Revised 2018-2019 Preschool Education Aid Allocation	\$ 152,532.00
Add: Actual ECPA Carryover (June 30, 2018)	7,904.53
Add: Budgeted Transfer from the General Fund 2018-2019	<u>56,528.00</u>
Total Preschool Education Aid Funds Available for 2018-2019 Budget	216,964.53
Less: 2018-2019 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(209,060.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2019	7,904.53
Add: 2018-2019 Unexpended Preschool Education Aid	
Less: 2018-2019 Commissioner Approved Transfer to General Fund	
2018-2019 Carryover -- Preschool Education Aid	<u>\$ 7,904.53</u>
2018-2019 Preschool Education Aid Carryover Budgeted in 2019-2020	<u>\$ 7,904.53</u>

CAPITAL PROJECTS FUND

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2019

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2019</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Energy Savings Improvement Program - Energy Projects - Middle School	12/15/2012	\$ 972,323.00	\$ 937,436.34		\$ 34,886.66
Energy Savings Improvement Program - Energy Projects - Albert Bean	12/15/2012	845,222.00	814,895.69		30,326.31
Energy Savings Improvement Program - Energy Projects - John Glenn	12/15/2012	1,393,235.00	1,343,246.15		49,988.85
Energy Savings Improvement Program - Energy Projects - High School	12/15/2012	3,463,502.43	3,331,181.60		132,320.83
Overbrook High School Roof Replacement	7/1/2015	795,926.00	670,489.81		125,436.19
Albert Bean Roof Replacement	7/1/2015	172,362.25	167,952.53		4,409.72
John Glenn Roof Replacement	7/1/2015	267,882.75	258,573.44		9,309.31
Overbrook High School Dry Well	7/1/2015	378,000.00	370,846.00		7,154.00
Overbrook High School Security Upgrades	7/1/2015	190,750.00	179,441.00		11,309.00
John Glenn Security Upgrades	7/1/2015	254,253.00	200,142.00		54,111.00
Middle School Security Upgrades	7/1/2015	132,767.00	80,355.00		52,412.00
Total		<u>\$ 8,866,223.43</u>	<u>\$ 8,354,559.56</u>	<u>-</u>	<u>\$ 511,663.87</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Unexpended Balance as of June 30, 2019					\$ 511,663.87
SDA Grant Revenue Not Recognized on GAAP Basis					<u>(264,141.22)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ 247,522.65</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2019

Revenues and Other Financing Sources

State Sources--EDA Grant		
Bond Proceeds and Transfers		
Rebates		
Transfer from Capital Reserve		
Total Revenues		-

Expenditures and Other Financing Uses

Expenditures:		
Legal Services		
Other Purchased Professional and Technical Services		
Construction Services		
Total Expenditures		-
Other Financing Uses:		
Cancellation of SDA Grant		
Transfer to General Fund -- Capital Reserve		
Total Other Financing Uses		-
Total Expenditures and Other Financing Uses		-

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance -- July 1		\$ 511,663.87
Fund Balance -- June 30		\$ 511,663.87

Reconciliation to Governmental Funds Statements (GAAP):

Fund Balance as of June 30, 2019		\$ 511,663.87
SDA Grant Revenue Not Recognized on GAAP Basis		(264,141.22)
Fund Balance per Governmental Funds (GAAP)		\$ 247,522.65

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - Middle School
 From Inception and for the Fiscal Year Ended June 30, 2019

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

Additional Project Information:

Project Number	4110-100-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 972,323.00
Bonds Issued	\$ 972,323.00
Original Authorized Cost	\$ 972,323.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - Albert Bean
 From Inception and for the Fiscal Year Ended June 30, 2019

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

Additional Project Information:

Project Number	4110-060-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 845,222.00
Bonds Issued	\$ 845,222.00
Original Authorized Cost	\$ 845,222.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - John Glenn
 From Inception and for the Fiscal Year Ended June 30, 2019

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

Additional Project Information:

Project Number	4110-070-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 1,393,235.00
Bonds Issued	\$ 1,393,235.00
Original Authorized Cost	\$ 1,393,235.00
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.41%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Energy Savings Improvement Program - Energy Projects - High School
 From Inception and for the Fiscal Year Ended June 30, 2019

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

Additional Project Information:

Project Number	4110-100-13-1000
Grant Date	N/A
Bond Authorization Date	12/15/2012
Bonds Authorized	\$ 3,471,465.93
Bonds Issued	\$ 3,471,465.93
Original Authorized Cost	\$ 3,471,465.93
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.19%
Original Target Completion Date	12/31/2013
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 516,117.00		\$ 516,117.00	\$ 516,117.00
Transfer from Capital Reserve	279,809.00		279,809.00	279,809.00
	<hr/>		<hr/>	
Total Revenues	795,926.00	-	795,926.00	795,926.00
	<hr/>		<hr/>	
Expenditures and Other Financing Uses				
Legal Services	442.00		442.00	1,000.00
Other Purchased Professional and Technical Services	44,492.90		44,492.90	47,500.00
Construction Services	625,554.91		625,554.91	747,426.00
	<hr/>		<hr/>	
Total Expenditures	670,489.81	-	670,489.81	795,926.00
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 125,436.19	-	\$ 125,436.19	-
	<hr/>		<hr/>	
Designated for Subsequent Years Expenditures			\$ 125,436.19	
			<hr/>	

Additional Project Information:

Project Number	4110-100-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 795,926.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 795,926.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	84.24%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Albert Bean Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 111,760.00		\$ 111,760.00	\$ 111,760.00
Transfer from Capital Reserve	60,602.25		60,602.25	60,602.25
	<u>172,362.25</u>	<u>-</u>	<u>172,362.25</u>	<u>172,362.25</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	7,590.28		7,590.28	12,000.00
Construction Services	160,362.25		160,362.25	160,362.25
	<u>167,952.53</u>	<u>-</u>	<u>167,952.53</u>	<u>172,362.25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,409.72</u>	<u>-</u>	<u>\$ 4,409.72</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 4,409.72</u>	

Additional Project Information:

Project Number	4110-060-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,362.25
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,362.25
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	97.44%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 John Glenn Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 173,695.00		\$ 173,695.00	\$ 173,695.00
Transfer from Capital Reserve	94,187.75		94,187.75	94,187.75
	<hr/>		<hr/>	
Total Revenues	267,882.75	-	267,882.75	267,882.75
	<hr/>		<hr/>	
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	8,685.69		8,685.69	13,000.00
Construction Services	249,887.75		249,887.75	254,882.75
	<hr/>		<hr/>	
Total Expenditures	258,573.44	-	258,573.44	267,882.75
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,309.31</u>	<u>-</u>	<u>\$ 9,309.31</u>	<u>-</u>
			<u>\$ 9,309.31</u>	
Designated for Subsequent Years Expenditures			<u>\$ 9,309.31</u>	

Additional Project Information:

Project Number	4110-070-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 267,882.75
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 267,882.75
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	96.52%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Dry Well
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 245,114.00		\$ 245,114.00	\$ 245,114.00
Transfer from Capital Reserve	132,886.00		132,886.00	132,886.00
Total Revenues	378,000.00	-	378,000.00	378,000.00
Expenditures and Other Financing Uses				
Legal Services	68.00		68.00	1,000.00
Other Purchased Professional and Technical Services	27,851.00		27,851.00	29,000.00
Construction Services	342,927.00		342,927.00	348,000.00
Total Expenditures	370,846.00	-	370,846.00	378,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,154.00</u>	<u>-</u>	<u>\$ 7,154.00</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 7,154.00</u>	

Additional Project Information:

Project Number	4110-010-14-1006-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 378,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 378,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	98.11%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Overbrook High School Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 123,692.00		\$ 123,692.00	\$ 123,692.00
Transfer from Capital Reserve	67,058.00		67,058.00	67,058.00
Total Revenues	190,750.00	-	190,750.00	190,750.00
Expenditures and Other Financing Uses				
Legal Services				500.00
Other Purchased Professional and Technical Services	13,000.00		13,000.00	14,200.00
Construction Services	166,441.00		166,441.00	176,050.00
Total Expenditures	179,441.00	-	179,441.00	190,750.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,309.00	-	\$ 11,309.00	-
Designated for Subsequent Years Expenditures			\$ 11,309.00	

Additional Project Information:

Project Number	4110-010-14-1010-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 190,750.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 190,750.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	94.07%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 John Glenn Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 164,870.00		\$ 164,870.00	\$ 164,870.00
Transfer from Capital Reserve	89,383.00		89,383.00	89,383.00
Total Revenues	254,253.00	-	254,253.00	254,253.00
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	18,316.00		18,316.00	18,460.00
Construction Services	181,826.00		181,826.00	235,793.00
Total Expenditures	200,142.00	-	200,142.00	254,253.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 54,111.00	-	\$ 54,111.00	-
Designated for Subsequent Years Expenditures			\$ 54,111.00	

Additional Project Information:

Project Number	4110-070-14-1012-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 254,253.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 254,253.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	78.72%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Pine Hill Middle School Security Upgrades
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources	\$ 86,093.00		\$ 86,093.00	\$ 86,093.00
Transfer from Capital Reserve	46,674.00		46,674.00	46,674.00
	<u>132,767.00</u>	<u>-</u>	<u>132,767.00</u>	<u>132,767.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	7,100.00		7,100.00	9,100.00
Construction Services	73,255.00		73,255.00	123,667.00
	<u>80,355.00</u>	<u>-</u>	<u>80,355.00</u>	<u>132,767.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 52,412.00</u>	<u>-</u>	<u>\$ 52,412.00</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 52,412.00</u>	

Additional Project Information:

Project Number	4110-100-14-1013-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 132,767.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 132,767.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	60.52%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	6/30/2020

PROPRIETARY FUNDS

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Proprietary Fund
 Business Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2019

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 119,658.66
Accounts Receivable:	
State	424.59
Federal	26,840.08
Other	13,255.96
Inventories	<u>8,557.80</u>
Total Current Assets	<u>168,737.09</u>
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	858,373.71
Less Accumulated Depreciation	<u>(753,174.01)</u>
Total Noncurrent Assets	<u>105,199.70</u>
Total Assets	<u>273,936.79</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	<u>9,402.35</u>
NET POSITION:	
Net Investment in Capital Assets	105,199.70
Unrestricted	<u>159,334.74</u>
Total Net Position	<u><u>\$ 264,534.44</u></u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Fund
Business Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 151,938.11
School Breakfast Program	11,007.87
Special Milk Program	823.60
Daily Sales - Non-Reimbursable Programs	79,000.64
Special Functions	<u>4,970.34</u>
Total Operating Revenues	<u>247,740.56</u>
OPERATING EXPENSES:	
Salaries	314,946.32
Employee Benefits	68,854.54
Management Fee	50,699.94
General Supplies	40,859.74
Depreciation	19,546.77
Cleaning, Repairs & Maintenance Services	6,309.50
Other Purchased Services	27,926.89
Cost of Sales - Reimbursable Programs	362,488.91
Cost of Sales - Non-Reimbursable Programs	<u>47,768.19</u>
Total Operating Expenses	<u>939,400.80</u>
Operating Income / (Loss)	<u>(691,660.24)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	10,207.78
Federal Sources:	
National School Lunch Program	461,977.49
After School Snack Program	36,226.19
National School Breakfast Program	119,120.11
Special Milk Program	880.75
Food Distribution Program	66,691.69
Interest Revenue	<u>84.55</u>
Total Nonoperating Revenues (Expenses)	<u>695,188.56</u>
Change in Net Position	3,528.32
Net Position -- July 1	<u>261,006.12</u>
Net Position -- June 30	<u><u>\$ 264,534.44</u></u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
Proprietary Fund
Business Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 251,126.09
Payments to Employees	(314,946.32)
Payments for Employee Benefits	(68,854.54)
Payments for Supplies and Services	<u>(536,665.18)</u>
Net Cash Provided by (used for) Operating Activities	<u>(669,339.95)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	10,434.84
Federal Sources	696,566.11
Operating Subsidies and Transfers	<u>(9,206.84)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>697,794.11</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u>(36,034.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Revenue	<u>84.55</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,495.29)
Cash and Cash Equivalents -- July 1	<u>127,153.95</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 119,658.66</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (691,660.24)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	19,546.77
(Increase) Decrease in Inventories	(612.01)
Increase (Decrease) in Unearned Revenue	(616.36)
(Increase) Decrease in Accounts Receivable	<u>4,001.89</u>
Total Adjustments	<u>22,320.29</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (669,339.95)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Food Distribution Program	<u><u>\$ 66,691.69</u></u>

FIDUCIARY FUNDS

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2019

	Private Purpose Trust Funds		Agency Funds		
	Unemployment Compensation Trust	Scholarship Trust	Student Activity	Payroll	Total
ASSETS:					
Cash and Cash Equivalents	\$ 82,963.70	\$ 1,646.01	\$ 172,873.33	\$ 52,284.02	\$ 309,767.06
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund	-	-	-	5,334.85	5,334.85
Total Assets	<u>82,963.70</u>	<u>1,646.01</u>	<u>\$ 172,873.33</u>	<u>\$ 57,618.87</u>	<u>315,101.91</u>
LIABILITIES:					
Accounts Payable	298.78				298.78
Interfund Accounts Payable:					
Due Payroll Fund	5,334.85				5,334.85
Payable to Student Groups			\$ 172,873.33		172,873.33
Payroll Deductions and Withholdings				\$ 57,618.87	57,618.87
Total Liabilities	<u>5,633.63</u>	<u>-</u>	<u>\$ 172,873.33</u>	<u>\$ 57,618.87</u>	<u>236,125.83</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 77,330.07</u>	<u>\$ 1,646.01</u>			<u>\$ 78,976.08</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Fund		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
ADDITIONS:			
Contributions and Donations from			
Payroll Deductions Withheld	\$ 31,883.82		\$ 31,883.82
Employer Contributions	40,000.00		40,000.00
Scholarship Donations		\$ 698.01	698.01
Investment Earnings:			
Interest	39.07		39.07
Total Additions	<u>71,922.89</u>	<u>698.01</u>	<u>72,620.90</u>
DEDUCTIONS:			
Unemployment Claims	25,772.66		25,772.66
Scholarship Awards		1,510.00	1,510.00
Total Deductions	<u>25,772.66</u>	<u>1,510.00</u>	<u>27,282.66</u>
Change in Net Position	46,150.23	(811.99)	45,338.24
Net Position -- July 1	<u>31,179.84</u>	<u>2,458.00</u>	<u>33,637.84</u>
Net Position -- June 30	<u>\$ 77,330.07</u>	<u>\$ 1,646.01</u>	<u>\$ 78,976.08</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	Balance <u>June 30, 2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2019</u>
Bean School	\$ 19,323.97	\$ 9,860.25	\$ 11,021.77	\$ 18,162.45
Glenn School	3,199.76	3,606.28	2,677.88	4,128.16
Middle School	10,212.30	8,040.74	7,634.73	10,618.31
High School	131,133.36	209,269.24	208,228.06	132,174.54
Athletic Program	<u>12,634.84</u>	<u>43,112.63</u>	<u>47,957.60</u>	<u>7,789.87</u>
Total All Schools	<u>\$ 176,504.23</u>	<u>\$ 273,889.14</u>	<u>\$ 277,520.04</u>	<u>\$ 172,873.33</u>

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 87,968.40	\$ 24,816,288.85	\$ 24,851,973.23	\$ 52,284.02
Interfund Accounts Receivable:				
Due Unemployment	<u>1,233.84</u>	<u>35,984.83</u>	<u>31,883.82</u>	<u>5,334.85</u>
Total Assets	<u>\$ 89,202.24</u>	<u>\$ 24,852,273.68</u>	<u>\$ 24,883,857.05</u>	<u>\$ 57,618.87</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 89,202.24	\$ 12,586,436.06	\$ 12,618,019.43	\$ 57,618.87
Net Payroll		12,225,480.72	12,225,480.72	
Interfund Accounts Payable:				
General Fund		356.90	356.90	
Contra		<u>40,000.00</u>	<u>40,000.00</u>	
Total Liabilities	<u>\$ 89,202.24</u>	<u>\$ 24,852,273.68</u>	<u>\$ 24,883,857.05</u>	<u>\$ 57,618.87</u>

LONG-TERM DEBT

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
2012 Energy Savings Improvement Program Energy Projects	12/15/12	\$ 3,260,000.00	12/15/19	\$ 195,000.00	2.000%				
			12/15/20	200,000.00	2.250%				
			12/15/21	215,000.00	2.500%				
			12/15/22	225,000.00	2.750%				
			12/15/23	240,000.00	2.750%				
			12/15/24	255,000.00	3.000%				
			12/15/25	270,000.00	3.000%				
			12/15/26	285,000.00	3.125%				
			12/15/27	305,000.00	3.125%				
2012 Energy Savings Improvement Program Co-Gen Projects	12/15/12	3,210,000.00	12/15/19	140,000.00	2.000%				
			12/15/20	150,000.00	2.250%				
			12/15/21	155,000.00	2.500%				
			12/15/22	165,000.00	2.750%				
			12/15/23	175,000.00	2.750%				
			12/15/24	185,000.00	3.000%				
			12/15/25	195,000.00	3.000%				
			12/15/26	205,000.00	3.125%				
			12/15/27	215,000.00	3.125%				
			12/15/28	170,000.00	3.500%				
			12/15/29	180,000.00	3.500%				
			12/15/30	190,000.00	4.000%				
			12/15/31	205,000.00	4.000%				
			12/15/32	215,000.00	4.000%				
					2,680,000.00		135,000.00	2,545,000.00	
2014 Refunding Bonds	1/16/2014	6,680,000.00				1,385,000.00		1,385,000.00	
						<u>\$ 6,435,000.00</u>	<u>-</u>	<u>\$ 1,700,000.00</u>	<u>\$ 4,735,000.00</u>
Debt Service Fund							\$ 1,385,000.00		
General Fund							<u>315,000.00</u>		
							<u>\$ 1,700,000.00</u>		

BOROUGH OF PINE HILL SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	<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	\$ 744,706.00		\$ 744,706.00	\$ 744,706.00	
State Sources:					
Debt Service Aid Type II	<u>681,844.00</u>		<u>681,844.00</u>	<u>681,844.00</u>	
Total Revenues	<u>1,426,550.00</u>	<u>-</u>	<u>1,426,550.00</u>	<u>1,426,550.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	41,550.00		41,550.00	41,550.00	
Redemption of Principal	<u>1,385,000.00</u>		<u>1,385,000.00</u>	<u>1,385,000.00</u>	
Total Expenditures	<u>1,426,550.00</u>	<u>-</u>	<u>1,426,550.00</u>	<u>1,426,550.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	<u>0.34</u>	<u>-</u>	<u>0.34</u>	<u>0.34</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 0.34</u>	<u>-</u>	<u>\$ 0.34</u>	<u>\$ 0.34</u>	<u>-</u>

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,934,118.08	\$ 14,558,366.74	\$ 11,561,739.84	\$ 8,396,746.59	\$ 6,636,829.31	\$ 5,538,817.85	\$ 394,097.68	\$ 4,433,372.80	\$ 3,351,259.60	\$ 2,158,827.16
Restricted	2,007,342.22	1,889,101.98	1,760,495.66	3,456,100.59	3,407,281.59	2,748,338.99	6,097,897.13	1,028,063.90	810,045.50	728,617.03
Unrestricted (Deficit)	<u>(9,723,072.34)</u>	<u>(9,467,305.64)</u>	<u>(8,738,783.57)</u>	<u>(9,776,017.85)</u>	<u>(10,833,279.84)</u>	<u>(2,461,226.05)</u>	<u>(2,261,390.60)</u>	<u>(782,167.17)</u>	<u>(1,340,318.60)</u>	<u>(1,735,152.31)</u>
Total Governmental Activities Net Position	\$ 9,218,387.96	\$ 6,980,163.08	\$ 4,583,451.93	\$ 2,076,829.33	\$ (789,168.94)	\$ 5,825,930.79	\$ 4,230,604.21	\$ 4,679,269.53	\$ 2,820,986.50	\$ 1,152,291.88
Business-type Activities:										
Net Investment in Capital Assets	\$ 105,199.70	\$ 88,712.47	\$ 86,764.70	\$ 82,904.54	\$ 103,772.52	\$ 124,640.50	\$ 145,508.48	\$ 182,808.00	\$ 210,578.00	\$ 157,694.00
Unrestricted (Deficit)	<u>159,334.74</u>	<u>172,293.65</u>	<u>184,711.95</u>	<u>190,860.61</u>	<u>227,839.04</u>	<u>201,161.06</u>	<u>150,482.79</u>	<u>130,602.74</u>	<u>112,957.85</u>	<u>112,510.57</u>
Total Business-type Activities Net Assets	\$ 264,534.44	\$ 261,006.12	\$ 271,476.65	\$ 273,765.15	\$ 331,611.56	\$ 325,801.56	\$ 295,991.27	\$ 313,410.74	\$ 323,535.85	\$ 270,204.57
Government-wide:										
Net Investment in Capital Assets	\$ 17,039,317.78	\$ 14,647,079.21	\$ 11,648,504.54	\$ 8,479,651.13	\$ 6,740,601.83	\$ 5,663,458.35	\$ 539,606.16	\$ 4,616,180.80	\$ 3,561,837.60	\$ 2,316,521.16
Restricted	2,007,342.22	1,889,101.98	1,760,495.66	3,456,100.59	3,407,281.59	2,748,338.99	6,097,897.13	1,028,063.90	810,045.50	728,617.03
Unrestricted (Deficit)	<u>(9,563,737.60)</u>	<u>(9,295,011.99)</u>	<u>(8,554,071.62)</u>	<u>(9,585,157.24)</u>	<u>(10,605,440.80)</u>	<u>(2,260,064.99)</u>	<u>(2,110,907.81)</u>	<u>(651,564.43)</u>	<u>(1,227,360.75)</u>	<u>(1,622,641.74)</u>
Total Government-wide Net Position	\$ 9,482,922.40	\$ 7,241,169.20	\$ 4,854,928.58	\$ 2,350,594.48	\$ (457,557.38)	\$ 6,151,732.35	\$ 4,526,595.48	\$ 4,992,680.27	\$ 3,144,522.35	\$ 1,422,496.45

Source: Exhibit A-1

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

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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,507,580.26	\$ 9,074,494.57	\$ 9,141,255.89	\$ 9,121,549.23	\$ 9,245,692.72	\$ 9,837,853.64	\$ 9,277,047.96	\$ 12,843,277.16	\$ 13,188,486.01	\$ 13,313,159.35
Special Education	4,112,737.11	3,857,629.04	3,942,051.17	3,804,832.85	4,011,383.51	4,147,991.57	4,469,482.97	6,462,691.58	6,575,624.55	6,576,860.84
Other Special Education	528,984.54	510,243.64	342,675.10	429,296.25	379,478.54	363,786.92	364,739.19	1,365,931.07	1,347,920.00	1,415,265.46
Other Instruction	1,117,553.28	1,043,863.32	1,044,461.70	602,210.24	644,922.54	602,570.22	637,654.59			
Tuition	2,458,903.37	2,345,807.36	2,370,207.93	2,181,578.04	2,502,369.56	1,873,789.76	1,642,798.50	1,970,370.64	1,811,127.30	1,947,641.01
Support Services:										
Student and Instruction Related Services	3,240,183.74	3,259,666.00	3,159,527.92	2,891,311.03	3,480,610.94	3,413,941.96	3,336,359.99	4,295,745.87	3,930,677.06	4,109,385.63
School Administrative Services	1,258,293.08	1,217,652.05	1,213,888.52	1,224,717.83	1,246,654.19	1,204,866.29	1,239,093.74	1,649,388.23	1,844,184.66	1,727,471.44
Other Administrative Services	1,045,157.97	946,372.79	963,767.47	926,603.91	928,366.99	884,173.82	1,000,471.36	1,362,276.45	1,202,364.77	1,363,746.46
Plant Operations and Maintenance	4,033,747.18	3,552,222.00	3,365,361.45	3,022,817.83	3,051,042.16	3,234,003.40	3,226,962.40	3,738,724.60	3,801,639.95	4,380,039.30
Pupil Transportation	1,721,062.41	1,669,364.29	1,486,243.30	1,382,735.06	1,298,971.55	1,177,550.29	1,147,150.54	1,107,354.07	1,202,158.76	1,261,465.16
Unallocated Benefits	14,028,081.74	17,556,668.54	14,426,030.03	11,770,445.18	9,806,913.14	5,338,858.01	7,013,596.83			
Reimbursed TPAF and Social Security	1,062,645.50	1,039,535.31	2,346,348.23	3,447,641.30	3,103,716.84	2,716,470.74	3,260,019.16			
Transfer to Charter Schools	183,942.00	196,164.00	287,582.00	255,100.00	186,007.00	140,004.00	151,623.00			
Payment of Bond Issue Costs						101,241.09	74,082.43			
Interest on Long-term Debt	210,318.67	256,349.34	302,119.73	341,422.59	386,355.89	412,273.65	480,540.50	480,225.15	511,917.05	499,880.55
Unallocated Depreciation	466,081.26	505,846.61	542,731.77	543,809.98	556,076.55	698,057.81				
Total Governmental Activities Expenses	44,975,272.11	47,031,678.86	44,934,252.21	41,946,071.32	40,828,562.12	36,147,433.17	37,879,625.23	35,275,984.82	35,416,100.11	36,594,915.20
Business-type Activities:										
Food Service	939,400.80	984,539.53	961,452.37	986,985.24	969,612.30	934,982.97	939,677.53	908,869.06	859,166.12	891,295.26
Parent Saver Program				60,433.94	228,991.97	202,874.40	179,153.51			
Community Education and Recreation						12,636.37	12,999.82			
Other								141,852.91	126,957.05	124,452.98
Total Business-type Activities Expense	939,400.80	984,539.53	961,452.37	1,047,419.18	1,198,604.27	1,150,493.74	1,131,830.86	1,050,721.97	986,123.17	1,015,748.24
Total Government Expenses	\$ 45,914,672.91	\$ 48,016,218.39	\$ 45,895,704.58	\$ 42,993,490.50	\$ 42,027,166.39	\$ 37,297,926.91	\$ 39,011,456.09	\$ 36,326,706.79	\$ 36,402,223.28	\$ 37,610,663.44
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 5,262,195.53	\$ 4,995,449.30	\$ 4,810,686.62	\$ 4,787,981.02	\$ 5,150,244.12	\$ 5,606,727.70	\$ 5,294,185.79	\$ 54,923.19	\$ 96,214.28	\$ 100,853.31
Operating Grants and Contributions	10,591,320.69	13,952,081.91	11,930,971.76	10,521,765.84	8,902,227.44	4,039,097.10	4,798,434.38	1,986,547.61	2,421,783.06	2,625,696.21
Capital Grants and Contributions								17,423.69	656,249.96	51,264.31
Total Governmental Activities Program Revenues	15,853,516.22	18,947,531.21	16,741,658.38	15,309,746.86	14,052,471.56	9,645,824.80	10,092,620.17	2,058,894.49	3,174,247.30	2,777,813.83
Business-Type Activities:										
Charges for Services										
Food Service	247,740.56	269,983.67	286,653.18	326,000.44	316,119.45	320,032.75	326,499.41	327,139.34	346,887.56	355,792.27
Parent Saver Program				1,009.88	226,702.76	237,565.18	182,464.52	120,685.41	132,255.02	132,555.26
Community Education						12,997.01	11,026.22	22,796.32		34,836.72
Operating Grants and Contributions	695,104.01	703,993.22	672,411.79	687,868.63	669,845.46	609,424.86	594,027.55	569,666.98	514,145.74	552,679.08
Total Business-type Activities Program Revenues	942,844.57	973,976.89	959,064.97	1,014,878.95	1,212,667.67	1,180,019.80	1,114,017.70	1,040,288.05	993,288.32	1,075,863.33
Total Government Program Revenues	\$ 16,796,360.79	\$ 19,921,508.10	\$ 17,700,723.35	\$ 16,324,625.81	\$ 15,265,139.23	\$ 10,825,844.60	\$ 11,206,637.87	\$ 3,099,182.54	\$ 4,167,535.62	\$ 3,853,677.16
Net (Expense)/Revenue:										
Governmental Activities	\$ (29,121,755.89)	\$ (28,084,147.65)	\$ (28,192,593.83)	\$ (26,636,324.46)	\$ (26,776,090.56)	\$ (26,501,608.37)	\$ (27,787,005.06)	\$ (33,217,090.33)	\$ (32,241,852.81)	\$ (33,817,101.37)
Business-type Activities	3,443.77	(10,562.64)	(2,387.40)	(32,540.23)	14,063.40	29,526.06	(17,813.16)	(10,433.92)	7,165.15	60,115.09
Total Government-wide Net Expense	\$ (29,118,312.12)	\$ (28,094,710.29)	\$ (28,194,981.23)	\$ (26,668,864.69)	\$ (26,762,027.16)	\$ (26,472,082.31)	\$ (27,804,818.22)	\$ (33,227,524.25)	\$ (32,234,687.66)	\$ (33,756,986.28)

(Continued)

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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,700,715.00	\$ 11,584,866.00	\$ 11,393,006.00	\$ 11,136,664.00	\$ 10,534,434.00	\$ 10,327,876.00	\$ 10,051,631.00	\$ 9,854,540.00	\$ 9,769,157.00	\$ 9,445,343.00
Taxes Levied for Debt Service	744,706.00	750,266.00	671,062.00	776,971.00	806,772.00	809,905.00	813,663.00	816,444.00	818,493.00	553,125.00
Federal and State Aid Not Restricted	18,026,772.96	17,179,675.73	16,762,482.36	16,658,770.28	16,661,076.15	645,670.32	15,726,407.29	18,921,588.29	17,673,034.96	18,733,980.76
Federal and State Aid Restricted	666,515.47	638,115.62	1,568,063.99	803,941.93	645,355.47	16,185,736.96	564,000.85			
Miscellaneous Income	317,799.34	372,935.45	323,177.24	140,511.70	205,852.14	127,746.67	115,050.56	5,482,801.07	5,649,862.47	5,646,550.28
Disposal/Adjustment of Assets							62,029.50			
Transfers	(96,528.00)	(45,000.00)	(18,575.16)	(14,536.18)	8,421.07		5,557.54			(3,752.25)
Total Governmental Activities	31,359,980.77	30,480,858.80	30,699,216.43	29,502,322.73	28,861,910.83	28,096,934.95	27,338,339.74	35,075,373.36	33,910,547.43	34,375,246.79
Business-type Activities:										
Investment Earnings	84.55	92.11	98.9	157.64	167.67	284.23	393.69	308.81	254.41	
Adjustment to Fixed Assets									45,911.72	
Transfers				(25,463.82)	(8,421.07)					3,752.25
Total Business-type Activities	84.55	92.11	98.90	(25,306.18)	(8,253.40)	284.23	393.69	308.81	46,166.13	3,752.25
Total Government-wide	\$ 31,360,065.32	\$ 30,480,950.91	\$ 30,699,315.33	\$ 29,477,016.55	\$ 28,853,657.43	\$ 28,097,219.18	\$ 27,338,733.43	\$ 35,075,682.17	\$ 33,956,713.56	\$ 34,378,999.04
Change in Net Position:										
Governmental Activities	\$ 2,238,224.88	\$ 2,396,711.15	\$ 2,506,622.60	\$ 2,865,998.27	\$ 2,085,820.27	\$ 1,595,326.58	\$ (448,665.32)	\$ 1,858,283.03	\$ 1,668,694.62	\$ 558,145.42
Business-type Activities	3,528.32	(10,470.53)	(2,288.50)	(57,846.41)	5,810.00	29,810.29	(17,419.47)	(10,125.11)	53,331.28	63,867.34
Total Government	\$ 2,241,753.20	\$ 2,386,240.62	\$ 2,504,334.10	\$ 2,808,151.86	\$ 2,091,630.27	\$ 1,625,136.87	\$ (466,084.79)	\$ 1,848,157.92	\$ 1,722,025.90	\$ 622,012.76

Source: Exhibit A-2

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

For the fiscal year ended June 30, 2018, the School District adopted GASBS No. 75, which required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. Revenues and expenses prior to June 30, 2018 are shown as originally reported and have not been restated for this adoption.

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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Restricted	\$ 1,759,819.57	\$ 1,653,451.80	\$ 1,501,455.38	\$ 1,807,525.65	\$ 2,482,076.41	\$ 2,506,676.46	\$ 1,501,289.35	\$ 1,375,098.38	\$ 317,067.46	\$ 1,107,106.50
Committed								25,000.00		
Assigned	1,912,564.94	2,448,919.64	3,182,947.60	2,225,212.64	1,068,590.57	551,574.59	20,712.90	889,016.00	640,500.00	
Unassigned (Deficit)	(875,954.39)	(937,643.76)	(944,189.74)	(874,609.22)	(888,908.93)	(926,113.85)		(897,495.26)	(763,183.50)	(846,072.86)
Total General Fund	\$ 2,796,430.12	\$ 3,164,727.68	\$ 3,740,213.24	\$ 3,158,129.07	\$ 2,661,758.05	\$ 2,132,137.20	\$ 1,522,002.25	\$ 1,391,619.12	\$ 194,383.96	\$ 261,033.64
All Other Governmental Funds:										
Restricted	\$ 247,522.99	\$ 247,522.99	\$ 259,040.62	\$ 832,708.44	\$ 371,290.49	\$ 279,033.99	\$ 4,596,607.78	\$ (20,499.74)	\$ 274,698.54	\$ 150.00
Committed								286,959.50		
Assigned								1.00	320.00	
Unassigned (Deficit), Reported in:										
Capital Projects Fund										248,040.75
Special Revenue Fund	(7,341.47)	(11,872.47)			(293.40)	(1,084.30)	(23,888.60)			(20,500.00)
Debt Service Fund										319.78
Total All Other Governmental Funds	\$ 240,181.52	\$ 235,650.52	\$ 259,040.62	\$ 832,708.44	\$ 370,997.09	\$ 277,949.69	\$ 4,572,719.18	\$ (20,498.74)	\$ 561,978.04	\$ 228,010.53

Source: Exhibit B-1

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

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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Tax Levy	\$ 12,445,421.00	\$ 12,335,132.00	\$ 12,064,068.00	\$ 11,913,635.00	\$ 11,341,206.00	\$ 11,137,781.00	\$ 10,865,294.00	\$ 10,670,984.00	\$ 10,587,650.00	\$ 9,998,468.00
Other Local Revenue	5,604,117.85	5,406,349.40	5,180,075.44	4,951,267.92	5,385,478.59	5,758,772.65	5,700,553.36	5,658,619.06	5,749,339.75	5,747,035.80
Proceeds from the Issuance of Bonds							6,470,000.00			
State Sources	23,781,883.50	22,455,082.31	22,429,844.43	21,087,257.88	20,537,569.84	19,820,527.74	19,922,740.26	19,295,160.43	19,203,048.69	17,154,203.07
Federal Sources	1,232,723.64	1,188,164.30	1,167,291.10	1,137,753.97	1,301,370.89	1,025,678.36	1,166,102.26	1,606,120.30	1,544,756.29	4,256,738.21
Total Revenue	43,064,145.99	41,384,728.01	40,841,278.97	39,089,914.77	38,565,625.32	37,742,759.75	44,124,689.88	37,230,883.79	37,084,794.73	37,156,445.08
Expenditures:										
Instruction										
Regular Instruction	9,336,815.93	9,123,487.79	9,023,237.47	9,349,285.43	9,500,090.82	9,375,325.05	9,240,975.37	9,070,519.88	9,288,776.12	9,838,676.54
Special Education Instruction	4,109,815.27	3,893,732.89	3,903,378.47	3,901,102.56	4,120,128.22	4,170,982.91	4,469,482.97	4,556,692.60	4,748,033.18	4,854,185.37
Other Special Instruction	528,984.54	510,243.64	342,675.10	429,296.25	379,478.54	363,786.92	364,739.19	963,086.03	983,781.87	1,044,565.34
Other Instruction	1,117,553.28	1,043,663.32	1,044,461.70	602,210.24	644,922.54	602,570.22	637,654.59			
Tuition	2,458,903.37	2,345,807.36	2,370,207.93	2,181,578.04	2,502,369.56	1,873,789.76	1,642,798.50	1,899,908.64	1,775,817.30	1,932,082.01
Support Services:										
Student and Instruction Related Services	3,240,183.74	3,259,666.00	3,159,527.92	2,891,311.03	3,480,610.94	3,413,941.96	3,336,359.99	3,028,829.88	2,832,132.27	3,033,015.30
School Administrative Services	1,258,293.08	1,217,652.05	1,213,888.52	1,224,717.83	1,246,654.19	1,204,866.29	1,238,015.98	940,875.56	1,289,405.33	1,274,995.29
Other Administrative Services	1,017,852.16	963,878.72	997,169.62	1,014,463.95	986,832.62	912,091.48	1,000,471.36	1,182,578.72	919,968.53	1,006,540.70
Plant Operations and Maintenance	4,424,295.66	3,935,382.59	3,782,364.07	3,440,334.04	3,524,918.85	3,638,494.52	3,214,081.35	3,063,519.86	3,065,383.81	3,266,383.87
Pupil Transportation	1,700,484.83	1,657,696.29	1,471,324.50	1,368,446.41	1,284,293.12	1,225,119.31	1,143,664.60	1,116,780.80	1,104,404.47	1,190,592.79
Unallocated Benefits	6,111,987.53	5,904,550.48	5,667,714.90	5,842,147.32	5,464,764.24	5,381,020.60	5,903,889.40	8,522,185.37	8,476,037.53	7,838,311.58
Reimbursed TPAF Pension and Social Security	5,018,116.50	4,473,410.31	3,940,105.23	3,447,641.30	3,103,716.84	2,716,470.74	3,260,019.16			
Transfer to Charter Schools	183,942.00	196,164.00	287,582.00	255,100.00	186,007.00	140,004.00	151,623.00	70,462.00	35,310.00	15,559.00
Debt Service:										
Principal	1,385,000.00	1,355,000.00	1,325,000.00	1,290,000.00	1,275,000.00	1,270,000.00	1,180,000.00	1,150,000.00	1,120,000.00	1,000,000.00
Interest and Other Charges	41,550.00	82,200.00	121,949.50	160,650.00	186,150.00	241,969.66	378,643.76	414,581.26	448,181.26	470,842.39
Capital Outlay	1,454,134.66	1,976,068.23	2,163,700.53	719,011.82	65,440.66	5,302,080.87	2,402,055.48	539,488.87	730,245.23	250,632.46
Total Expenditures	43,387,912.55	41,938,603.67	40,814,287.46	38,117,296.22	37,951,378.14	41,832,514.29	39,564,474.70	36,519,509.47	36,817,476.90	37,016,382.64
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,766.56)	(553,875.66)	26,991.51	972,618.55	614,247.18	(4,089,754.54)	4,560,215.18	711,374.32	267,317.83	140,062.44
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)						405,120.00	157,828.33			
Capital Project Fund Cancelations								(96,615.94)		
Transfers In				796,063.82	8421.07		5,557.54	9,004.82		265,097.00
Transfers Out	(40,000.00)	(45,000.00)	(18,575.16)	(810,600.00)				(9,004.82)		(268,481.46)
Total Other Financing Sources (Uses)	(40,000.00)	(45,000.00)	(18,575.16)	(14,536.18)	8,421.07	405,120.00	163,385.87	(96,615.94)	-	(3,384.46)
Net Change in Fund Balances	\$ (363,766.56)	\$ (598,875.66)	\$ 8,416.35	\$ 958,082.37	\$ 622,668.25	\$ (3,684,634.54)	\$ 4,723,601.05	\$ 614,758.38	\$ 267,317.83	\$ 136,677.98
Debt Service as a Percentage of Noncapital Expenditures	3.4%	3.6%	3.7%	3.9%	3.9%	4.1%	4.2%	4.3%	4.3%	4.0%

Source: Exhibit B-2

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

	<u>2019</u>	<u>2018</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>
Rental of Facilities	\$ 40,290.00	\$ 11,214.00	\$ 10,465.00	\$ 1,500.00	\$ 28,540.00	\$ 2,850.00	\$ 2,400.92			
Sale of District Assets				237.50	5,950.00		10,284.00			
Refund of Prior Year Expenditures	15,695.08	28,299.83	24,296.19	11,407.64	42,540.91	31,655.68	10,148.26			
Other	47,962.85	60,233.07	14,394.18	1,636.17	56,356.88	11,758.27	8,636.54	\$ 300,702.01	\$ 189,455.47	\$ 240,368.99
Transportation Fees				53,218.38	60,717.24	43,191.52	53,188.28	54,923.19	96,214.28	100,853.31
E-Rate Refunds	23,408.93	51,067.80	79,906.37	67,655.05			23,937.39			
Insurance Refunds	4,618.89	14,548.69								
Shared Services	54,185.77	27,161.38								
Settlement						33,769.55				
Premium on Sale of Bonds							87,034.58			
Interest Earned on Deposits	3,840.14	3,629.79	4,352.47	4,856.96	3,783.61	4,521.65	6,455.17	2,000.00	2,000.00	2,000.00
Total Miscellaneous Revenues	<u>\$ 190,001.66</u>	<u>\$ 196,154.56</u>	<u>\$ 133,414.21</u>	<u>\$ 140,511.70</u>	<u># \$ 197,888.64</u>	<u>\$ 127,746.67</u>	<u>\$ 202,085.14</u>	<u>\$ 357,625.20</u>	<u>\$ 287,669.75</u>	<u>\$ 343,222.30</u>

Source: District Records

Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2019	\$ 11,254,900.00	\$ 344,410,800.00	\$ 1,090,500.00	\$ 15,070,000.00	\$ 793,200.00	\$ 47,991,600.00	\$ 420,611,000.00	\$ 480,055.00	\$ 421,091,055.00	\$ 118,538,902.00	\$ 451,523,756.00	\$ 2.895
2018	11,156,000.00	344,460,600.00	1,323,500.00	15,112,700.00	793,200.00	46,928,200.00	419,774,200.00	463,536.00	420,237,736.00	119,122,102.00	464,505,069.00	2.948
2017 (3)	11,424,500.00	344,577,000.00	1,396,600.00	15,025,400.00	793,200.00	48,131,100.00	421,347,800.00	509,497.00	421,857,297.00	118,534,502.00	445,344,590.00	2.891
2016	14,525,500.00	453,896,600.00	1,734,500.00	17,212,100.00	950,400.00	38,985,500.00	527,304,600.00	517,602.00	527,822,202.00	119,315,902.00	461,932,198.00	2.271
2015	14,922,700.00	457,726,300.00	1,734,500.00	17,493,900.00	950,400.00	36,120,900.00	528,948,700.00	536,881.00	529,485,581.00	117,254,400.00	467,764,776.00	2.196
2014	15,764,200.00	460,410,000.00	1,734,500.00	16,754,600.00	1,137,000.00	34,664,500.00	530,464,800.00	513,771.00	530,978,571.00	117,567,800.00	478,625,353.00	2.116
2013	16,778,100.00	463,651,900.00	1,734,500.00	15,419,700.00	1,137,000.00	28,288,700.00	527,009,900.00	747,660.00	527,757,560.00	118,966,900.00	490,033,613.02	2.084
2012	17,119,900.00	465,951,900.00	1,734,500.00	15,933,900.00	1,137,000.00	27,738,700.00	529,615,900.00	771,734.00	530,387,634.00	119,178,200.00	520,308,618.00	2.030
2011	17,478,700.00	467,055,900.00	1,734,500.00	15,139,200.00	1,137,000.00	30,238,700.00	532,784,000.00	774,765.00	533,558,765.00	119,610,600.00	537,830,016.00	1.992
2010 (3)	17,711,100.00	468,088,900.00	1,734,500.00	14,803,800.00	1,137,000.00	35,071,200.00	538,546,500.00	943,064.00	539,489,564.00	74,815,580.00	558,284,964.00	1.908

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

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

(3) Revaluation

Source: Camden County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Service	Total Direct School Tax Rate	Borough of Pine Hill	Borough of Pine Hill Fire District	Camden County	
2019	\$ 2.734	\$ 0.161	\$ 2.895	\$ 1.246	\$ 0.271	\$ 0.929	\$ 5.341
2018	2.784	0.164	2.948	1.246	0.252	0.989	5.435
2017 (1)	2.730	0.161	2.891	1.245	0.250	0.933	5.319
2016	2.123	0.148	2.271	0.995	0.181	0.769	4.216
2015	2.040	0.156	2.196	0.960	0.169	0.775	4.100
2014	1.962	0.154	2.116	0.930	0.165	0.771	3.982
2013	1.928	0.156	2.084	0.894	0.166	0.770	3.914
2012	1.876	0.154	2.030	0.858	0.162	0.759	3.809
2011	1.839	0.153	1.992	0.823	0.145	0.718	3.678
2010 (1)	1.781	0.127	1.908	0.783	0.138	0.673	3.502

(1) Revaluation

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2019			2010		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Chalet Gardens Realty Corp (Chalet Apartments)	\$ 21,193,500.00	1	5.03%	\$ 8,500,000.00	1	1.58%
Pine Hill Redevelopment Associates	14,856,600.00	2	3.53%			
Aion Chateau Ridge, LLC	10,384,100.00	3	2.47%	4,500,000.00	2	0.83%
AB Woodcrest Fields, LLC	1,554,600.00	4	0.37%			
Messer Holding, LLC	1,478,000.00	5	0.35%			
Carl Pursell	1,422,700.00	6	0.34%			
US Bank Trust NA	1,174,600.00	7	0.28%			
National Paving Co Inc	1,027,300.00	8	0.24%			
Walter Himes Jr	784,000.00	9	0.19%			
Muna Center of South Jersey Inc	772,237.86	10	0.18%			
Wells Fargo Bank NA						
Bayview Loan Servicing, LLC						
Foxmoor at Woodcrest				784,600.00	3	0.15%
Individual Taxpayer				524,000.00	4	0.10%
Pine Hill Market, Inc.				517,700.00	5	0.10%
Verizon - NJ				463,560.00	6	0.09%
International Seal and Packing Company				426,500.00	7	0.08%
Individual Taxpayer				424,900.00	8	0.08%
Che Group LLC				417,800.00	9	0.08%
Sogima L-A Manager REO LLC				393,700.00	10	0.07%
Total	\$ 54,647,637.86		12.98%	\$ 16,952,760.00		3.14%

Federal Nation Mortgage Assoc.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2019	\$ 12,445,421.00	\$ 12,445,421.00	100.00%	-
2018	12,335,132.00	12,335,132.00	100.00%	-
2017	12,064,068.00	12,064,068.00	100.00%	-
2016	11,913,635.00	11,913,635.00	100.00%	-
2015	11,341,206.00	11,341,206.00	100.00%	-
2014	11,137,781.00	11,137,781.00	100.00%	-
2013	10,865,294.00	10,865,294.00	100.00%	-
2012	10,670,984.00	10,670,984.00	100.00%	-
2011	10,587,650.00	10,587,650.00	100.00%	-
2010	9,998,468.00	9,998,468.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Bond Anticipation Notes	Capital Leases				
2019	\$ 4,735,000.00	-	-	-	\$ 4,735,000.00	Unavailable	Unavailable	
2018	6,435,000.00	-	-	-	6,435,000.00	Unavailable	\$ 616.44	
2017	8,090,000.00	\$ 81,971.18	-	-	8,171,971.18	1.51%	783.28	
2016	9,700,000.00	162,983.97	-	-	9,862,983.97	1.89%	943.92	
2015	11,260,000.00	306,036.81	-	-	11,566,036.81	2.28%	1,107.75	
2014	12,855,000.00	418,718.72	-	-	13,273,718.72	2.72%	1,270.82	
2013	14,495,000.00	127,720.04	-	-	14,622,720.04	3.11%	1,401.18	
2012	9,205,000.00	-	-	-	9,205,000.00	2.00%	889.11	
2011	10,355,000.00	-	-	-	10,355,000.00	2.32%	1,015.79	
2010	11,475,000.00	-	-	-	11,475,000.00	2.68%	1,122.58	

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2019	\$ 4,735,000.00	-	\$ 4,735,000.00	1.12%	Unavailable
2018	6,435,000.00	-	6,435,000.00	1.53%	\$ 616.44
2017	8,090,000.00	-	8,090,000.00	1.92%	775.42
2016	9,700,000.00	-	9,700,000.00	1.84%	928.32
2015	11,260,000.00	-	11,260,000.00	2.13%	1,078.44
2014	12,855,000.00	-	12,855,000.00	2.42%	1,230.73
2013	14,495,000.00	-	14,495,000.00	2.75%	1,388.94
2012	9,205,000.00	-	9,205,000.00	1.74%	889.11
2011	11,475,000.00	-	11,475,000.00	2.15%	1,125.66
2010	12,475,000.00	-	12,475,000.00	2.31%	1,220.41

Sources:

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2018
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Pine Hill</u>
Municipal Debt: (1)				
Pine Hill Borough School District	\$ 6,120,000.00	\$ 6,120,000.00		
Borough of Pine Hill	3,605,000.00		\$ 3,605,000.00	\$ 3,605,000.00
	<u>9,725,000.00</u>	<u>6,120,000.00</u>	<u>3,605,000.00</u>	<u>3,605,000.00</u>
Overlapping Debt Apportioned to the Municipality: (2)				
County of Camden:				
General:				
Bonds	65,747,825.00	4,597,984.00 (3)	61,149,841.00	751,046.42 (5)
Notes	35,461,125.00		35,461,125.00	435,535.90 (5)
Loan Agreement	308,746,532.00		308,746,532.00	3,792,045.49 (5)
Bonds Issued by Other Public Bodies				
Guaranteed by the County	265,004,205.00	265,004,205.00 (4)		
Pine Hill MUA - Sewer	2,792,153.87		2,792,153.87	2,792,153.87
Pine Hill MUA - Water	1,013,847.46		1,013,847.46	1,013,847.46
	<u>678,765,688.33</u>	<u>269,602,189.00</u>	<u>409,163,499.33</u>	<u>8,784,629.14</u>
	<u>\$ 688,490,688.33</u>	<u>\$ 275,722,189.00</u>	<u>\$ 412,768,499.33</u>	<u>\$ 12,389,629.14</u>

Sources:

- (1) 2018 Annual Debt Statement
- (2) Entity's Respective 2018 Reports of Audit
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2018 Equalized Value, which is 1.23%.
The source for this computation was the 2018 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis (1)

\$	450,111,731.00	2018
	465,732,066.00	2017
	<u>472,622,210.00</u>	2016

\$ 1,388,466,007.00

\$ 462,822,002.33 Average equalized valuation of taxable property

\$ 18,512,880.09 Debt limit (4% of average equalization value) (2)
4,735,000.00 Total Net Debt Applicable to Limit

\$ 13,777,880.09 Legal Debt Margin

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 18,512,880.09	\$ 18,682,767.08	\$ 18,682,767.08	\$ 18,752,240.00	\$ 19,136,935.44	\$ 19,857,970.17	\$ 20,739,921.29	\$ 21,580,301.00	\$ 22,021,399.00	\$ 22,116,217.00
Total net debt applicable to limit (3)	<u>4,735,000.00</u>	<u>6,435,000.00</u>	<u>8,090,000.00</u>	<u>9,700,000.00</u>	<u>11,260,000.00</u>	<u>12,855,000.00</u>	<u>14,495,000.00</u>	<u>9,205,000.00</u>	<u>10,355,000.00</u>	<u>11,475,000.00</u>
Legal debt margin	<u>\$ 13,777,880.09</u>	<u>\$ 12,247,767.08</u>	<u>\$ 10,592,767.08</u>	<u>\$ 9,052,240.00</u>	<u>\$ 7,876,935.44</u>	<u>\$ 7,002,970.17</u>	<u>\$ 6,244,921.29</u>	<u>\$ 12,375,301.00</u>	<u>\$ 11,666,399.00</u>	<u>\$ 10,641,217.00</u>
Total net debt applicable to the limit as a percentage of debt limit	25.58%	34.44%	43.30%	51.73%	58.84%	64.73%	69.89%	42.65%	47.02%	51.89%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2018	10,439	Unavailable	Unavailable	5.30%
2017	10,433	\$ 541,243,174.00	\$ 51,878.00	6.40%
2016	10,449	520,736,364.00	49,836.00	6.20%
2015	10,441	507,839,799.00	48,639.00	8.20%
2014	10,445	487,415,925.00	46,665.00	10.70%
2013	10,436	470,454,880.00	45,080.00	9.80%
2012	10,353	460,708,500.00	44,500.00	12.40%
2011	10,194	445,997,694.00	43,751.00	12.60%
2010	10,222	427,627,148.00	41,834.00	12.00%
2009	11,330	466,342,800.00	41,160.00	7.70%

Sources:

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

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

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Trump National Golf Course	130	1	2.52%	100	2	1.70%
Carl Pursell	20	2	0.39%			
Wawa	12	3	0.23%	20	6	0.34%
Dunkin Donuts - Cross Keys	10	4	0.19%			
Dunkin Donuts - Erial Road	10	5	0.19%			
Image Beauty	9	6	0.17%			
Kentucky Fried Chicken	8	7	0.16%	29	5	0.49%
Taste of China Restaurant	6	8	0.12%			
William Penn Bank	5	9	0.10%			
Pine Hill Getty	3	10	0.06%			
Pine Hill Board of Education				335	1	5.69%
Pine Hill Municipality				45	3	0.76%
Pine Hill Market				30	4	0.51%
Desorte Assoc. - Asphalt & Paving				20	7	0.34%
Glenn Habina				14	8	0.24%
Wawa				13	9	0.22%
International Seal				11	10	0.19%
	213		4.13%	617		10.48%

Source: Individual Employers

Operating Information

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

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

<u>Function/Program</u>	<u>2019</u>	<u>2018</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>
Instruction										
Regular	146.0	146.0	147.0	147.0	156.0	157.0	143.0	149.0	152.0	152.0
Special education	51.5	51.0	50.0	52.0	57.0	57.0	65.0	71.0	75.0	72.5
Other special education	30.0	28.0	27.0	25.0	4.0	4.0	6.0	7.0	7.0	7.0
Vocational	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0
Other instruction	2.0	2.0	2.0	2.0	7.0	7.0	5.0	5.0	5.0	5.0
Support Services:										
Student & instruction related services	15.0	15.0	15.0	14.0	20.0	20.0	21.0	21.0	21.0	21.0
General administrative services	3.0	3.0	3.0	3.0	4.0	4.0	4.0	7.0	7.0	7.0
School administrative services	17.0	17.0	17.0	17.0	17.0	17.0	17.0	21.0	22.0	22.0
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0	8.0
Plant operations and maintenance	26.0	26.0	26.0	26.0	29.0	29.5	34.5	34.0	34.0	34.0
Pupil transportation	4.0	4.0	3.0	3.0	6.0	8.0	6.0	6.0	6.0	6.0
Total	<u>302.5</u>	<u>300.0</u>	<u>298.0</u>	<u>297.0</u>	<u>307.0</u>	<u>310.5</u>	<u>309.5</u>	<u>331.0</u>	<u>339.0</u>	<u>337.5</u>

Source: District Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2019	1,852	\$ 40,507,227.89	\$ 21,872.15	6.34%	178	11/1	9/1	10/1	1,852.4	1,748.6	-1.07%	94.39%
2018	1,873	38,525,335.44	20,568.79	3.17%	174	12/1	9/1	10/1	1,872.5	1,773.4	0.80%	94.71%
2017	1,866	37,203,637.43	19,937.64	5.05%	174	12/1	8/1	11/1	1,857.6	1,758.8	-1.92%	94.68%
2016	1,894	35,947,634.40	18,979.74	0.72%	164	14/1	8/1	11/1	1,894.0	1,790.0	-2.32%	94.51%
2015	1,933	36,424,787.48	18,843.66	2.35%	226	18/1	18/1	18/1	1,939.0	1,831.5	2.03%	94.46%
2014	1,902	35,018,463.76	18,411.39	-0.97%	227	18/1	18/1	18/1	1,900.5	1,792.9	2.09%	94.34%
2013	1,915	35,603,775.46	18,592.05	3.83%	233	18/1	19/1	18/1	1,861.5	1,756.8	-2.54%	94.38%
2012	1,922	34,415,439.34	17,906.06	3.85%	235	17/1	17/1	18/1	1,910.0	1,784.0	-1.95%	93.40%
2011	2,002	34,519,050.41	17,242.28	-0.83%	233	20/1	25/1	20/1	1,948.0	1,817.0	-3.13%	93.28%
2010	2,030	35,294,907.79	17,386.65	18.25%	235	20/1	26/1	20/1	2,011.0	1,973.0	-7.46%	98.11%

Sources: District Records

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

District Building	Fiscal Year Ended June 30,									
	<u>2019</u>	<u>2018</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>Elementary</u>										
Albert Bean (1952)										
Square Feet	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853	40,853
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	371	362	354	369	401	360	380	383	368	363
John Glenn (1964)										
Square Feet	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790	52,790
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	446	487	497	502	480	390	419	415	424	418
<u>Middle School</u>										
Pine Hill Middle School (2002)										
Square Feet	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532	100,532
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	372	369	327	317	332	349	352	367	365	364
<u>High School</u>										
Overbrook High School (1969)										
Square Feet	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Capacity (students)	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Enrollment	652	655	688	706	720	803	764	728	776	817
<u>Other</u>										
Garage/Storage (2002)										
Square Feet	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624
Technology (2002)										
Square Feet	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Garage/Ticket Booth (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Garage/Field Bathrooms (2002)										
Square Feet	600	600	600	600	600	600	600	600	600	600
Number of Schools at June 30, 2019										
Elementary = 2										
Middle School = 1										
High School = 1										
Other = 4										

Source: District Records

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

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

* School Facilities	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
John H Glenn School	\$ 152,408.10	\$ 109,446.05	\$ 139,745.76	\$ 199,492.91	\$ 99,142.00	\$ 156,858.17	\$ 148,381.58	\$ 126,497.00	\$ 166,915.00	\$ 138,491.00
Albert Bean School	70,613.10	228,679.03	159,018.80	108,665.75	102,528.00	146,059.19	122,847.51	137,408.00	105,403.00	136,996.00
Middle School	902,764.54	95,399.69	131,118.88	121,594.69	145,185.00	136,662.60	125,718.41	219,067.00	192,597.00	159,601.00
High School	137,067.76	431,641.63	444,436.43	264,280.08	256,124.12	169,207.31	408,977.73	218,768.00	204,397.00	214,008.00
	<u>1,262,853.50</u>	<u>865,166.40</u>	<u>874,319.87</u>	<u>694,033.43</u>	<u>602,979.12</u>	<u>608,787.27</u>	<u>805,925.23</u>	<u>701,740.00</u>	<u>669,312.00</u>	<u>649,096.00</u>
Other Facilities	-	-	-	-	-	78,485.11	28,588.80	-	-	-
Grand Total	<u>\$ 1,262,853.50</u>	<u>\$ 865,166.40</u>	<u>\$ 874,319.87</u>	<u>\$ 694,033.43</u>	<u>\$ 602,979.12</u>	<u>\$ 687,272.38</u>	<u>\$ 834,514.03</u>	<u>\$ 701,740.00</u>	<u>\$ 669,312.00</u>	<u>\$ 649,096.00</u>

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

Source: District Records

BOROUGH OF PINE HILL SCHOOL DISTRICT

Insurance Schedule

June 30, 2019

Unaudited

		<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:			
Blanket Property & Business Personal Property	(B)	\$ 500,000,000.00	\$ 2,500.00
Boiler and Machinery	(B)	100,000,000.00	2,500.00
Crime and Fidelity:			
Crime Coverage	(B)	500,000.00	
Computer Fraud	(B)	50,000.00	
Forgery and Alteration	(B)	50,000.00	
General and Automobile Liability	(B)	5,000,000.00	
Workers Compensation		Statutory	
Employers' Liability	(A)	5,000,000.00	
Environmental Impairment	(A)	25,000,000.00	10,000.00
Excess Liability	(A)	5,000,000.00	
School Leaders Professional Liability	(A)	5,000,000.00	10,000.00
Zurich Insurance Company:			
Student Accident	(B)	5,000,000.00	
Selective Insurance Company of America:			
Treasurer		255,000.00	
School Business Administrator		105,000.00	
(A) Per Claim/Annual Aggregate			
(B) Per Occurrence			

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Pine Hill School District's School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2019. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Pine Hill School District's, in the County of Camden, State of New Jersey, compliance.

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Opinion on Each Major Federal and State Program

In our opinion, the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

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

Voorhees, New Jersey
December 16, 2019

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor / Program Title General Fund	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2018	Carryover / (Waikover) Amount
					From	To		
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	1805NJ5MAP	N/A	\$ 77,698.47	7-1-17	6-30-18	\$ (938.98)	
Special Education Medicaid Initiative	93.778	1905NJ5MAP	N/A	85,301.19	7-1-18	6-30-19		
Medicaid Administrative Claiming Aid	93.778	1905NJ5MAP	N/A	16,611.77	7-1-18	6-30-19		
Total Medical Assistance Program (Medicaid) Cluster							(938.98)	-
Total General Fund							(938.98)	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I, Part A Grants to Local Educational Agencies	84.010	S010A170030	NCLB411018	579,249.00	7-1-17	6-30-18	(173,137.17)	\$ (50,470.00)
Title I, Part A Grants to Local Educational Agencies	84.010	S010A180030	NCLB411019	600,017.00	7-1-18	6-30-19		50,470.00
Title I, Part A Grants to Local Educational Agencies - Reallocated	84.010	S010A180030	NCLB411019	59,680.00	2-1-19	9-30-19		
Total Title I, Part A Grants to Local Educational Agencies							(173,137.17)	-
Supporting Effective Instruction State Grants (Title II, Part A) ESSA	84.367	S367A180029	NCLB411019	41,203.00	7-1-18	6-30-19	-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Special Education Grants to States (IDEA Basic)	84.027	H027A180100	FT411019	431,831.00	7-1-18	6-30-19		
Special Education Preschool Grants (IDEA Preschool)	84.173	H173A180114	PS411019	15,349.00	7-1-18	6-30-19		
Total I.D.E.A. Part B Special Education Cluster							-	-
Temporary Emergency Impact Aid	84.938C	S938C180005	N/A	24,750.00	7-1-17	6-30-18	(24,750.00)	-
Total Special Revenue Fund							(197,887.17)	-
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	181NJ304N1099	Unavailable	124,345.17	7-1-17	6-30-18	(9,026.82)	
School Breakfast Program	10.553	191NJ304N1099	Unavailable	119,120.11	7-1-18	6-30-19		
National School Lunch Program	10.555	181NJ304N1099	Unavailable	460,779.35	7-1-17	6-30-18	(28,828.78)	
National School Lunch Program	10.555	191NJ304N1099	Unavailable	461,977.49	7-1-18	6-30-19		
National School Lunch Program - Commodities (Noncash)	10.555	181NJ304N1099	Unavailable	70,904.26	7-1-17	6-30-18		4,107.00
National School Lunch Program - Commodities (Noncash)	10.555	191NJ304N1099	Unavailable	65,782.16	7-1-18	6-30-19		
After School Snack Program	10.555	181NJ304N1099	Unavailable	35,916.32	7-1-17	6-30-18		(1,497.76)
After School Snack Program	10.555	191NJ304N1099	Unavailable	36,226.19	7-1-18	6-30-19		
Special Milk Program	10.556	181NJ304N1099	Unavailable	911.78	7-1-17	6-30-18		(66.13)
Special Milk Program	10.556	191NJ304N1099	Unavailable	880.75	7-1-18	6-30-19		
Total Child Nutrition Cluster							(35,312.49)	-
Total Enterprise Fund							(35,312.49)	-
Total Federal Financial Assistance							\$ (234,138.64)	-

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2019		Due to Grantor
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
\$ 938.98									
83,069.91	\$ 85,301.19		\$ 85,301.19				\$ (2,231.28)		
16,611.77	16,611.77		16,611.77						
100,620.66	101,912.96	-	101,912.96	-	-	-	(2,231.28)	-	-
100,620.66	101,912.96	-	101,912.96	-	-	-	(2,231.28)	-	-
223,607.00					\$ 0.17				
296,370.00	590,631.33		590,631.33		(0.17)		(303,647.00)	\$ 59,855.50	
	47,839.83		47,839.83				(59,680.00)	11,840.17	
519,977.00	638,471.16	-	638,471.16	-	-	-	(363,327.00)	71,695.67	-
23,590.00	41,203.00	-	41,203.00	-	-	-	(17,613.00)	-	-
431,831.00	431,831.00		431,831.00						
15,349.00	15,349.00		15,349.00						
447,180.00	447,180.00	-	447,180.00	-	-	-	-	-	-
24,750.00		-	-	-	-	-	-	-	-
1,015,497.00	1,126,854.16	-	1,126,854.16	-	-	-	(380,940.00)	71,695.67	-
9,026.82									
112,720.19	119,120.11		119,120.11				(6,399.92)		
28,828.78									
442,398.99	461,977.49		461,977.49				(19,578.50)		
	4,107.00		4,107.00						
65,782.16	62,584.69		62,584.69					3,197.47	
1,497.76									
35,411.74	36,226.19		36,226.19				(814.45)		
66.13									
833.54	880.75		880.75				(47.21)		
696,566.11	684,896.23	-	684,896.23	-	-	-	(26,840.08)	3,197.47	-
696,566.11	684,896.23	-	684,896.23	-	-	-	(26,840.08)	3,197.47	-
\$ 1,812,683.77	\$ 1,913,663.35	-	\$ 1,913,663.35	-	-	-	\$ (410,011.36)	\$ 74,893.14	-

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2019

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2018	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	18-495-034-5120-078	\$ 14,914,421.00	N/A	7-1-17	6-30-18	\$ (1,461,399.72)	
Equalization Aid	19-495-034-5120-078	14,914,421.00	N/A	7-1-18	6-30-19		
Categorical Special Education Aid	18-495-034-5120-089	883,541.00	N/A	7-1-17	6-30-18	(86,574.37)	
Categorical Special Education Aid	19-495-034-5120-089	1,283,209.00	N/A	7-1-18	6-30-19		
Categorical Security Aid	18-495-034-5120-084	414,356.00	N/A	7-1-17	6-30-18	(40,600.96)	
Categorical Security Aid	19-495-034-5120-084	536,169.00	N/A	7-1-18	6-30-19		
School Choice Aid	18-495-034-5120-068	306,300.00	N/A	7-1-17	6-30-18	(30,013.01)	
School Choice Aid	19-495-034-5120-068	349,355.00	N/A	7-1-18	6-30-19		
PARCC Readiness Aid	18-495-034-5120-098	15,735.00	N/A	7-1-17	6-30-18	(1,541.80)	
Per Pupil Growth Aid	18-495-034-5120-097	15,735.00	N/A	7-1-17	6-30-18	(1,541.80)	
Professional Learning Community Aid	18-495-034-5120-101	16,360.00	N/A	7-1-17	6-30-18	(1,603.05)	
Total State Aid - Public Cluster						(1,623,274.71)	-
State Aid - Transportation:							
Categorical Transportation Aid	18-495-034-5120-014	237,752.00	N/A	7-1-17	6-30-18	(23,296.29)	
Categorical Transportation Aid	19-495-034-5120-014	588,996.00	N/A	7-1-18	6-30-19		
Additional Non-Public Transportation Aid	18-495-034-5120-014	15,652.00	N/A	7-1-17	6-30-18	(15,652.00)	
Additional Non-Public Transportation Aid	19-495-034-5120-014	10,946.00	N/A	7-1-18	6-30-19		
Total State Aid - Transportation						(38,948.29)	-
Extraordinary Aid							
Extraordinary Aid	18-495-034-5120-044	211,675.00	N/A	7-1-17	6-30-18	(211,675.00)	
Extraordinary Aid	19-495-034-5120-044	301,511.00	N/A	7-1-18	6-30-19		
Total Extraordinary Aid						(211,675.00)	-
Homeless Tuition Aid							
Homeless Tuition Aid	18-495-034-5120-005	89,780.00	N/A	7-1-17	6-30-18	(89,780.00)	
Homeless Tuition Aid	19-495-034-5120-005	9,816.00	N/A	7-1-18	6-30-19		
Total Homeless Tuition Aid						(89,780.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	1,060,059.50	N/A	7-1-18	6-30-19	-	-
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	19-495-034-5094-001	1,234,313.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Non-contributory Insurance	19-495-034-5094-002	2,665,365.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	55,793.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	2,586.00	N/A	7-1-18	6-30-19		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(1,963,678.00)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	18-495-034-5120-086	197,725.00	N/A	7-1-17	6-30-18	(11,865.47)	
Preschool Education Aid	19-495-034-5120-086	152,532.00	\$ 56,528.00	7-1-18	6-30-19		
Total Preschool Education Aid						(11,865.47)	-
Total Special Revenue Fund						(11,865.47)	-
Capital Projects Fund:							
New Jersey School Development Authority:							
School Facility Project - Overbrook High School Roof Replacement	4110-100-14-1003-G04	516,117.00	279,809.00	7-1-15	Completion	(390,680.81)	
School Facility Project - Albert Bean Roof Replacement	4110-060-14-1004-G04	111,760.00	60,602.25	7-1-15	Completion	(107,350.28)	
School Facility Project - John Glenn Roof Replacement	4110-070-14-1005-G04	173,695.00	94,187.75	7-1-15	Completion	(164,385.69)	
School Facility Project - Overbrook High School Dry Well	4110-010-14-1006-G04	245,114.00	132,886.00	7-1-15	Completion	(237,960.00)	
School Facility Project - Overbrook High School Security Upgrades	4110-010-14-1010-G04	123,692.00	67,058.00	7-1-15	Completion	(112,383.00)	
School Facility Project - John Glenn Security Upgrades	4110-070-14-1012-G04	164,870.00	89,383.00	7-1-15	Completion	(110,759.00)	
School Facility Project - Middle School Security Upgrades	4110-100-14-1013-G04	86,093.00	46,674.00	7-1-15	Completion	(33,681.00)	
Total Capital Projects Fund						(1,157,199.78)	-
Debt Service Fund:							
New Jersey Department of Education:							
School Construction Debt Service Aid	19-495-034-5120-075	681,844.00	N/A	7-1-18	6-30-19	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Aid	18-100-010-3350-023	10,518.70	N/A	7-1-17	6-30-18	(651.65)	
State School Lunch Aid	19-100-010-3350-023	10,207.78	N/A	7-1-18	6-30-19		
Total Enterprise Fund						(651.65)	-
Total State Financial Assistance						\$ (3,133,394.90)	-
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	19-495-034-5094-001	1,234,313.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Non-contributory Insurance	19-495-034-5094-002	2,665,365.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	55,793.00	N/A	7-1-18	6-30-19		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	2,586.00	N/A	7-1-18	6-30-19		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						\$ (3,133,394.90)	-

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2019			Memo		
						(Accounts Receivable)	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2019	Cumulative Total Expenditures	
	\$ 1,461,399.72										
	13,466,094.65	\$ 14,914,421.00				\$ (1,448,326.35)			\$ (1,448,326.35)	\$ 14,914,421.00	
	86,574.37										
	1,158,597.70	1,283,209.00				(124,611.30)			(124,611.30)	1,283,209.00	
	40,600.96										
	484,102.10	536,169.00				(52,066.90)			(52,066.90)	536,169.00	
	30,013.01										
	315,429.44	349,355.00				(33,925.56)			(33,925.56)	349,355.00	
	1,541.80										
	1,541.80										
	1,603.05										
-	17,047,498.60	17,083,154.00	-	-	-	(1,658,930.11)	-	-	(1,658,930.11)	17,083,154.00	
	23,296.29										
	531,799.11	588,996.00				(57,196.89)			(57,196.89)	588,996.00	
	15,652.00										
		10,946.00				(10,946.00)				10,946.00	
-	570,747.40	599,942.00	-	-	-	(68,142.89)	-	-	(57,196.89)	599,942.00	
	211,675.00										
		301,511.00				(301,511.00)				301,511.00	
-	211,675.00	301,511.00	-	-	-	(301,511.00)	-	-	-	301,511.00	
	89,780.00										
		9,816.00				(9,816.00)				9,816.00	
-	89,780.00	9,816.00	-	-	-	(9,816.00)	-	-	-	9,816.00	
-	1,007,378.78	1,060,059.50	-	-	-	(52,680.72)	-	-	-	1,060,059.50	
	1,234,313.00	1,234,313.00								1,234,313.00	
	2,665,365.00	2,665,365.00								2,665,365.00	
	55,793.00	55,793.00								55,793.00	
	2,586.00	2,586.00								2,586.00	
-	3,958,057.00	3,958,057.00	-	-	-	-	-	-	-	3,958,057.00	
-	22,885,136.78	23,012,539.50	-	-	-	(2,091,080.72)	-	-	(1,716,127.00)	23,012,539.50	
	19,770.00						\$ 7,904.53			189,820.47	
	193,814.00	209,060.00				(15,246.00)			(15,246.00)	209,060.00	
-	213,584.00	209,060.00	-	-	-	(15,246.00)	7,904.53	-	(15,246.00)	398,880.47	
-	213,584.00	209,060.00	-	-	-	(15,246.00)	7,904.53	-	(15,246.00)	398,880.47	
						(516,117.00)	125,436.19			670,489.81	
						(111,760.00)	4,409.72			167,952.53	
						(173,695.00)	9,309.31			258,573.44	
						(245,114.00)	7,154.00			370,846.00	
						(123,692.00)	11,309.00			179,441.00	
						(164,870.00)	54,111.00			200,142.00	
						(86,093.00)	52,412.00			80,355.00	
-	-	-	-	-	-	(1,421,341.00)	264,141.22	-	-	1,927,799.78	
-	681,844.00	681,844.00	-	-	-	-	-	-	-	681,844.00	
	651.65										
	9,783.19	10,207.78				(424.59)				10,207.78	
-	10,434.84	10,207.78	-	-	-	(424.59)	-	-	-	10,207.78	
-	\$ 23,790,999.62	\$ 23,913,651.28	-	-	-	\$ (3,528,092.31)	\$ 272,045.75	-	\$ (1,731,373.00)	\$ 26,031,271.53	

\$ 1,234,313.00
 2,665,365.00
 55,793.00
 2,586.00
 3,958,057.00
\$ 19,955,594.28

BOROUGH OF PINE HILL SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting except for the capital projects fund which is presented on the modified accrual basis of accounting and the enterprise fund which is presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$4,452.19 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 101,912.96	\$ 22,942,976.50	\$ 23,044,889.46
Special Revenue	1,130,810.68	213,591.00	1,344,401.68
Debt Service		681,844.00	681,844.00
Food Service	684,896.23	10,207.78	695,104.01
	<u>1,917,619.87</u>	<u>23,848,619.28</u>	<u>25,766,239.15</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		65,032.00	65,032.00
Encumbrances	(3,956.52)		(3,956.52)
	<u>(3,956.52)</u>	<u>65,032.00</u>	<u>61,075.48</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,913,663.35</u>	<u>\$ 23,913,651.28</u>	<u>\$ 25,827,314.63</u>

Note 5: 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 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent minor rounding differences.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2019, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

**BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A180030	Title I, Part A

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

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

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

	State Aid Public Cluster:
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Categorical Special Education Aid
19-495-034-5120-084	Categorical Security Aid
19-495-034-5120-068	School Choice Aid
19-495-034-5120-044	Extraordinary Aid
19-495-034-5094-003	Reimbursed TPAF Social Security Contributions

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

Auditee qualified as low-risk auditee? yes no

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2- Schedule of Financial Statement Findings

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

None.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

BOROUGH OF PINE HILL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.