

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

**For the Fiscal Year Ended June 30, 2017**

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Administration Building  
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October 30, 2017

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

Dear Board Members:

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

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

**1. REPORTING ENTITY AND ITS SERVICES:**

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

*We are an Equal Opportunity Employer - F/M*

**General**

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

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

**Facilities**

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

**Staff**

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

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

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

**Average Daily Enrollment**

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



## 2. ECONOMIC CONDITION AND OUTLOOK:

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

## 3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

### 1a. District Statement of Priorities

- Maintaining Our School System

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

- Raising Standards and Expanding Opportunities

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

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

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

- Building Professionalism

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

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

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

- Planning for the Future

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

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

## 2. Core Curriculum Content Standards

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

Content Standards

New Programs/Enhancements

1. Math

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

2. Science

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

3. Language Arts Literacy

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

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

4. Social Studies

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

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

5. 21st Century Life and Careers

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

6. Visual and Performing Arts

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

7. Comprehensive Health and Physical Education

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

8. World Languages

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

9. Technological Literacy

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

**4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

**5. BUDGETARY CONTROLS:**

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

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

**6. ACCOUNTING SYSTEM AND REPORTS:**

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

**7. CASH MANAGEMENT:**

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

**8. RISK MANAGEMENT:**

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

**9. GENERAL FUND BALANCE:**

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

**10. OTHER INFORMATION:**

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

**11. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

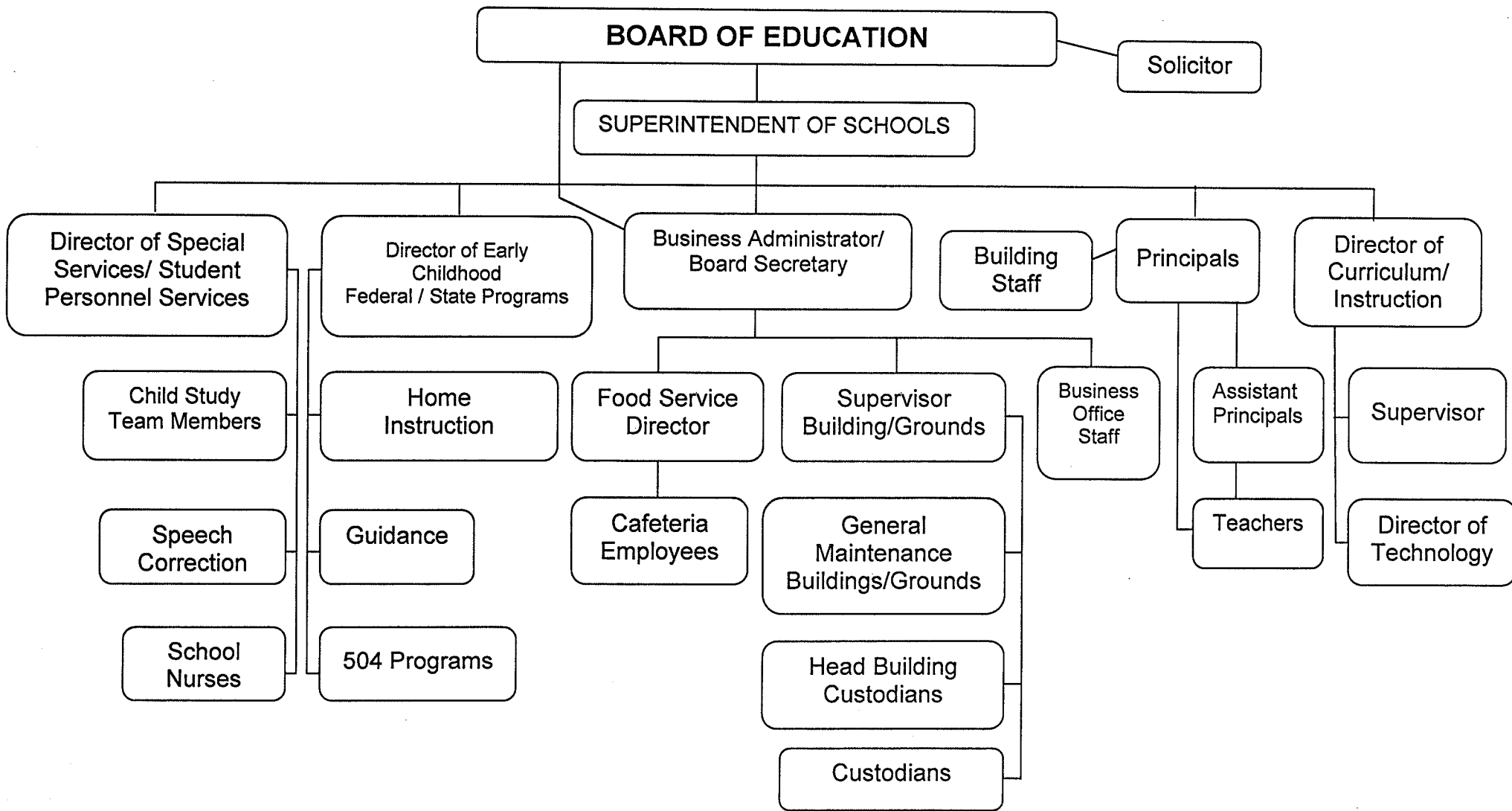
*Dr. Zenaida Cobian*

**Dr. Zenaida Cobian**  
Superintendent of Schools

*Brian Ferguson*

**Brian Ferguson**  
School Business Administrator/  
Board Secretary

**Penns Grove – Carneys Point Regional School District**





PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2017

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

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

**ARCHITECT**

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**AUDIT FIRM**

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Newark, NJ 07102**

**FISCAL AGENT**

**Depository Trust  
Chase Manhattan Bank N.A.  
55 Water Street  
New York, NY 10041**

**OFFICIAL DEPOSITORIES**

**Pennsville National Bank  
PO Box 345  
Pennsville, NJ 08070**

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

**FINANCIAL ADVISORS**

**Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, NJ 08505**

**FINANCIAL SECTION**