

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF PENNSAUKEN  
SCHOOL DISTRICT  
PENNSAUKEN, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION

# PENNSAUKEN PUBLIC SCHOOLS

## ADMINISTRATION OFFICES

1695 Hylton Road  
Pennsauken NJ 08110

(856) 662-8505  
FAX (856) 662-4080

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December 1, 2016

Honorable President and  
Members of the Board of Education  
Pennsauken Township School District  
1695 Hylton Road  
Pennsauken, NJ 08110

Dear Board Members:

The comprehensive annual financial report of the Pennsauken School System for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation including all disclosures rests with the management of the Board of Education. 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 necessary to enable the reader to gain an understanding of the District's financial activities have been included:

Our comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the following:

Transmittal Letter, District's Organizational Chart and List of  
Principal Officials

The financial section includes:

Basic Financial Statements, Fund Statements and Schedules  
Auditor's Reports

The statistical section includes:

Selected Financial and Demographic Information presented on a  
multi-year basis

The 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 and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORT ENTITY AND ITS SERVICES:

The Pennsauken School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report.

The District provides a range of educational services appropriate to grade levels Pre-K through 12. These include regular and classified students Pre-K through 12. Student enrollment counts for the past ten years are detailed below.

<u>YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2015-16	4,961	(1.74%)
2014-15	5,049	(0.92%)
2013-14	5,096	(2.84%)
2012-13	5,245	(2.56%)
2011-12	5,383	(1.68%)
2010-11	5,475	(0.09%)
2009-10	5,480	0.07%
2008-09	5,476	(0.81%)
2007-08	5,521	(2.24%)
2006-07	5,648	(2.01%)

2) ECONOMIC CONDITION AND OUTLOOK:

At the end of the 2006-2007 school year the Central Elementary School was closed and students redistricted to other schools throughout the District. The School District's Long Range Facilities Plan was updated to reflect this change. Because of two failed bond referendums the School District is reviewing future facility needs.

Residential real estate sales in Pennsauken have remained constant in the past year which has been the trend throughout the nation. Pennsauken's residential community has reflected a moderate change and the minority populations are increasing.



### 3) MAJOR INITIATIVES:

The Pennsauken School District is evolving. Our community and our student population are greatly diverse. The District's initiatives reflect a renewed vision and articulate the next chapter in the laudable history of the Pennsauken School District. This direction aims at embracing and uplifting the assets of its diverse school community and taking advantage of new opportunities as they appear.

The Pennsauken Board of Education laid the foundation for progress by adopting a Vision, Mission and Belief Statements in the spring of 2012. All efforts toward improvement are undergirded and guided by these statements. They keep all focused on our one true purpose, student success.

The initiatives detailed in this document are ambitious, but achievable. We seek input from all stakeholders to review, revise, and commit to full realization of them. We owe our students and ourselves our most dedicated work.

The Pennsauken Schools' vision is to foster diversity and talent as well as prepare students with the knowledge, higher-order thinking skills, and communication readiness for college, career, and workforce success. In partnership with parents and community stakeholders, our mission is to provide continuous student academic improvement for pursuit of lifelong learning and happiness. The Pennsauken Public Schools' Belief Statements are the following:

**Potential:** The District believes that all students have great potential to become innovators of the next generation. It is our responsibility to educate all students to their fullest potential and to foster and expectation for high performance. This requires adopting a positive attitude that drives the belief that with a high-quality education and appropriate supports, students can be successful regardless of circumstances.

**Diversity:** The District believes that our strength is in our diversity. Diversity enhances learning. The individuality and uniqueness of all school community members will be fostered and celebrated.

**Accountability:** The District will make all decisions in the best interest of all students by aligning our vision and mission with policies, budgets, guidelines, curriculum, and district performance data. Students should be afforded a high effective educator in each classroom, differentiated instruction, and alternative ways of learning. We believe that the current disparity in academic performance between different groups of students can and must be eliminated.

### 3) MAJOR INITIATIVES (CONT'D):

Our major educational initiatives will continue to be:

1. Developing a highly qualified staff
2. Creating a positive school climate and culture for educators and students
3. Sustaining school safety and security
4. Differentiating instruction at all levels for all learners
5. Implementing 21<sup>st</sup> Century technology
6. Providing College and Career Awareness Programs to all students through dual credit classes, advanced placement classes, and career and technical education programs

Each school has developed a set of objectives and a plan of action to implement these initiatives. Teachers are encouraged to participate in our comprehensive staff development courses that focus on strategies that will help them improve student academic learning outcomes. All professional development is aligned with the District's initiatives.

This year, the administration is working with school administration to use data more effectively and assess student progress and instructional programs. Professional development includes the following data: PARCC, NJASK, benchmarks, student enrollment, violence and vandalism trend data, attendance, report cards, special education inclusions student progress and after school programs.

The administrative staff and Board of Education continue to have discussed student achievement data analysis, including PARCC, NJASK, and NJBCT analysis, SAT and PSAT analysis, Benchmarks analysis which tests student knowledge on NJCCCs and NGSS, and Reading Levels. During the summer of 2012, the Administration presented the School Board with the graduation dropout rate and the need for credit recovery programs. Data shared were Pennsauken Gap; local and national demographic and economic data; comparison of PARCC, NJASK, NAEP and AYP Performance Results.

The District continues to collaborate with partners on several strategies. The administration is working with NJDOE Office on Safety and Security in the Tier 1 District, Making Our Schools Safe (M.O.S.S). Together with local emergency responders, the District developed a more comprehensive school safety emergency plan to further sustain a positive school climate and culture.

In an effort to increase and communicate high expectations for greater positive student behavior, the District revamped the Code of Conduct in collaboration with District Staff, parents, student, and community at large and Board adopted in October of 2016.

3) MAJOR INITIATIVES (CONT'D):

The staff continues to grow in the Masonic Model for Intervention and Referral Services, a state mandated system of clearly defined steps that are taken to assist a struggling student in improving educational outcomes and overall academic performance. We want to provide additional resources and support for students social wellbeing. Therefore, we have also expanded character education from only elementary level to K through 8<sup>th</sup> grades and adding high school programs.

Also, the District is working with the department of education to further align the Career and Technology Education Programs with the NJ State's Plan. The Pennsauken High School has a variety of related arts program. Additionally, the District has expanded the Middle and High School STEM (Science, Technology, Engineering and Math) programs through partnerships with Rowan University, Camden County College and other community organizations. The high school is looking to house 5 Career and Technical Education Programs which include Culinary Arts, Cosmetology, Child Care, Carpentry and Automotive Technology. This will be in addition to our Academy programs that will also be housed in the high school. The high school is looking to house multiple academies including a Health Science Academy, Engineering Academy, a Fine Arts Academy and a Police Academy. Through the expansion and improvement of technology, teachers at school levels are integrating the use of classroom wireless computer carts, smart boards, and promethean boards in their classroom instruction. Ultimately, it is our aim to strengthen and support our teaching staff with the state of the art equipment that will help prepare and engage students in 21<sup>st</sup> Century learning and College and Career Readiness.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the Pennsauken Township School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement 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 Pennsauken Township School District also 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 district management.

4) INTERNAL ACCOUNTING CONTROLS (CONT'D):

As part of the Pennsauken Township 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 District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal 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 budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amounts, as amended for the fiscal year, are reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

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 1. 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) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public 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 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*. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are 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.

9) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Pennsauken Board of Education 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.

Respectfully submitted,

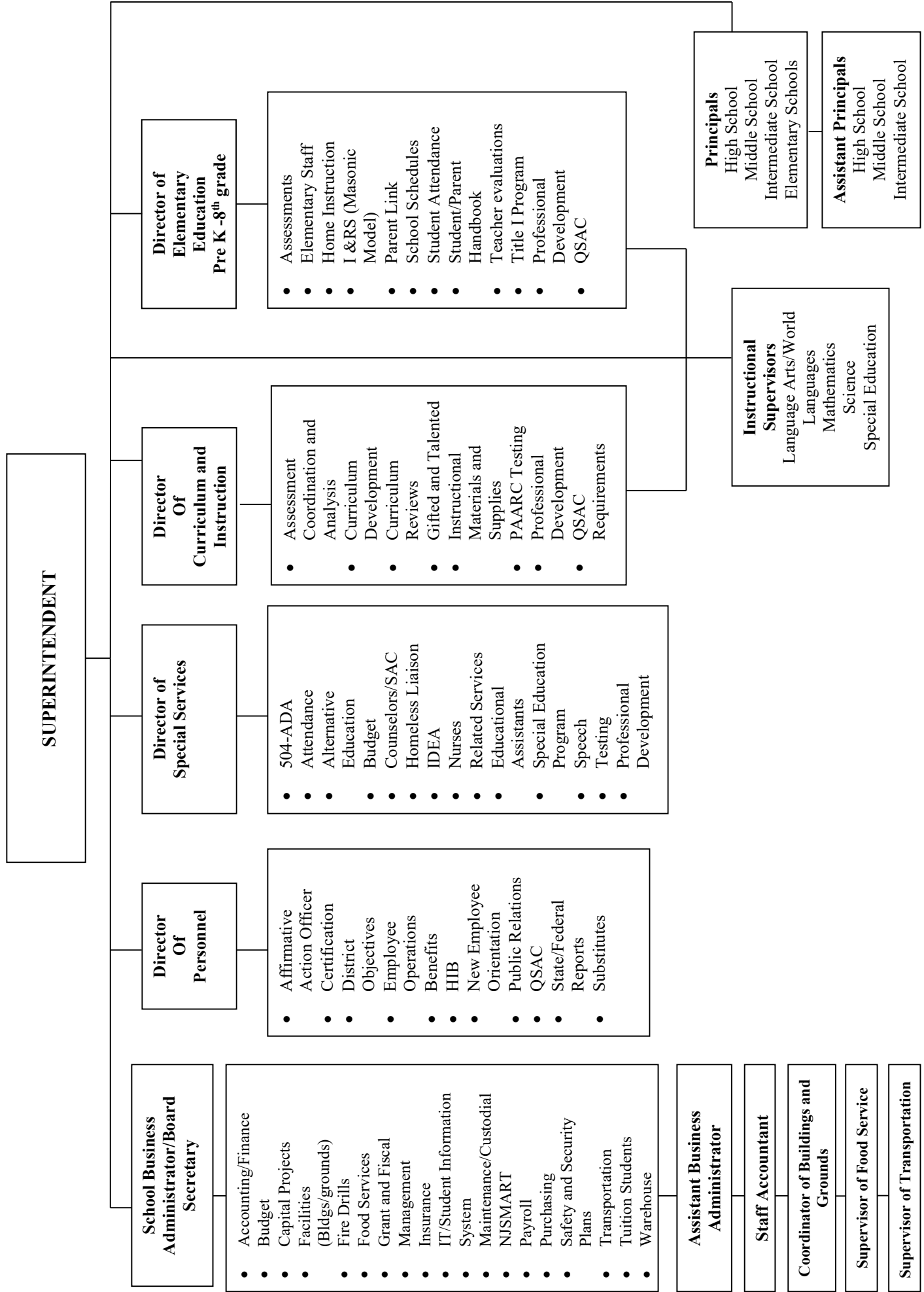


Ronnie Tarchichi  
Superintendent of Schools  
Pennsauken Public School District



Noreen W. Boston  
School Business Administrator  
Pennsauken Public School District

**PENNSAUKEN PUBLIC SCHOOLS ORGANIZATIONAL CHART**



**PENNSAUKEN BOARD OF EDUCATION**  
**PENNSAUKEN, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**June 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<u>TERM</u>
Nicholas Perry, President	2016
Allyson Meloni, Vice-President	2017
Meg Snyder	2016
JoAnn Young	2016
Leona Moss	2017
Orlando Viera	2017
Cheryl Duffy	2018
Michael Hurley	2018
Diane Johnson	2018

**OTHER OFFICIALS**

Ronnie Tarchichi, Superintendent of Schools (eff. July 1, 2016)

Noreen Boston, School Business Administrator/Board Secretary

Walter Nicgorski, Treasurer of School Monies

Amy Guerin, Board Solicitor

**PENNSAUKEN BOARD OF EDUCATION**

**PENNSAUKEN, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 08043

**Attorney**

Amy Guerin, Esq.  
Parker McCay  
9000 Midlantic Drive  
Suite 300  
Mt. Laurel, New Jersey 08054-1539

**Official Depositories**

BBT Bank  
7350 Maple Avenue  
Pennsauken, New Jersey 08110

State of New Jersey  
Cash Management Fund  
Harborside Financial Fund  
Jersey City, New Jersey 07311



FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Pennsauken  
County of Camden  
Pennsauken, New Jersey 08110

### ***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 Township of Pennsauken School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## 24000

### **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, major fund, and the aggregate remaining fund information of the Township of Pennsauken School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions, and schedule of funding progress for health benefits plan, 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 Township of Pennsauken School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

24000

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Township of Pennsauken School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Pennsauken 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 1, 2016

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Pennsauken School District  
County of Camden  
Pennsauken, New Jersey 08110

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Pennsauken School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 1, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Pennsauken 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 Township of Pennsauken 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 Township of Pennsauken School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

***Purpose of this Report***

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

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

Voorhees, New Jersey  
December 1, 2016

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

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

**FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2016:

- The assets and deferred outflows of resources of the Township of Pennsauken School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,022,672 (net position).
- The School District's total net position increased by \$6,953,353. This increase is primarily attributable to the Township of Pennsauken School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$19,650,783, an increase of \$3,914,206 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 \$2,298,567, which is a decrease of \$292,064 in comparison with the prior year.
- The Township of Pennsauken School District's total bonded debt decreased by \$3,170,000.

**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.

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.



**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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**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. The unemployment, payroll, student activities and scholarship funds 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.

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

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

**TABLE 1**  
Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 22,437,543	\$ 17,103,115	\$ 5,334,428	31.19%
Capital Assets	49,915,132	49,575,464	339,668	0.69%
<b>Total Assets</b>	<b>72,352,675</b>	<b>66,678,579</b>	<b>5,674,096</b>	<b>8.51%</b>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	5,057,010	1,916,047	3,140,963	163.93%
Deferred Loss on Refunding	559,398	745,864	(186,466)	-25.00%
<b>Total Deferred Outflows of Resources</b>	<b>5,616,408</b>	<b>2,661,911</b>	<b>2,954,497</b>	<b>110.99%</b>
<b>Liabilities:</b>				
Long-Term Liabilities	43,811,214	42,560,782	1,250,432	2.94%
Other Liabilities	3,510,957	2,022,783	1,488,174	73.57%
<b>Total Liabilities</b>	<b>47,322,171</b>	<b>44,583,565</b>	<b>2,738,606</b>	<b>6.14%</b>
Deferred Inflow of Resources - Related to Pensions	1,624,240	2,687,606	(1,063,366)	-39.57%
<b>Net Position:</b>				
Net Investment in Capital Assets	39,488,082	35,964,397	3,523,685	9.80%
Restricted	19,449,838	18,150,271	1,299,567	7.16%
Unrestricted (Deficit)	(29,915,248)	(32,045,349)	2,130,101	6.65%
<b>Total Net Position</b>	<b>\$ 29,022,672</b>	<b>\$ 22,069,319</b>	<b>\$ 6,953,353</b>	<b>31.51%</b>

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

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 5,057,010	\$ 1,916,047	\$ 3,140,963	163.93%
Less: Net Pension Liability	(29,599,474)	(24,881,937)	(4,717,537)	-18.96%
Less: Deferred Inflows Related to Pensions	(1,624,240)	(2,687,606)	1,063,366	39.57%
	<b>\$ (26,166,704)</b>	<b>\$ (25,653,496)</b>	<b>\$ (513,208)</b>	<b>2.00%</b>

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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

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

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,381,676	\$ 1,789,236	\$ (407,560)	-22.78%
Operating Grants and Contributions	16,278,788	15,121,822	1,156,967	7.65%
Capital Grants and Contributions		11,280	(11,280)	100.00%
General Revenues:				
Property Taxes	39,422,769	37,668,897	1,753,872	4.66%
Grants and Contributions not Restricted to Specific Programs	52,310,635	52,216,407	94,228	0.18%
Other	675,671	1,024,927	(349,256)	-34.08%
<b>Total Revenues</b>	<u>110,069,539</u>	<u>107,832,569</u>	<u>2,236,970</u>	<u>2.07%</u>
<b>Expenses:</b>				
Instruction:				
Regular	23,124,832	24,725,446	(1,600,614)	-6.47%
Special Education	9,514,466	9,244,957	269,509	2.92%
Other Special Instruction	701,369	594,091	107,278	18.06%
Other Instruction	1,126,399	1,202,434	(76,036)	-6.32%
Tuition	9,620,423	9,637,486	(17,063)	-0.18%
Student Services:				
Student and Instruction Related	7,607,192	7,009,894	597,298	8.52%
School Administrative Services	2,654,635	2,521,857	132,778	5.27%
Other Administrative Services	2,397,954	2,572,935	(174,981)	-6.80%
Plant Operations and Maintenance	8,547,333	8,645,524	(98,191)	-1.14%
Pupil Transportation	5,107,037	5,284,783	(177,746)	-3.36%
Unallocated Benefits	17,321,683	16,101,151	1,220,532	7.58%
Reimbursed TPAF and Social Security	8,331,087	7,383,516	947,571	12.83%
Transfer to Charter Schools	3,363,325	2,813,640	549,685	19.54%
Interest on Long-Term Debt	472,973	460,660	12,313	2.67%
Debt Issuance Costs		127,905	(127,905)	100.00%
Food Service	3,225,480	3,362,987	(137,506)	-4.09%
<b>Total Expenses</b>	<u>103,116,186</u>	<u>101,689,264</u>	<u>1,426,921</u>	<u>1.40%</u>
Increase (Decrease) in Net Position	6,953,353	6,143,304	810,049	13.19%
Beginning Net Position	<u>22,069,319</u>	<u>15,926,014</u>	<u>6,143,304</u>	<u>38.57%</u>
Ending Net Position	<u>\$ 29,022,672</u>	<u>\$ 22,069,319</u>	<u>\$ 6,953,353</u>	<u>31.51%</u>

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2015-2016, Governmental Activities Revenues were \$106,842,014 or 97.07% of total revenues.

In 2014-2015, Governmental Activities Revenues were \$104,546,290 or 96.95% of total revenues.

In 2015-2016, General Revenues - Property Taxes of \$39,422,769 made up 35.82%, and General Revenues – Grants and Contributions of \$52,310,635 made up 47.53% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$37,668,897 made up 34.94%, and General Revenues – Grants and Contributions of \$52,216,407 made up 48.42% of total revenues.

In 2015-2016, the School District's Governmental Activities expenditures increased by \$1,564,428 or 1.59%.

**Business-Type Activities**

In 2015-2016 Business-Type Activities Revenues were \$3,227,525 or 2.93% of total revenues. In 2014-2015 Business-Type Activities Revenues were \$3,286,279 or 3.05% of total revenues.

Charges for Services for Business-Type Activities were \$777,302 in 2015-2016 compared to \$768,054 in 2014-2015, a 1.20% increase.

Expenses for Business-Type Activities were \$3,225,480 in 2015-2016 compared to \$3,362,987 in 2014-2015, a 4.09% decrease.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$86,714,318, which was equal to the original budget.

The 2015-2016 General Fund Tax Levy was \$37,284,104, compared to 35,323,974 in 2014-2015, a 5.55% increase.

During fiscal year 2016, the School District budgeted \$35,323,974 for property taxes (local tax levy) and \$48,634,029 for state aid revenues.

The School District also received \$2,425,870 and \$5,905,217 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions and Non-Contributory Insurance, respectively. The Pine Hill School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Pension Contributions and Non-Contributory Insurance of \$2,425,870 and \$5,905,217 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$94,589,771, which was equal to the original budget.

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2016  
 (Unaudited) (Cont'd)

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

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$19,650,783, an increase of \$3,914,206 in comparison with the prior year.

Of the combined ending fund balances of \$19,650,783, \$2,345,972 constitutes unassigned fund balance deficits. The remainder of fund balance of \$21,996,755 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$508,241 in unrestricted net position.

**CAPITAL ASSETS**

The Township of Pennsauken School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$49,915,132 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Township of Pennsauken School District's investment in capital assets for the current fiscal year of 0.69 percent. The net increase was the result of asset additions. Table 4 reflects the capital assets.

**TABLE 4**  
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 246,218	\$ 246,218
Construction in Progress	3,175,364	6,507,553
Land Improvements	1,767,306	1,826,881
Building and Improvements	41,770,334	37,910,071
Furniture, Fixtures and Equipment	<u>2,955,909</u>	<u>3,084,741</u>
 Total Capital Assets	 <u>\$ 49,915,132</u>	 <u>\$ 49,575,464</u>

Depreciation expense was \$2,844,604 for fiscal year ended 2016 and \$2,740,201 for fiscal year ended 2015.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the Township of Pennsauken School District had total bonded debt outstanding of \$10,385,000. The entire Township of Pennsauken School District's bonded debt is governmental as opposed to business-type. The 2017 adopted budget has an appropriation of \$3,320,000 representing the payment of the annual principal. The 2014 refunding bonds will mature on April 1, 2019.

**PENNSAUKEN TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2015-2016 school year, the Township of Pennsauken School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. 35.82 percent of total revenue is from local tax levy and 47.53 percent of the Township of Pennsauken School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Township of Pennsauken 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 financial information, contact the School Business Administrator/Board Secretary at Pennsauken Township Board of Education, 1695 Hylton Road, Pennsauken, New Jersey 08110.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 17,194,596.32	\$ 749,002.24	\$ 17,943,598.56
Receivables, net	3,689,110.24	392,702.96	4,081,813.20
Inventory	132,851.88	42,542.51	175,394.39
Restricted Cash and Cash Equivalents	236,737.05		236,737.05
Capital Assets, net (Note 6)	49,529,424.17	385,707.40	49,915,131.57
<b>Total Assets</b>	<b>70,782,719.66</b>	<b>1,569,955.11</b>	<b>72,352,674.77</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	5,057,010.00		5,057,010.00
Deferred Loss on Refunding	559,397.91		559,397.91
<b>Total Deferred Outflows</b>	<b>5,616,407.91</b>	<b>-</b>	<b>5,616,407.91</b>
<b>LIABILITIES:</b>			
Accounts Payable	3,361,194.79	35,297.45	3,396,492.24
Internal Balances	(586,558.11)	586,558.11	
Accrued Interest	102,696.11		102,696.11
Unearned Revenue		11,768.95	11,768.95
Noncurrent Liabilities (Note 7):			
Due within One Year	3,764,273.23	8,476.37	3,772,749.60
Due beyond One Year	40,004,558.44	33,905.46	40,038,463.90
<b>Total Liabilities</b>	<b>46,646,164.46</b>	<b>676,006.34</b>	<b>47,322,170.80</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	1,624,240.00	-	1,624,240.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	39,102,374.55	385,707.40	39,488,081.95
Restricted for:			
Debt Service	58,671.22		58,671.22
Endowment Fund	8,180.45		8,180.45
Capital Projects	3,247,756.97		3,247,756.97
Other Purposes	16,135,229.39		16,135,229.39
Unrestricted (Deficit)	(30,423,489.47)	508,241.37	(29,915,248.10)
<b>Total Net Position</b>	<b>\$ 28,128,723.11</b>	<b>\$ 893,948.77</b>	<b>\$ 29,022,671.88</b>

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 23,124,832.46	\$ 430,834.27			\$ (22,693,998.19)	\$ (22,693,998.19)	
Special Education	9,514,466.29	173,540.08	\$ 2,540,571.89		(6,800,354.32)	(6,800,354.32)	
Other Special Instruction	701,368.56				(701,368.56)	(701,368.56)	
Other Instruction	1,126,398.82				(1,126,398.82)	(1,126,398.82)	
Tuition	9,620,422.54		1,722,282.00		(7,898,140.54)	(7,898,140.54)	
<b>Support Services:</b>							
Student and Instruction Related Services	7,607,191.51		372,368.74		(7,234,822.77)	(7,234,822.77)	
School Administrative Services	2,654,634.75				(2,654,634.75)	(2,654,634.75)	
Other Administrative Services	2,397,953.81				(2,397,953.81)	(2,397,953.81)	
Plant Operations and Maintenance	8,547,332.57				(8,547,332.57)	(8,547,332.57)	
Pupil Transportation	5,107,036.63				(5,107,036.63)	(5,107,036.63)	
Unallocated Benefits	17,321,683.31		649,468.99		(16,672,214.32)	(16,672,214.32)	
Reimbursed TPAF and Social Security	8,331,086.77		8,331,086.77				
Transfer to Charter School	3,363,325.00				(3,363,325.00)	(3,363,325.00)	
Interest on Long-Term Debt	472,972.63		213,858.65		(259,113.98)	(259,113.98)	
<b>Total Governmental Activities</b>	<b>99,890,705.65</b>	<b>604,374.35</b>	<b>13,829,637.04</b>	<b>-</b>	<b>(85,456,694.26)</b>	<b>(85,456,694.26)</b>	
<b>Business-Type Activities:</b>							
Food Service	3,225,480.13	777,301.73	2,449,151.23		-	972.83	972.83
<b>Total Primary Government</b>	<b>\$ 103,116,185.78</b>	<b>\$ 1,381,676.08</b>	<b>\$ 16,278,788.27</b>	<b>-</b>	<b>(85,456,694.26)</b>	<b>972.83</b>	<b>(85,455,721.43)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					37,284,104.00	37,284,104.00	
Taxes Levied for Debt Service					2,138,665.00	2,138,665.00	
Federal and State Aid Not Restricted					49,031,333.82	49,031,333.82	
Federal and State Aid Restricted					3,279,300.93	3,279,300.93	
Miscellaneous Income					674,598.86	674,598.86	
<b>Total General Revenues</b>					<b>92,408,002.61</b>	<b>92,408,002.61</b>	
<b>Change in Net Position</b>					<b>6,951,308.35</b>	<b>2,044.86</b>	<b>6,953,353.21</b>
<b>Net Position -- July 1</b>					<b>21,177,414.76</b>	<b>891,903.91</b>	<b>22,069,318.67</b>
<b>Net Position -- June 30</b>					<b>\$ 28,128,723.11</b>	<b>\$ 893,948.77</b>	<b>\$ 29,022,671.88</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 17,194,596.32	\$ 68,093.10		\$ 161,367.33	\$ 7,276.62	\$ 17,431,333.37
Receivables, net:						
Interfunds Receivable:						
Enterprise Fund	586,558.11					586,558.11
Payroll Fund	523,744.67					523,744.67
Unemployment Compensation Trust Fund	83,308.39					83,308.39
General Fund					57.24	57.24
Capital Projects Fund	1,020,087.98					1,020,087.98
Student Activity Fund					846.59	846.59
Receivables from Other Governments:						
State of New Jersey	773,058.43	1,108.00	\$ 1,735,087.98			2,509,254.41
Federal	113,652.65	18,836.80				132,489.45
Other Receivables	439,466.73					439,466.73
Inventory	132,851.88					132,851.88
<b>Total Assets</b>	<b><u>\$ 20,867,325.16</u></b>	<b><u>\$ 88,037.90</u></b>	<b><u>\$ 1,735,087.98</u></b>	<b><u>\$ 161,367.33</u></b>	<b><u>\$ 8,180.45</u></b>	<b><u>\$ 22,859,998.82</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 1,682,687.68	\$ 49,950.86				\$ 1,732,638.54
Interfunds Payable:						
General Fund			\$ 1,020,087.98			1,020,087.98
Permanent Fund	57.24					57.24
Workers Compensation Claims Payable to State Government	370,940.25					370,940.25
		<u>85,492.00</u>				<u>85,492.00</u>
<b>Total Liabilities</b>	<b><u>2,053,685.17</u></b>	<b><u>135,442.86</u></b>	<b><u>1,020,087.98</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,209,216.01</u></b>
<b>Fund Balances:</b>						
<b>Nonspendable Fund Balance:</b>						
Reserve for Supplies Inventory	132,851.88					132,851.88
Permanent					\$ 8,000.00	8,000.00
<b>Restricted:</b>						
Capital Reserve	852,756.97					852,756.97
Capital Reserve -- Designated for Subsequent Year's Expenditures	1,680,000.00					1,680,000.00
Emergency Reserve	436,715.65					436,715.65
Maintenance Reserve	1,000,600.33					1,000,600.33
Excess Surplus	8,666,587.83					8,666,587.83
Excess Surplus -- Designated for Subsequent Year's Expenditures	5,423,665.46					5,423,665.46
Capital Projects			715,000.00			715,000.00
Debt Service				\$ 0.33		0.33
Debt Service -- Designated for Subsequent Year's Expenditures				161,367.00		161,367.00
Capital Outlay Legally Restricted	474,808.24					474,808.24
Other Purposes					180.45	180.45
<b>Assigned:</b>						
Subsequent Year's Expenditures	2,235,785.88					2,235,785.88
ARRA / SEMI 10/1/08 - 12/31/10 -- Designated for Subsequent Year's Expenditures	125,719.66					125,719.66
SEMI Cost Settlement 7/1/13 - 6/30/14 -- Designated for Subsequent Year's Expenditures	82,715.47					82,715.47
Unassigned (Deficit)	<u>(2,298,567.38)</u>	<u>(47,404.96)</u>				<u>(2,345,972.34)</u>
<b>Total Fund Balances</b>	<b><u>18,813,639.99</u></b>	<b><u>(47,404.96)</u></b>	<b><u>715,000.00</u></b>	<b><u>161,367.33</u></b>	<b><u>8,180.45</u></b>	<b><u>19,650,782.81</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 20,867,325.16</u></b>	<b><u>\$ 88,037.90</u></b>	<b><u>\$ 1,735,087.98</u></b>	<b><u>\$ 161,367.33</u></b>	<b><u>\$ 8,180.45</u></b>	

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 \$92,195,764.22 and the accumulated depreciation is \$42,666,340.05.	49,529,424.17
Deferred loss on refundings are not financial resources and therefore are not reported in the funds.	559,397.91
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(102,696.11)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,172,124.00)
Deferred Outflows of Resources - Related to Pensions	5,057,010.00
Deferred Inflows of Resources - Related to Pensions	(1,624,240.00)
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.	<u>(43,768,831.67)</u>

Net Position of Governmental Activities **\$ 28,128,723.11**

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>REVENUES:</b>						
Local Tax Levy	\$ 37,284,104.00			\$ 2,138,665.00		\$ 39,422,769.00
Tuition	604,374.35					604,374.35
Miscellaneous	674,595.43				3.43	674,598.86
State Sources	57,047,595.77	\$ 1,253,557.82	\$ 2,014,837.58	1,541,835.00		61,857,826.17
Federal Sources	314,824.82	3,967,620.80				4,282,445.62
<b>Total Revenues</b>	<b>95,925,494.37</b>	<b>5,221,178.62</b>	<b>2,014,837.58</b>	<b>3,680,500.00</b>	<b>3.43</b>	<b>106,842,014.00</b>
<b>EXPENDITURES:</b>						
Regular Instruction	22,735,815.59					22,735,815.59
Special Education Instruction	6,617,416.39	2,540,571.89				9,157,988.28
Other Special Instruction	701,368.56					701,368.56
Other Instruction	1,126,398.82					1,126,398.82
Tuition	7,898,140.54	1,722,282.00				9,620,422.54
Support Services and Undistributed Costs:						
Student and Instruction Related Services	7,030,895.77	372,368.74				7,403,264.51
School Administrative Services	2,610,661.75					2,610,661.75
Other Administrative Services	2,163,538.69					2,163,538.69
Plant Operations and Maintenance	7,354,406.91					7,354,406.91
Pupil Transportation	4,834,736.62					4,834,736.62
Unallocated Benefits	16,120,507.32	649,468.99				16,769,976.31
Reimbursed TPAF Pension, Medical and Social Security	8,331,086.77					8,331,086.77
Transfer to Charter Schools	3,363,325.00					3,363,325.00
Debt Service:						
Principal				3,170,000.00		3,170,000.00
Interest and Other Charges				510,500.00		510,500.00
Capital Outlay	673,719.01	21,343.99	2,379,254.20			3,074,317.20
<b>Total Expenditures</b>	<b>91,562,017.74</b>	<b>5,306,035.61</b>	<b>2,379,254.20</b>	<b>3,680,500.00</b>	<b>-</b>	<b>102,927,807.55</b>
Excess (Deficiency) of Revenues over Expenditures	4,363,476.63	(84,856.99)	(364,416.62)	-	3.43	3,914,206.45
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfer -- Capital Projects Fund to Capital Reserve	220,858.80		(220,858.80)			
Operating Transfer -- Capital Reserve to Capital Projects Fund	(240,000.00)		240,000.00			
Operating Transfer -- Capital Projects Fund to Capital Outlay	474,808.24		(474,808.24)			
<b>Total Other Financing Sources and Uses</b>	<b>455,667.04</b>	<b>-</b>	<b>(455,667.04)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>4,819,143.67</b>	<b>(84,856.99)</b>	<b>(820,083.66)</b>	<b>-</b>	<b>3.43</b>	<b>3,914,206.45</b>
Fund Balance -- July 1	13,994,496.32	37,452.03	1,535,083.66	161,367.33	8,177.02	15,736,576.36
Fund Balance -- June 30	<u>\$ 18,813,639.99</u>	<u>\$ (47,404.96)</u>	<u>\$ 715,000.00</u>	<u>\$ 161,367.33</u>	<u>\$ 8,180.45</u>	<u>\$ 19,650,782.81</u>

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ 3,914,206.45
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (2,782,054.05)
Capital Outlays	<u>3,074,317.20</u>
	292,263.15
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.	3,170,000.00
<p>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.</p>	
Amortization of Loss on Refunding Bonds	(186,465.97)
Amortization of Bond Premiums	200,482.51
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	23,510.83
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 (+).	89,018.38
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 the School District's pension contributions exceeded pension benefits earned in the current period.	<u>(551,707.00)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 6,951,308.35</u></u>

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

## TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT

Proprietary Funds  
Statement of Net Position  
June 30, 2016

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 749,002.24
Interfunds Receivable:	
Fiduciary Fund	6,114.09
Accounts Receivable:	
State	5,493.01
Federal	367,874.80
Other	13,221.06
Inventories	<u>42,542.51</u>
Total Current Assets	<u>1,184,247.71</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	1,676,361.33
Less Accumulated Depreciation	<u>(1,290,653.93)</u>
Total Noncurrent Assets	<u>385,707.40</u>
Total Assets	<u>1,569,955.11</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	586,558.11
Accounts Payable	35,297.45
Unearned Revenue	11,768.95
Compensated Absences Payable	<u>8,476.37</u>
Total Current Liabilities	<u>642,100.88</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>33,905.46</u>
Total Liabilities	<u>676,006.34</u>
NET POSITION:	
Net Investment in Capital Assets	385,707.40
Unrestricted	<u>508,241.37</u>
Total Net Position	<u>\$ 893,948.77</u>

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 367,021.20
School Breakfast Program	17,884.10
Special Milk Program	2,310.25
Daily Sales - Non-Reimbursable Programs	361,581.22
Miscellaneous	5,517.19
Special Functions	<u>22,987.77</u>
<b>Total Operating Revenues</b>	<u><b>777,301.73</b></u>
<b>OPERATING EXPENSES:</b>	
Salaries	871,985.75
Employee Benefits	700,703.25
General Supplies	18,772.94
Depreciation	62,550.16
Cost of Sales - Reimbursable Programs	1,330,262.41
Cost of Sales - Non-Reimbursable Programs	182,951.30
Miscellaneous	<u>58,254.32</u>
<b>Total Operating Expenses</b>	<u><b>3,225,480.13</b></u>
<b>Operating Income / (Loss)</b>	<u><b>(2,448,178.40)</b></u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	33,808.44
Federal Sources:	
National School Lunch Program	1,627,245.50
National School Breakfast Program	584,795.81
Special Milk Program	4,254.90
Food Distribution Program	199,046.58
Interest Revenue	<u>1,072.03</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u><b>2,450,223.26</b></u>
<b>Change in Net Position</b>	2,044.86
<b>Net Position -- July 1</b>	<u>891,903.91</u>
<b>Net Position -- June 30</b>	<u><u><b>\$ 893,948.77</b></u></u>

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



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 768,560.83
Payments to Employees	(879,049.85)
Payments for Employee Benefits	(701,243.65)
Payments for Supplies and Services	<u>(1,636,006.53)</u>
Net Cash Provided by (used for) Operating Activities	<u>(2,447,739.20)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	30,715.82
Federal Sources	2,208,814.49
Operating Subsidies and Transfers	<u>170,061.05</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>2,409,591.36</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(109,955.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>1,072.03</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(147,030.81)
Cash and Cash Equivalents -- July 1	<u>896,033.05</u>
Cash and Equivalents -- June 30	<u>\$ 749,002.24</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (2,448,178.40)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	62,550.16
(Increase) Decrease in Inventories	(4,547.94)
Increase (Decrease) in Accounts Payable	(41,217.62)
Increase (Decrease) in Unearned Revenue	995.19
Increase (Decrease) in Accrued Salary Benefits	(7,604.50)
(Increase) Decrease in Accounts Receivable	<u>(9,736.09)</u>
Total Adjustments	<u>439.20</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (2,447,739.20)</u>

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

## TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT

 Fiduciary Funds  
 Combining Statement of Net Position  
 June 30, 2016

	Private Purpose Trust Funds		Agency Funds		Total
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 25,820.37	\$ 383,076.20	\$ 203,756.20	\$ 1,125,876.20	\$ 1,738,528.97
Interfund Receivable:					
Due Agency Fund -- Payroll		99,184.51			99,184.51
<b>Total Assets</b>	<u>25,820.37</u>	<u>482,260.71</u>	<u>\$ 203,756.20</u>	<u>\$ 1,125,876.20</u>	<u>1,837,713.48</u>
<b>LIABILITIES:</b>					
Accounts Payable		10,328.41			10,328.41
Interfund Accounts Payable:					
Due Unemployment Fund				\$ 99,184.51	99,184.51
Due Permanent Fund			\$ 846.59		846.59
Due General Fund	970.00	82,338.39		523,744.67	607,053.06
Due Food Service Fund				6,114.09	6,114.09
Payable to Student Groups			202,909.61		202,909.61
Payroll Deductions and Withholdings				496,832.93	496,832.93
<b>Total Liabilities</b>	<u>970.00</u>	<u>92,666.80</u>	<u>\$ 203,756.20</u>	<u>\$ 1,125,876.20</u>	<u>1,423,269.20</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 24,850.37</u>	<u>\$ 389,593.91</u>			<u>\$ 414,444.28</u>

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Funds		<u>Total</u>
	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	
ADDITIONS:			
Contributions and Donations from Payroll Deductions Withheld		\$ 75,373.00	\$ 75,373.00
Scholarship Donations	\$ 9,148.20		9,148.20
Investment Earnings:			
Interest		386.86	386.86
Total Additions	<u>9,148.20</u>	<u>75,759.86</u>	<u>84,908.06</u>
DEDUCTIONS:			
Scholarship Awards	4,700.00		4,700.00
Unemployment Claims		118,071.08	118,071.08
Total Deductions	<u>4,700.00</u>	<u>118,071.08</u>	<u>122,771.08</u>
Change in Net Position	4,448.20	(42,311.22)	(37,863.02)
Net Position -- July 1	<u>20,402.17</u>	<u>431,905.13</u>	<u>452,307.30</u>
Net Position -- June 30	<u>\$ 24,850.37</u>	<u>\$ 389,593.91</u>	<u>\$ 414,444.28</u>

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Pennsauken 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. 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-K through 12 at its twelve schools. The School District has an approximate enrollment at June 30, 2016 of 4,961.

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

**Component Units**

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

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

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

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

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

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

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

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

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

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.

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

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.

**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.

**Permanent Fund** - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District maintains a permanent fund for the purpose of scholarships.

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

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

The School District reports the following major proprietary fund:

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

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

The School District maintains the following fiduciary funds:

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

***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 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.

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

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

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

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

The budget, as detailed on exhibit C-1, 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.



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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

**Inventories**

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

Inventories recorded on the government-wide financial statements, governmental fund 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.

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

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

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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

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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10 to 20 Years	N/A
Buildings and Improvements	10 to 50 Years	N/A
Equipment	5 to 20 Years	5 to 12 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

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

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

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

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

**Tuition Payable**

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

**Unearned Revenue**

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

**Accrued Salaries and Wages**

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

**Compensated Absences**

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accrued Liabilities and Long-Term Obligations**

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

**Pensions**

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

**Bond Discounts / Premiums**

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

**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.

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

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

**Accounting Estimates**

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

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

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

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

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

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

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

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

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

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

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

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

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

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2016, the School District's bank balances of \$20,316,676.74 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 20,004,468.62
Uninsured and uncollateralized	<u>312,208.12</u>
	<u>\$ 20,316,676.74</u>

**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2016, the School District's deposits with the New Jersey Cash Management Fund were \$468,801.17.



**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$1,000.00 on September 28, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 2,049,725.30
Increased by:		
Interest Earnings	\$ 2,172.87	
Transfer from Capital Projects Fund	220,858.80	
Transfer per June 23, 2016 Resolution	<u>500,000.00</u>	
		<u>723,031.67</u>
		2,772,756.97
Decreased by:		
Withdrawals		<u>240,000.00</u>
Ending Balance, June 30, 2016		<u><u>\$ 2,532,756.97</u></u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$32,682,220.00. 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, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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	\$ 113,652.65	\$ 18,836.80		\$ 132,489.45	\$ 367,874.80	\$ 500,364.25
State Awards	773,058.43	1,108.00	\$ 1,735,087.98	2,509,254.41	5,493.01	2,514,747.42
Tuition Charges	439,466.73			439,466.73		439,466.73
Other					13,221.06	13,221.06
	<u>\$ 1,326,177.81</u>	<u>\$ 19,944.80</u>	<u>\$ 1,735,087.98</u>	<u>\$ 3,081,210.59</u>	<u>\$ 386,588.87</u>	<u>\$ 3,467,799.46</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2016 in governmental activities on the government-wide statement of net position, and on the general fund balance sheet, consisted of the following:

Supplies	<u>\$ 132,851.88</u>
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Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 11,251.86
Commodities	8,606.72
Supplies	<u>22,683.93</u>
	<u>\$ 42,542.51</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 246,218.00			\$ 246,218.00
Construction in Progress	6,507,553.34	\$ 2,379,254.20	\$ (5,711,443.56)	3,175,363.98
Total Capital Assets, not being Depreciated	<u>6,753,771.34</u>	<u>2,379,254.20</u>	<u>(5,711,443.56)</u>	<u>3,421,581.98</u>
Capital Assets, being Depreciated:				
Land Improvements	3,582,123.71	26,326.00		3,608,449.71
Buildings and Improvements	69,581,202.78		5,711,443.56	75,292,646.34
Equipment	9,460,342.19	668,737.00	(255,993.00)	9,873,086.19
Total Capital Assets, being Depreciated	<u>82,623,668.68</u>	<u>695,063.00</u>	<u>5,455,450.56</u>	<u>88,774,182.24</u>
Total Capital Assets, Cost	<u>89,377,440.02</u>	<u>3,074,317.20</u>	<u>(255,993.00)</u>	<u>92,195,764.22</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,755,243.00)	(85,901.00)		(1,841,144.00)
Buildings and Improvements	(31,671,131.90)	(1,851,180.00)		(33,522,311.90)
Equipment	(6,713,904.10)	(844,973.05)	255,993.00	(7,302,884.15)
Total Accumulated Depreciation	<u>(37,672,946.00)</u>	<u>(2,782,054.05)</u>	<u>255,993.00</u>	<u>(42,666,340.05)</u>
Total Capital Assets, being Depreciated, Net	<u>44,057,710.02</u>	<u>(2,086,991.05)</u>	<u>5,711,443.56</u>	<u>46,107,842.19</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,333,153.51</u>	<u>\$ 292,263.15</u>	<u>-</u>	<u>\$ 49,529,424.17</u>
<b>Business-Type Activities:</b>				
Equipment	\$1,566,406.33	\$ 109,955.00		\$ 1,676,361.33
Less: Accumulated Depreciation	(1,228,103.77)	(62,550.16)		(1,290,653.93)
Business-Type Activities Capital Assets, Net	<u>\$ 376,618.30</u>	<u>\$ 47,404.84</u>	<u>-</u>	<u>\$ 385,707.40</u>

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ 452,474.51
Special Education Instruction	382,038.75
Transportation	272,300.01
General Administration	234,415.12
School Administration	43,973.00
Operations and Maintenance	1,192,925.66
Student and Instruction Related Services	203,927.00
Total Depreciation Expense - Governmental Activities	<u>\$ 2,782,054.05</u>

**Note 7: LONG-TERM LIABILITIES**

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 13,555,000.00		\$ (3,170,000.00)	\$ 10,385,000.00	\$ 3,320,000.00
Unamortized Costs:					
Premium on Bonds	801,930.04		(200,482.51)	601,447.53	
Net Pension Liability	24,881,937.00	\$ 8,257,824.00	(3,540,287.00)	29,599,474.00	
Other Post Employment					
Benefits	961,544.00	56,946.60	(56,946.60)	961,544.00	
Compensated Absences	2,310,384.52	462,076.90	(551,095.28)	2,221,366.14	444,273.23
Governmental Activity					
Long-Term Liabilities	<u>\$ 42,510,795.56</u>	<u>\$ 8,776,847.50</u>	<u>\$ (7,518,811.39)</u>	<u>\$ 43,768,831.67</u>	<u>\$ 3,764,273.23</u>

The bonds payable is generally liquidated by the debt service fund, while compensated absences and net pension liability are liquidated by the general fund.

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 49,986.33	\$ 9,997.27	\$ (17,601.77)	\$ 42,381.83	\$ 8,476.37

Compensated absences are liquidated by the food service 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 10, 2014, the School District issued \$13,555,000.00 of Refunding School Bonds to provide funding to refund the callable portion of the outstanding 2005 Bond Issue. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00%. The final maturity of these bonds is April 1, 2019.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,320,000.00	\$ 415,400.00	\$ 3,735,400.00
2018	3,500,000.00	282,600.00	3,782,600.00
2019	3,565,000.00	142,600.00	3,707,600.00
	<u>\$ 10,385,000.00</u>	<u>\$ 840,600.00</u>	<u>\$ 11,225,600.00</u>

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

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

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

**Note 8: OPERATING LEASES**

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

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2017	\$ 168,385.94
2018	54,205.42
2019	13,792.08
2020	<u>875.04</u>
	<u>\$ 237,258.48</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$179,990.40.

**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. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

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

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

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

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

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

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

**Teachers' Pension and Annuity Fund (Cont'd)** - Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

**Contributions**

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

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

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

**Teachers' Pension and Annuity Fund (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.66% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$1,895,758.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$2,413,133.51.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.10% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$1,133,625.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$648,138.75.

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

For the fiscal year ended June 30, 2016, employee contributions totaled \$13,254.45, and the School District recognized pension expense of \$7,065.79. There were no forfeitures during the fiscal year.



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

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

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>222,951,239.00</u>
	<u>\$222,951,239.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.3527471127%, which was a decrease of 0.0047866792.% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$13,613,180.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$29,599,474.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was 0.1318579811%, which was a decrease of 0.0010389340% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$1,685,293.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

**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)** - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 706,139.00	\$ -
Changes of Assumptions	3,178,747.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	475,903.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	1,148,337.00
School District Contributions Subsequent to the Measurement Date	<u>1,172,124.00</u>	<u>-</u>
	<b><u>\$ 5,057,010.00</u></b>	<b><u>\$ 1,624,240.00</u></b>

\$1,172,124.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30,</u></b>	
2017	\$ 364,577.00
2018	364,577.00
2019	364,577.00
2020	735,286.00
2021	<u>431,629.00</u>
	<b><u>\$ 2,260,646.00</u></b>

**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:

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

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

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

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

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

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

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

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

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 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, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
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	264,969,214.00	222,951,239.00	186,750,239.00
	<u>\$264,969,214.00</u>	<u>\$222,951,239.00</u>	<u>\$186,750,239.00</u>

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

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 36,788,525.00	\$ 29,599,474.00	\$ 23,572,226.00

**Pension Plan Fiduciary Net Position**

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

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The School District provides dental insurance benefits for retired employees, where such benefits are established and amended by the School District's Board of Education. The School District's plan, which is a single-employer post-employment healthcare plan, provides dental coverage for retired employees with twenty-five years of service. The Plan is administered by the School District; therefore, premium payments are made directly by the School District to the insurance carriers.

**Funding Policy** - Employees become eligible for retirement benefits based on hire date and years of service. There are no contribution requirements for the plan members. The School District established the requirements and they may be amended by the School District's Board of Education.

**Retirees** - The School District presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The School District's contributions to the plan for the fiscal years ended June 30, 2016, 2015, and 2014 were \$56,946.60, \$35,841.00, and \$73,652.00, respectively.

**Future Retirees** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the School District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$119,310.00 at an unfunded discount rate of 5%. As stated above, the School District has funded the cost of existing retirees in the amount of \$56,946.60, and has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Annual OPEB Cost** - For fiscal year 2016, the School District's annual OPEB cost (expense) of \$56,946.60 for the plan was equal to the ARC plus certain adjustments because the School District's actual contributions in prior years differed from the ARC. The School District's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2016, 2015, and 2014 are as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual Required Contribution (ARC)	\$ 119,310.00	\$ 119,310.00	\$ 153,264.00
Interest on the Net OPEB Obligation	48,077.00	66,844.00	66,844.00
Adjustment to the ARC	<u>(110,440.40)</u>	<u>(525,647.00)</u>	<u>(146,456.00)</u>
Annual OPEB Cost	56,946.60	(339,493.00)	73,652.00
Pay-as-You Go Cost (Existing Retirees)	<u>(56,946.60)</u>	<u>(35,841.00)</u>	<u>(73,652.00)</u>
Increase (Decrease) in the Net OPEB Obligation	-	(375,334.00)	-
Net OPEB Obligation, July 1	<u>961,544.00</u>	<u>1,336,878.00</u>	<u>1,336,878.00</u>
Net OPEB Obligation, June 30	<u>\$ 961,544.00</u>	<u>\$ 961,544.00</u>	<u>\$ 1,336,878.00</u>
Percentage of Annual OPEB Cost Contributed	100.0%	-10.6%	100.0%

**Funded Status and Funding Progress** - The funded status of the plan as of June 30, 2016, was as follows:

**Funded Status and Funding Progress**

Actuarial Accrued Liability (AAL)	\$ 961,544.00
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 961,544.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.



**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Actuarial Methods and Assumptions** - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* 1994 Sex Distinct Group Annuity Mortality Table.
- *Turnover.* Federal Employees Retirement System Withdrawal Rate.
- *Assumed Retirement Age.* When eligible but no earlier than age 55.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 5% per annum.

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$2,567,651.00, \$3,209,662.00 and \$127,904.00, respectively.

**Note 13: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</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>
2016	-	\$ 75,373.00	\$ 386.86	\$ 118,071.08	\$ 389,593.91
2015	-	77,622.27	464.22	98,378.60	431,905.13
2014	-	75,553.84	459.44	90,849.67	452,197.24

**Note 13: RISK MANAGEMENT (CONT'D)**

**Self-Insurance Plan** – As of July 1, 2013, the school district was no longer self-insured for new worker’s compensation claims. The workers’ compensation insurance claims liability reported as of June 30, 2016 remains for claims incurred while the district was self-insured but have not been closed.

The workers’ compensation insurance claims liability (incurred) is based on an analysis prepared by management, which is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by the third-party administrator of the plan. The liability consists of an estimate for claims incurred but not reported of \$370,940.25.

The following is a summary of the claims liability of the School District’s private-purpose trust fund for self-insured workers’ compensation for the current and previous fiscal years:

	<u>Fiscal</u> <u>Year 2016</u>	<u>Fiscal</u> <u>Year 2015</u>
Claims Liability Balance, July 1	\$ 315,588.85	\$ 220,658.25
Incurred Claims	58,682.20	190,223.22
Payment of Claims	<u>(3,330.80)</u>	<u>(95,292.62)</u>
Claims Liability Balnce, June 30	<u>\$ 370,940.25</u>	<u>\$ 315,588.85</u>

There have been no settlements that exceed the School District’s coverage for fiscal years ended June 30, 2016 and 2015.

**Joint Insurance Pool** - The School District is a member of the New Jersey Schools Insurance Group. The Pool provides its members with the following coverage:

- Property
- Comprehensive General Liability
- Commercial Inland Marine
- Boiler and Machinery
- Crime
- Automobile
- Environmental Impairment Liability

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

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

- Property
- Comprehensive General Liability
- Commercial Inland Marine
- Boiler and Machinery
- Crime
- Automobile
- Environmental Impairment Liability
- Workers’ Compensation
- Educators Legal Liability
- Cyber Liability
- Violent Malicious Acts

**Note 13: RISK MANAGEMENT (CONT'D)**

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

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

New Jersey Schools Insurance Group  
450 Veterans Drive  
Burlington, New Jersey 08016

**Note 14: DEFERRED COMPENSATION**

The School District offers its employees a choice of six 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:

Ameriprise Financial  
AXA Equitable  
Lincoln Investment Planning  
Midland National  
Syracusa  
Valic Investments

**Note 15: COMPENSATED ABSENCES**

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

School District employees participate in one of six collective bargaining units with varying provisions for accumulation of unused sick leave. Payment for unused sick leave does not occur until retirement from the District or in some cases upon death of the employee. The accounting and the accumulated days is maintained by the District.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$2,221,366.14 and \$42,381.83, respectively.

**Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 2,213,699.15	\$ 57.24
Capital Projects		1,020,087.98
Permanent	903.83	
Proprietary	6,114.09	586,558.11
Fiduciary	99,184.51	713,198.25
	<u>\$ 2,319,901.58</u>	<u>\$ 2,319,901.58</u>

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

Interfund Transfers:

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>
<b><u>Transfer Out:</u></b>		
General		\$ 240,000.00
Capital Projects	\$ 695,667.04	
Total Transfers	<u>\$ 695,667.04</u>	<u>\$ 240,000.00</u>

The \$240,000.00 transfer from general fund to the capital projects fund is the required local share of capital projects. The transfer from capital projects fund to the general fund is the unexpended locally funded portion of completed capital projects.

**Note 17: CONTINGENCIES**

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

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

**Note 18: CONCENTRATIONS**

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

**Note 19: COMMITMENTS**

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

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Jottan Inc.:		
High School Roof Replacement	1/22/2015	<u>\$ 79,152.62</u>

**Note 20: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$2,298,567.38 in the general fund and \$47,404.96 in the special revenue fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general 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 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 \$2,298,567.38 is less than the June state aid payments.

**Note 21: FUND BALANCES****NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balances of the School District, as of June 30, 2016, are summarized as follows:

**General Fund** - The School District records inventory utilizing the consumption method of accounting. As a result, because inventory is recorded as an asset, even though it does not represent expendable financial resources, it is necessary to set aside fund balance at fiscal year-end by an amount equal to the carrying value of the inventory. As of June 30, 2016, the nonspendable fund balance was \$132,851.88.

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

**Permanent Fund** - The School District was the beneficiary of a distribution from an estate. In accordance with the terms of the distribution, the principal is to be invested upon good security, and the income only, derived there from, is to be used solely for student scholarships. As of June 30, 2016, the nonspendable fund balance amount was \$8,000.00.

**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 Legally Restricted Appropriations** – As of June 30, 2016, the School District was required to legally restrict fund balance in the amount of \$474,808.24, which represents unspent capital project funds transferred to the general fund. These funds were originally transferred from capital outlay and therefore are restricted for utilization in a future years' budget.

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$14,090,253.29. \$5,423,665.46 of the excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

**For Capital Reserve Account** - As of June 30, 2016, the balance in the capital reserve account is \$2,532,756.97. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). \$1,680,000.00 of the restricted reserve balance has been designated for utilization in the 2016-2017 Budget.

**For Maintenance Reserve Account** - As of June 30, 2016, the balance in the maintenance reserve account is \$1,000,600.33. 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).

**For Emergency Reserve** - As of June 30, 2016, the balance in the emergency reserve is \$436,715.65. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

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

**Capital Projects Fund** - On January 6, 2014 the District received approval from the Department of Education for the roof replacement at Pennsauken High School. This project was funded with a combination of a Grant from the State of New Jersey and a transfer from Capital Outlay. The School District also approved four additional projects upon adoption of the annual budget. These projects include the Roosevelt Parking Lot Resurfacing, High School Front Entrance Upgrade, the Removal of Flooring in the Middle School and the Administration Building Parking Lot Asphalt Replacement. As of June 30, 2016, the restricted fund balance amount was \$715,000.00.

**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 \$161,367.33 of debt service fund balance at June 30, 2016. \$161,367.00 of the restricted reserve balance has been designated for utilization in the 2016-2017 Budget.

**Permanent Fund - Other Purposes** - The School District was the beneficiary of a distribution from an estate. In accordance with the terms of the distribution, any interest income derived from permanent fund principal is to be used solely for student scholarships. As of June 30, 2016, the restricted fund balance amount was \$180.45.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$2,235,785.88 of general fund balance at June 30, 2016. The School District has also appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017, \$125,719.66 of general fund balance at June 30, 2016, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures. In addition, \$82,715.47 of assigned fund balance from SEMI reimbursement has not been assigned to a budget year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2016, the general fund balance deficit of \$2,298,567.38 was unassigned.

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

**Special Revenue Fund** - As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$47,404.96, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$47,404.96 is less than the last state aid payment.



REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 37,284,104.00		\$ 37,284,104.00	\$ 37,284,104.00	
Tuition from Other LEA's Within the State	618,321.00		618,321.00	604,374.35	\$ (13,946.65)
Rents and Royalties	100,000.00		100,000.00	154,726.50	54,726.50
Interest Earned on Capital Reserve Funds				2,172.87	2,172.87
Interest Earned on Emergency Reserve Funds				523.72	523.72
Interest Earned on Maintenance Reserve Funds				600.33	600.33
Unrestricted Miscellaneous Revenues	400,000.00		400,000.00	516,572.01	116,572.01
<b>Total - Local Sources</b>	<b>38,402,425.00</b>	<b>-</b>	<b>38,402,425.00</b>	<b>38,563,073.78</b>	<b>160,648.78</b>
State Sources:					
Equalization Aid	43,049,368.00		43,049,368.00	43,049,368.00	
Special Education Aid	3,033,664.00		3,033,664.00	3,033,664.00	
Transportation Aid	475,976.00		475,976.00	475,976.00	
Security Aid	1,472,261.00		1,472,261.00	1,472,261.00	
Extraordinary Aid				588,318.00	588,318.00
PARCC Readiness Aid	51,380.00		51,380.00	51,380.00	
Per Pupil Growth Aid	51,380.00		51,380.00	51,380.00	
Non-Public Transportation Aid				61,074.00	61,074.00
Homeless Aid				7,640.00	7,640.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,425,869.77	2,425,869.77
On-behalf TPAF Pension Contributions (non-budgeted)				2,567,651.00	2,567,651.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				127,904.00	127,904.00
On-behalf TPAF Medical Contributions (non-budgeted)				3,209,662.00	3,209,662.00
<b>Total - State Sources</b>	<b>48,134,029.00</b>	<b>-</b>	<b>48,134,029.00</b>	<b>57,122,147.77</b>	<b>8,988,118.77</b>
Federal Sources:					
Special Education Medicaid Initiative	177,864.00		177,864.00	288,440.02	110,576.02
Medicaid Administrative Claiming Aid				26,384.80	26,384.80
<b>Total - Federal Sources</b>	<b>177,864.00</b>	<b>-</b>	<b>177,864.00</b>	<b>314,824.82</b>	<b>136,960.82</b>
<b>Total Revenues</b>	<b>86,714,318.00</b>	<b>-</b>	<b>86,714,318.00</b>	<b>96,000,046.37</b>	<b>9,285,728.37</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,511,839.00	(100,000.00)	\$ 1,411,839.00	\$ 1,253,701.78	\$ 158,137.22
Grades 1 - 5	8,266,812.00	(80,000.00)	8,186,812.00	7,533,330.24	653,481.76
Grades 6 - 8	5,109,407.00	97,232.51	5,206,639.51	4,861,654.90	344,984.61
Grades 9 - 12	7,066,294.00	(120,860.00)	6,945,434.00	6,448,083.12	497,350.88
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000.00	17,700.00	42,700.00	42,199.02	500.98
Purchased Professional - Educational Services	30,000.00	(2,200.00)	27,800.00	24,742.26	3,057.74
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	368,973.00	(179,950.00)	189,023.00	161,293.68	27,729.32
Purchased Professional - Educational Services	106,675.00	358,367.49	465,042.49	453,081.12	11,961.37
Purchased Technical Services	6,000.00		6,000.00		6,000.00
Other Purchased Services	408,526.00	300.00	408,826.00	282,369.92	126,456.08
General Supplies	1,935,268.92	(184,140.00)	1,751,128.92	1,536,867.46	214,261.46
Textbooks	258,500.00	(177,050.00)	81,450.00	37,093.59	44,356.41
Other Objects	3,600.00		3,600.00		3,600.00
<b>Total - Regular Programs</b>	<b>25,096,894.92</b>	<b>(370,600.00)</b>	<b>24,726,294.92</b>	<b>22,634,417.09</b>	<b>2,091,877.83</b>
<b>Special Education:</b>					
Cognitive Mild:					
Salaries of Teachers	149,358.00	6,800.00	156,158.00	155,004.00	1,154.00
Other Salaries for Instruction	12,372.00	1,600.00	13,972.00	11,490.60	2,481.40
General Supplies	1,500.00		1,500.00	783.80	716.20
<b>Total - Cognitive Mild</b>	<b>163,230.00</b>	<b>8,400.00</b>	<b>171,630.00</b>	<b>167,278.40</b>	<b>4,351.60</b>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	2,459,833.00	(45,138.31)	2,414,694.69	2,310,960.02	103,734.67
Other Salaries for Instruction	350,354.00	7,070.00	357,424.00	339,567.88	17,856.12
General Supplies	40,000.00	(10,000.00)	30,000.00	28,531.35	1,468.65
Textbooks	8,000.00		8,000.00	8,000.00	
<b>Total - Learning and/or Language Disabilities</b>	<b>2,858,187.00</b>	<b>(48,068.31)</b>	<b>2,810,118.69</b>	<b>2,687,059.25</b>	<b>123,059.44</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	538,797.00		538,797.00	513,571.92	25,225.08
Other Salaries for Instruction	145,189.00	(40,000.00)	105,189.00	83,012.03	22,176.97
General Supplies	10,000.00		10,000.00	8,294.82	1,705.18
Textbooks	4,200.00		4,200.00	4,200.00	
<b>Total - Behavioral Disabilities</b>	<b>698,186.00</b>	<b>(40,000.00)</b>	<b>658,186.00</b>	<b>609,078.77</b>	<b>49,107.23</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Special Education(Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 238,485.00	\$ (33,000.00)	\$ 205,485.00	\$ 181,292.16	\$ 24,192.84
Other Salaries for Instruction	64,918.00	4,750.00	69,668.00	56,898.29	12,769.71
General Supplies	15,000.00		15,000.00	14,740.44	259.56
<b>Total - Multiple Disabilities</b>	<u>318,403.00</u>	<u>(28,250.00)</u>	<u>290,153.00</u>	<u>252,930.89</u>	<u>37,222.11</u>
Resource Room/Center:					
Salaries of Teachers	2,271,920.00	47,310.00	2,319,230.00	2,317,052.94	2,177.06
Other Salaries for Instruction	216,097.00		216,097.00	196,613.63	19,483.37
General Supplies	20,000.00	(9,000.00)	11,000.00	10,626.44	373.56
Textbooks	3,000.00	(2,000.00)	1,000.00		1,000.00
<b>Total - Resource Room/Center</b>	<u>2,511,017.00</u>	<u>36,310.00</u>	<u>2,547,327.00</u>	<u>2,524,293.01</u>	<u>23,033.99</u>
Autism:					
Salaries of Teachers	118,655.00	(33,200.00)	85,455.00	64,120.42	21,334.58
Other Salaries for Instruction		3,455.00	3,455.00	3,455.00	
General Supplies	2,000.00		2,000.00		2,000.00
<b>Total - Autism</b>	<u>120,655.00</u>	<u>(29,745.00)</u>	<u>90,910.00</u>	<u>67,575.42</u>	<u>23,334.58</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers		158,942.31	158,942.31	156,617.31	2,325.00
Other Salaries for Instruction		76,296.00	76,296.00	74,195.94	2,100.06
<b>Total - Preschool Disabilities - Part-Time</b>	<u>-</u>	<u>235,238.31</u>	<u>235,238.31</u>	<u>230,813.25</u>	<u>4,425.06</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	145,069.00	(145,069.00)			
Other Salaries for Instruction	68,696.00	(68,696.00)			
General Supplies	1,000.00	(1,000.00)			
<b>Total - Preschool Disabilities - Full-Time</b>	<u>214,765.00</u>	<u>(214,765.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home Instruction:					
Salaries of Teachers	30,000.00	18,000.00	48,000.00	47,831.50	168.50
Purchased Professional - Educational Services	40,000.00	(8,000.00)	32,000.00	30,555.90	1,444.10
<b>Total - Home Instruction</b>	<u>70,000.00</u>	<u>10,000.00</u>	<u>80,000.00</u>	<u>78,387.40</u>	<u>1,612.60</u>
<b>Total - Special Education</b>	<u>6,954,443.00</u>	<u>(70,880.00)</u>	<u>6,883,563.00</u>	<u>6,617,416.39</u>	<u>266,146.61</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 191,622.00	98,000.00	\$ 289,622.00	\$ 259,491.02	\$ 30,130.98
General Supplies		12,000.00	12,000.00	11,640.42	359.58
<b>Total - Basic Skills / Remedial - Instruction</b>	<b>191,622.00</b>	<b>110,000.00</b>	<b>301,622.00</b>	<b>271,131.44</b>	<b>30,490.56</b>
Bilingual Education:					
Salaries of Teachers	437,877.00	38,200.00	476,077.00	428,253.10	47,823.90
Purchased Professional - Educational Services	5,000.00	(5,000.00)			
Other Purchased Services	250.00		250.00		250.00
General Supplies	5,900.00	(1,200.00)	4,700.00	1,984.02	2,715.98
<b>Total - Bilingual Education:</b>	<b>449,027.00</b>	<b>32,000.00</b>	<b>481,027.00</b>	<b>430,237.12</b>	<b>50,789.88</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	273,600.00	123,175.00	396,775.00	395,330.25	1,444.75
Purchased Services	31,000.00	(5,600.00)	25,400.00	21,819.16	3,580.84
Supplies and Materials	44,200.00	(11,205.00)	32,995.00	27,556.45	5,438.55
Other Objects	21,600.00	(14,122.00)	7,478.00	5,080.06	2,397.94
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>370,400.00</b>	<b>92,248.00</b>	<b>462,648.00</b>	<b>449,785.92</b>	<b>12,862.08</b>
School Sponsored Athletics - Instruction:					
Salaries	429,982.00	(16,378.00)	413,604.00	257,386.17	156,217.83
Purchased Services	23,420.00	(4,450.00)	18,970.00	18,212.31	757.69
Supplies and Materials	94,920.00	(13,000.00)	81,920.00	81,542.92	377.08
Other Objects	17,405.00	1,000.00	18,405.00	18,384.00	21.00
Transfers to Cover Deficit	56,000.00	(10,050.00)	45,950.00	40,000.00	5,950.00
<b>Total - School Sponsored Athletics - Instruction</b>	<b>621,727.00</b>	<b>(42,878.00)</b>	<b>578,849.00</b>	<b>415,525.40</b>	<b>163,323.60</b>
Summer School Instruction:					
Salaries of Teachers	150,000.00	(57,370.00)	92,630.00	92,480.00	150.00
General Supplies	5,000.00	(5,000.00)			
<b>Total - Summer School Instruction</b>	<b>155,000.00</b>	<b>(62,370.00)</b>	<b>92,630.00</b>	<b>92,480.00</b>	<b>150.00</b>
Alternative Education Program - Instruction					
Salaries of Teachers	160,000.00	14,000.00	174,000.00	168,607.50	5,392.50
General Supplies	1,000.00		1,000.00		1,000.00
<b>Total - Alternative Education Program - Instruction</b>	<b>161,000.00</b>	<b>14,000.00</b>	<b>175,000.00</b>	<b>168,607.50</b>	<b>6,392.50</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
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 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures - Instruction:					
Tuition Instruction Gateway	\$ 100,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 1,605.65
Tuition to Other LEAs within the State - Regular	40,000.00	17,008.04	117,008.04	115,402.39	12,547.43
Tuition to Other LEAs within the State - Special	666,188.00	100,055.47	140,055.47	127,508.04	1,335.00
Tuition to County Voc. School Dist. - Regular	184,560.00	14,230.00	680,418.00	679,083.00	4,678.40
Tuition to County Voc. School Dist. - Special	2,400,000.00	86,900.00	271,460.00	266,781.60	54,412.64
Tuition to CSSD & Reg. Day Schools	2,601,673.00	110,234.96	2,510,234.96	2,455,822.32	44,822.33
Tuition to Private School for the Disabled within State	125,000.00	1,223,357.00	3,825,030.00	3,780,207.67	1,279.41
Tuition -- State Facilities	60,474.00	(62,685.47)	62,314.53	61,035.12	73.60
Tuition -- Other	640,000.00	(368,100.00)	271,900.00	271,826.40	
<b>Total - Undistributed Expenditures - Instruction</b>	<b>6,817,895.00</b>	<b>1,201,000.00</b>	<b>8,018,895.00</b>	<b>7,898,140.54</b>	<b>120,754.46</b>
<b>Total - Instruction</b>	<b>40,818,008.92</b>	<b>902,520.00</b>	<b>41,720,528.92</b>	<b>38,977,741.40</b>	<b>2,742,787.52</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	85,119.00	42,192.00	127,311.00	118,780.00	8,531.00
Purchased Professional and Technical Services	16,230.00	7,500.00	7,500.00	7,500.00	
Other Purchased Services	3,000.00	(692.00)	16,230.00	15,819.86	410.14
Supplies and Materials			2,308.00	833.08	1,474.92
<b>Total - Undistributed Expenditures - Attendance and Social Work</b>	<b>104,349.00</b>	<b>49,000.00</b>	<b>153,349.00</b>	<b>142,932.94</b>	<b>10,416.06</b>
Undistributed Expenditures - Health Services:					
Salaries	790,148.00	(3,132.02)	787,015.98	748,759.01	38,256.97
Purchased Professional and Technical Services	55,000.00	(3,600.00)	51,400.00	50,920.00	480.00
Other Purchased Services	2,000.00		2,000.00	1,121.16	878.84
Supplies and Materials	20,000.00	(5,867.98)	14,132.02	13,804.72	327.30
<b>Total - Undistributed Expenditures - Health Services</b>	<b>867,148.00</b>	<b>(12,600.00)</b>	<b>854,548.00</b>	<b>814,604.89</b>	<b>39,943.11</b>
Other Support Services - Students - Related Services:					
Salaries	716,636.00	(104,600.00)	612,036.00	549,667.43	62,368.57
Purchased Professional - Educational Services	125,500.00	20,100.00	145,600.00	135,197.70	10,402.30
Supplies and Materials	10,000.00	(1,000.00)	9,000.00	8,750.82	249.18
<b>Total - Other Support Services-Students-Related Services</b>	<b>852,136.00</b>	<b>(85,500.00)</b>	<b>766,636.00</b>	<b>693,615.95</b>	<b>73,020.05</b>
Other Support Services - Students - Extra Services:					
Salaries	294,177.00	172,000.00	466,177.00	442,295.53	23,881.47
Purchased Professional - Educational Services	485,984.00	(5,200.00)	480,784.00	480,651.18	132.82
<b>Total - Other Support Services - Students - Extra Services</b>	<b>780,161.00</b>	<b>166,800.00</b>	<b>946,961.00</b>	<b>922,946.71</b>	<b>24,014.29</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	\$ 1,219,709.00	\$ 12,533.96	\$ 1,232,242.96	\$ 1,198,803.66	\$ 33,439.30
Salaries of Secretarial and Clerical Assistants	73,755.00	3,690.18	77,445.18	77,445.18	
Purchased Professional - Educational Services	20,000.00	(17,890.18)	2,109.82	198.00	1,911.82
Other Purchased Services	33,540.00	4,500.00	38,040.00	37,297.20	742.80
Supplies and Materials	36,500.00	(14,933.96)	21,566.04	20,017.70	1,548.34
<b>Total - Other Support Services - Students - Regular</b>	<b>1,383,504.00</b>	<b>(12,100.00)</b>	<b>1,371,404.00</b>	<b>1,333,761.74</b>	<b>37,642.26</b>
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	1,450,469.00	(174,755.98)	1,275,713.02	1,269,618.51	6,094.51
Salaries of Secretarial and Clerical Assistants	89,536.00	5,100.00	94,636.00	94,553.94	82.06
Purchased Professional - Educational Services	150,000.00	97,800.00	247,800.00	247,102.13	697.87
Other Purchased Services	2,208.00		2,208.00	2,208.00	
Miscellaneous Purchased Services	3,000.00	(450.00)	2,550.00	1,807.63	742.37
Supplies and Materials	15,000.00	8,385.98	23,385.98	23,350.65	35.33
<b>Total - Other Support Services - Students - Special Services</b>	<b>1,710,213.00</b>	<b>(63,920.00)</b>	<b>1,646,293.00</b>	<b>1,638,640.86</b>	<b>7,652.14</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Supervisors of Instruction	645,485.00	(132,000.00)	513,485.00	507,976.50	5,508.50
Salaries of Other Professional Staff	20,000.00	20,320.00	40,320.00	40,320.00	
Other Salaries		334,000.00	334,000.00	328,119.38	5,880.62
Unused Vacation Payment to Terminated/Retired Staff	20,000.00	1,607.86	21,607.86	21,607.86	
Other Purchased Services	1,500.00	1,500.00	3,000.00	2,503.38	496.62
Supplies and Materials	10,000.00	(2,552.64)	7,447.36	7,304.82	142.54
<b>Total - Improvement of Instruction Services</b>	<b>696,985.00</b>	<b>222,875.22</b>	<b>919,860.22</b>	<b>907,831.94</b>	<b>12,028.28</b>
<b>Educational Media Services/School Library:</b>					
Salaries	419,304.00	19,428.00	438,732.00	434,949.12	3,782.88
Other Purchased Services	29,500.00	(500.00)	29,000.00	28,661.45	338.55
Supplies and Materials	63,850.00	(9,428.00)	54,422.00	51,455.54	2,966.46
<b>Total - Educational Media Services/School Library</b>	<b>512,654.00</b>	<b>9,500.00</b>	<b>522,154.00</b>	<b>515,066.11</b>	<b>7,087.89</b>
<b>Instructional Staff Training Services:</b>					
Other Salaries	124,514.00	(70,000.00)	54,514.00	46,963.46	7,550.54
Purchased Professional- Educational Services	60,000.00	(7,500.00)	52,500.00	13,600.00	38,900.00
Other Purchased Services	10,000.00		10,000.00	931.17	9,068.83
Supplies and Materials	2,000.00		2,000.00		2,000.00
<b>Total - Instructional Staff Training Services</b>	<b>196,514.00</b>	<b>(77,500.00)</b>	<b>119,014.00</b>	<b>61,494.63</b>	<b>57,519.37</b>



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
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 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 219,124.00	\$ 1,048.50	\$ 220,172.50	\$ 204,876.72	\$ 15,295.78
Legal Services	260,000.00	(32,800.00)	227,200.00	98,158.10	129,041.90
Audit Fees	109,000.00		109,000.00	109,000.00	
Architectural/Engineering Services	200,000.00	(19,500.00)	180,500.00	27,417.10	153,082.90
Other Purchased Professional Services	53,495.00		53,495.00	46,016.08	7,478.92
Communications/Telephone/ Postage	372,640.00		372,640.00	331,745.30	40,894.70
BOE Other Purchased Services	6,000.00	(307.00)	5,693.00	5,349.27	343.73
Other Purchased Services	123,156.00	307.00	123,463.21	121,335.21	2,127.79
General Supplies	65,000.00		65,000.00	60,385.42	4,614.58
BOE In-House Training / Meeting Supplies	5,000.00	(350.00)	4,650.00	1,958.75	2,691.25
Judgments Against the School District	5,000.00		5,000.00	52,000.00	
Miscellaneous Expenditures	30,000.00	(398.50)	29,601.50	1,020.52	3,979.48
BOE Membership Dues and Fees	1,448,415.00		1,448,415.00	26,662.70	2,938.80
<b>Total - Support Services General Administration</b>	<b>1,448,415.00</b>	<b>-</b>	<b>1,448,415.00</b>	<b>1,085,925.17</b>	<b>362,489.83</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	1,608,845.00	(73,400.00)	1,535,445.00	1,465,886.23	69,558.77
Salaries of Other Professional Staff	370,428.00	(11,000.00)	359,428.00	352,322.94	7,105.06
Salaries of Secretarial and Clerical Assistants	704,160.00	30,270.00	734,430.00	717,916.98	16,513.02
Other Purchased Services	26,371.00	(770.00)	25,601.00	13,653.07	11,947.93
Supplies and Materials	64,700.00	(2,600.00)	62,100.00	44,370.03	17,729.97
Other Objects	16,700.00	1,500.00	18,200.00	16,512.50	1,687.50
<b>Total - Support Services School Administration</b>	<b>2,791,204.00</b>	<b>(56,000.00)</b>	<b>2,735,204.00</b>	<b>2,610,661.75</b>	<b>124,542.25</b>
Central Services:					
Salaries	855,152.00	50,375.52	905,527.52	786,232.20	119,295.32
Purchased Professional Services	6,000.00	(1,825.52)	4,174.48		4,174.48
Purchased Technical Services	42,500.00	(7,450.00)	35,050.00	33,472.00	1,578.00
Miscellaneous Purchased Services	3,064.00	600.00	3,664.00	1,973.82	1,690.18
Supplies and Materials	11,000.00	2,600.00	13,600.00	12,801.41	798.59
Miscellaneous Expenditures	9,990.00	(4,300.00)	5,690.00	5,252.50	437.50
<b>Total - Central Services</b>	<b>927,706.00</b>	<b>40,000.00</b>	<b>967,706.00</b>	<b>839,731.93</b>	<b>127,974.07</b>
Administrative Information Technology:					
Salaries	103,593.00	36,000.00	139,593.00	127,883.70	11,709.30
Purchased Professional Services	11,000.00		11,000.00	7,400.00	3,600.00
Purchased Technical Services	33,028.00		33,028.00	27,980.34	5,047.66
Other Purchased Services	13,510.00		13,510.00	10,433.63	3,076.37
Supplies and Materials	101,999.00	(20,000.00)	81,999.00	64,183.92	17,815.08
<b>Total - Administrative Information Technology</b>	<b>263,130.00</b>	<b>16,000.00</b>	<b>279,130.00</b>	<b>237,881.59</b>	<b>41,248.41</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Required Maintenance for School Facilities:					
Salaries	\$ 1,209,191.00	\$ 6,730.00	\$ 1,215,921.00	\$ 1,206,690.32	\$ 9,230.68
Unused Vacation Payment to Terminated/Retired Staff	25,000.00		25,000.00		25,000.00
Cleaning, Repair & Maintenance Services	344,474.30	(75,650.00)	268,824.30	165,513.22	103,311.08
General Supplies	210,769.00		210,769.00	181,691.25	29,077.75
<b>Total - Required Maintenance for School Facilities</b>	<u>1,789,434.30</u>	<u>(68,920.00)</u>	<u>1,720,514.30</u>	<u>1,553,894.79</u>	<u>166,619.51</u>
Other Operation and Maintenance of Plant Services:					
Salaries	2,487,155.00	144,079.88	2,631,234.88	2,592,275.88	38,959.00
Salaries of Non-Instructional Aides	276,538.00		276,538.00	244,160.72	32,377.28
Unused Vacation Payment to Terminated/Retired Staff	25,000.00		25,000.00	14,624.82	10,375.18
Purchased Professional and Technical Services	35,280.00	22,700.00	57,980.00	12,885.57	45,094.43
Cleaning, Repair and Maintenance Services	76,720.00		76,720.00	68,718.28	8,001.72
Other Purchased Property Services	132,940.00		132,940.00	107,624.57	25,315.43
Insurance	540,466.00	(90,000.00)	450,466.00	443,869.54	6,596.46
Miscellaneous Purchased Services	8,755.00		8,755.00	6,539.50	2,215.50
General Supplies	245,042.00	(52,231.36)	192,810.64	191,931.44	879.20
Energy (Natural Gas)	780,000.00	(335,800.00)	444,200.00	328,345.31	115,854.69
Energy (Electricity)	1,250,000.00	(41,300.00)	1,208,700.00	1,086,345.62	122,354.38
Other Objects	47,400.00	(328.52)	47,071.48	9,301.77	37,769.71
<b>Total - Other Operation and Maintenance of Plant Services</b>	<u>5,905,296.00</u>	<u>(352,880.00)</u>	<u>5,552,416.00</u>	<u>5,106,623.02</u>	<u>445,792.98</u>
<b>Care &amp; Upkeep of Grounds</b>					
Salaries	293,261.00	25,635.48	318,896.48	317,210.00	1,686.48
Cleaning, Repair and Maintenance Services	23,100.00		23,100.00	18,621.95	4,478.05
General Supplies	83,378.00	(235.48)	83,142.52	81,692.15	1,450.37
<b>Total - Care &amp; Upkeep of Grounds</b>	<u>399,739.00</u>	<u>25,400.00</u>	<u>425,139.00</u>	<u>417,524.10</u>	<u>7,614.90</u>
<b>Security</b>					
Purchased Professional and Technical Services	350,000.00	(75,000.00)	275,000.00	275,000.00	
General Supplies	3,700.00		3,700.00	1,365.00	2,335.00
<b>Total - Security</b>	<u>353,700.00</u>	<u>(75,000.00)</u>	<u>278,700.00</u>	<u>276,365.00</u>	<u>2,335.00</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Student Transportation Services:					
Salaries of Non-Instructional Aids	\$ 266,322.00	2,232.32	\$ 268,554.32	\$ 263,583.86	\$ 4,970.46
Salaries for Pupil Transportation (Between Home & School) - Regular	438,305.00	26,094.86	464,399.86	429,164.20	35,235.66
Salaries for Pupil Transportation (Between Home & School) - Special Education	590,358.00	(11,000.00)	579,358.00	559,907.55	19,450.45
Salaries for Pupil Transportation (Other than Between Home & School)	225,000.00	42,232.00	267,232.00	263,015.04	4,216.96
Salaries for Pupil Transportation (Between Home & School) - Non-Public School	55,540.00		55,540.00	50,948.31	4,591.69
Unused Vacation Payment to Terminated/Retired Staff		3,868.06	3,868.06	3,864.54	3.52
Management Fee - ESC & CTSA Transportation Program	75,000.00	1,400.00	76,400.00	76,318.23	81.77
Other Purchased Professional and Technical Services	29,570.00	(600.00)	28,970.00	16,929.84	12,040.16
Cleaning, Repair and Maintenance Services	77,213.00	(22,182.00)	55,031.00	25,841.51	29,189.49
Contracted Services (Between Home & School) - Vendors	769,646.00	66,370.00	836,016.00	811,070.28	24,945.72
Contracted Services (Other Than Between Home & School) - Vendors	63,259.00	10,391.00	73,650.00	52,002.25	21,647.75
Contracted Services (Between Home & School) - Joint Agreements	8,000.00	11,239.00	19,239.00	18,420.71	818.29
Contracted Services (Special Education Students) - Vendors	50,000.00		50,000.00	14,792.00	35,208.00
Contracted Services (Special Education Students) - ESCs & CTSA	1,255,655.00	444,000.00	1,699,655.00	1,699,194.47	460.53
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	304,980.00	(106,000.00)	198,980.00	182,351.76	16,628.24
Contracted Services - Aid in Lieu of Payments - Charter Schools	96,356.00	(10,620.00)	85,736.00	61,880.00	23,856.00
Contracted Services - Aid in Lieu of Payments - Choice Schools	44,200.00	(6,623.77)	37,576.23	33,592.00	3,984.23
Contracted Services - Aid in Lieu of Payments - Renaissance Schools	8,840.00	(5,653.41)	3,186.59		3,186.59
Miscellaneous Purchased Services	1,770.00	1,000.00	2,770.00	1,819.70	950.30
General Supplies	3,000.00		3,000.00	2,100.60	899.40
Transportation Supplies	413,791.60	(146,814.06)	266,977.54	256,447.23	10,530.31
Other Objects	11,500.00		11,500.00	11,492.54	7.46
<b>Total - Student Transportation Services</b>	<b>4,788,305.60</b>	<b>299,334.00</b>	<b>5,087,639.60</b>	<b>4,834,736.62</b>	<b>252,902.98</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social Security Contributions	1,000,000.00	63,171.20	1,063,171.20	1,063,171.20	
Other Retirement Contributions - Regular	1,186,491.00	249,828.80	1,436,319.80	1,408,860.04	27,459.76
Workers Compensation	729,384.00		729,384.00	555,618.97	173,765.03
Health Benefits	17,941,254.00	(1,830,900.00)	16,110,354.00	12,483,422.40	3,626,931.60
Tuition Reimbursements	155,000.00		155,000.00	27,226.00	127,774.00
Other Employee Benefits	590,000.00	11,900.00	601,900.00	490,906.71	110,993.29
Unused Sick Payment to Terminated/Retired Staff	1,720,000.00	3,990.78	1,723,990.78	91,302.00	1,632,688.78
<b>Total - Unallocated Benefits - Employee Benefits</b>	<b>23,322,129.00</b>	<b>(1,502,009.22)</b>	<b>21,820,119.78</b>	<b>16,120,507.32</b>	<b>5,699,612.46</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
TPAF Contributions:					
On-behalf TPAF Pension Contributions (non-budgeted)				\$ 2,567,651.00	\$ (2,567,651.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				127,904.00	(127,904.00)
On-behalf TPAF Medical Contributions (non-budgeted)				3,209,662.00	(3,209,662.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,425,869.77	(2,425,869.77)
<b>Total TPAF Contributions</b>	-	-	-	8,331,086.77	(8,331,086.77)
<b>Total Undistributed Expenses</b>	\$ 49,092,722.90	\$ (1,477,520.00)	\$ 47,615,202.90	48,445,833.83	(830,630.93)
<b>Total Expenditures - Current Expense</b>	89,910,731.82	(575,000.00)	89,335,731.82	87,423,575.23	1,912,156.59
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1-5	223,809.00	(3,514.00)	220,295.00	140,193.03	80,101.97
Grades 6-8	27,600.00	3,514.00	31,114.00	7,714.00	23,400.00
Grades 9-12	298,027.00		298,027.00	254,155.73	43,871.27
School-Sponsored and Other Instructional Program	4,500.00		4,500.00	2,588.74	1,911.26
Undistributed Expenditures - Central Services		3,650.00	3,650.00	3,650.00	
Undistributed Expenditures - Admin Info Tech.	47,950.00	(3,650.00)	44,300.00	38,131.40	6,168.60
Undistributed Expenditures - Required Maintenance for Schools	157,000.00		157,000.00	80,711.99	76,288.01
Undistributed Expenditures - Care / Upkeep of Grounds	18,000.00		18,000.00	16,042.48	1,957.52
Undistributed Expenditures - Student Trans. - Non-Inst. Equip.		15,301.00	15,301.00	15,301.00	
School Buses - Regular	485,650.00	(15,301.00)	470,349.00	177,824.64	292,524.36
<b>Total - Equipment</b>	1,262,536.00	-	1,262,536.00	736,313.01	526,222.99
Facilities Acquisition and Construction Services:					
Architectural / Engineering Services	842.49		842.49		842.49
Construction Services	38,804.50		38,804.50	38,804.50	
Capital Reserve - Transfer to Capital Projects	565,000.00	(240,000.00)	325,000.00		325,000.00
<b>Total - Facilities Acquisition and Construction Services</b>	604,646.99	(240,000.00)	364,646.99	38,804.50	325,842.49
<b>Total Capital Outlay</b>	1,867,182.99	(240,000.00)	1,627,182.99	775,117.51	852,065.48
<b>Transfer of Funds to Charter Schools</b>	2,811,856.00	575,000.00	3,386,856.00	3,363,325.00	23,531.00
<b>Total Expenditures</b>	94,589,770.81	(240,000.00)	94,349,770.81	91,562,017.74	2,787,753.07

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,875,452.81)	\$ 240,000.00	\$ (7,635,452.81)	\$ 4,438,028.63	\$ 12,073,481.44
Other Financing Sources (Uses):					
Operating Transfer In -- Capital Project Balances Canceled to Capital Outlay Legally Restricted				474,808.24	(474,808.24)
Operating Transfer In -- Capital Project Balances Canceled to Capital Reserve		(240,000.00)	(240,000.00)	220,858.80	(220,858.80)
Operating Transfer Out -- Capital Reserve Transferred to Capital Projects Fund				(240,000.00)	
<b>Total - Other Financing Sources (Uses)</b>	<b>-</b>	<b>(240,000.00)</b>	<b>(240,000.00)</b>	<b>455,667.04</b>	<b>(695,667.04)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,875,452.81)	-	(7,875,452.81)	4,893,695.67	12,769,148.48
Fund Balances, July 1	18,537,322.32	-	18,537,322.32	18,537,322.32	-
Fund Balances, June 30	\$ 10,661,869.51	-	\$ 10,661,869.51	\$ 23,431,017.99	\$ 12,769,148.48

**Recapitulation:**

Nonspendable Fund Balance:	\$	132,851.88			
Reserve for Supplies Inventory				8,666,587.83	
Restricted Fund Balance:				5,423,665.46	
Excess Surplus				436,715.65	
Excess Surplus -- Designated for Subsequent Years Expenditures				1,000,600.33	
Emergency Reserve				852,756.97	
Maintenance Reserve				1,680,000.00	
Capital Reserve				474,808.24	
Capital Reserve -- Designated for Subsequent Years Expenditures				2,235,785.88	
Capital Outlay Legally Restricted				125,719.66	
Assigned Fund Balance:				82,715.47	
Designated for Subsequent Years Expenditures				2,318,810.62	
ARRA / SEMI 10/1/08 - 12/31/10 Designated for Subsequent Year's Expenditures				23,431,017.99	
SEMI Cost Settlement 7/1/13 - 6/30/14 Designated for Subsequent Year's Expenditures				(4,617,378.00)	
Unassigned Fund Balance				18,813,639.99	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(4,617,378.00)	
Fund Balance per Governmental Funds (GAAP)				18,813,639.99	

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Title I Part A	\$ 1,078,273.00	\$ 829,631.00	\$ 1,907,904.00	\$ 1,767,052.08	\$ 140,851.92
Title II Part A	163,812.00	207,406.00	371,218.00	370,111.36	1,106.64
Title III	68,076.00	21,633.00	89,709.00	54,977.02	34,731.98
Title III Immigrant		28,554.00	28,554.00	4,060.00	24,494.00
I.D.E.A., Part B, Basic	1,472,717.00	265,543.00	1,738,260.00	1,725,663.34	12,596.66
I.D.E.A., Part B, Preschool		45,757.00	45,757.00	45,757.00	
<b>Total - Federal Sources</b>	<b>2,782,878.00</b>	<b>1,398,524.00</b>	<b>4,181,402.00</b>	<b>3,967,620.80</b>	<b>213,781.20</b>
State Sources:					
Preschool Education Aid		(136,702.01)	901,478.99	876,362.99	25,116.00
Non-Public Nursing	1,038,181.00	83,070.00	83,070.00	82,239.30	830.70
Non-Public Textbook		51,619.00	51,619.00	50,694.63	924.37
Non-Public Technology		22,074.00	22,074.00	21,303.00	771.00
Non-Public Security		23,075.00	23,075.00	21,683.85	1,391.15
Chapter 192 Auxiliary Services		227,779.00	227,779.00	193,248.75	34,530.25
Chapter 193 Handicapped Services		139,927.00	139,927.00	92,882.29	47,044.71
<b>Total - State Sources</b>	<b>1,038,181.00</b>	<b>410,841.99</b>	<b>1,449,022.99</b>	<b>1,338,414.81</b>	<b>110,608.18</b>
<b>Total Revenues</b>	<b>\$ 3,821,059.00</b>	<b>\$ 1,809,365.99</b>	<b>\$ 5,630,424.99</b>	<b>\$ 5,306,035.61</b>	<b>\$ 324,389.38</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,375,788.58	\$ 771,934.56	\$ 2,147,723.14	\$ 2,062,327.34	\$ 85,395.80
Other Salaries for Instruction	90,000.00		90,000.00	90,000.00	
Purchased Professional & Technical Services	35,967.25	234,811.75	270,779.00	227,843.75	42,935.25
Other Purchased Services		16,250.00	16,250.00	16,103.00	147.00
Tuition	1,429,808.88	292,473.12	1,722,282.00	1,722,282.00	
General Supplies	85,959.43	39,091.43	125,050.86	92,949.17	32,101.69
Textbooks		51,619.00	51,619.00	50,694.63	924.37
Other Objects	1,000.00		1,000.00	654.00	346.00
Total Instruction	3,018,524.14	1,406,179.86	4,424,704.00	4,262,853.89	161,850.11
Support Services:					
Salaries of Supervisors of Instruction	20,000.00		20,000.00	13,231.19	6,768.81
Salaries of Program Directors	20,000.00		20,000.00	20,000.00	
Salaries of Other Professional Staff	29,482.00	56,893.00	86,375.00	81,191.65	5,183.35
Personal Services - Employee Benefits	631,793.86	35,428.13	667,221.99	649,468.99	17,753.00
Purchased Professional & Technical Services	61,110.39	131,675.61	192,786.00	130,955.90	61,830.10
Purchased Professional Educational Services	15,640.91	147,069.09	162,710.00	113,202.29	49,507.71
Other Purchased Services	5,548.73	3,889.27	9,438.00	210.00	9,228.00
Rentals	440.00		440.00	440.00	
Supplies and Materials	8,018.97	17,386.04	25,405.01	13,137.71	12,267.30
Total Support Services	792,034.86	392,341.14	1,184,376.00	1,021,837.73	162,538.27
Capital Outlay:					
Non-Instructional Equipment	10,500.00	10,844.99	21,344.99	21,343.99	1.00
Total Expenditures	\$ 3,821,059.00	\$ 1,809,365.99	\$ 5,630,424.99	\$ 5,306,035.61	\$ 324,389.38

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 96,000,046.37	\$ 5,306,035.61
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		(80,612.99)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2015.	4,542,826.00	75,331.00
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 2016.	<u>(4,617,378.00)</u>	<u>(79,575.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 95,925,494.37</u>	<u>\$ 5,221,178.62</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 91,562,017.74	\$ 5,306,035.61
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 91,562,017.74</u>	<u>\$ 5,306,035.61</u>



REQUIRED SUPPLEMENTARY INFORMATION  
PART III

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

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1318579811%	0.1328969151%	0.1403594782%
School District's Proportionate Share of the Net Pension Liability	\$ 29,599,474.00	\$ 24,881,937.00	\$ 26,825,485.00
School District's Covered Payroll (Plan Measurement Period)	\$ 9,616,260.00	\$ 9,686,132.00	\$ 10,301,872.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	307.81%	256.88%	260.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

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

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Contractually Required Contribution	\$ 1,172,124.00	\$ 1,133,625.00	\$ 1,095,583.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,172,124.00)</u>	<u>(1,133,625.00)</u>	<u>(1,095,583.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll	\$ 8,949,683.00	\$ 8,984,419.00	\$ 8,967,114.00
Contributions as a Percentage of School District's Covered Payroll	13.10%	12.62%	12.22%

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.

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

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	-	-	-
State's Proportionate Share of the School District's Net Pension Liability	<u>\$ 222,951,239.00</u>	<u>\$ 191,090,175.00</u>	<u>\$ 188,332,270.00</u>
	<u><u>\$ 222,951,239.00</u></u>	<u><u>\$ 191,090,175.00</u></u>	<u><u>\$ 188,332,270.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 40,476,520.00	\$ 41,511,116.00	\$ 41,586,444.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	550.82%	460.33%	452.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

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

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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.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2016

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

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

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART IV

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress for Health Benefits Plan  
 For the Fiscal Year Ended June 30, 2016

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
06/30/15	-	\$ 961,544.00	\$ 961,544.00	-	N/A	N/A
06/30/13	-	1,336,878.00	1,336,878.00	-	N/A	N/A
06/30/11	-	1,530,715.00	1,530,715.00	-	N/A	N/A



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Notes To Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2016

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**Other Postemployment Benefits**

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	None
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	5.00%
Rate of Salary Increases	N/A
Rate of Medical and Prescription Inflation	5.00%

For determining the annual required contribution (ARC), the rate of employer contributions to the Plan is composed of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), multiplied by the sum of 1 plus the discount rate, or 1.05. The normal cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The actuarial accrued liability (AAL) is that portion of the present value of projected benefits that will not be paid by future employer normal costs. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability (UAL).

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	N.C.L.B.				I.D.E.A. Part B		Total Brought Forward
	Total	Title I Part A	Title II Part A	Title III	Title III Immigrant	Basic	
<b>REVENUES:</b>							
Federal Sources	\$ 3,967,620.80						\$ 45,757.00
State Sources	<u>1,338,414.81</u>						<u>1,338,414.81</u>
Total Revenues	<u>\$ 5,306,035.61</u>	<u>\$ 1,767,052.08</u>	<u>\$ 370,111.36</u>	<u>\$ 54,977.02</u>	<u>\$ 4,060.00</u>	<u>\$ 1,725,663.34</u>	<u>\$ 1,384,171.81</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 2,062,327.34						\$ 386,901.47
Other Salaries for Instruction	90,000.00						90,000.00
Purchased Professional & Technical Services	227,843.75					\$ 34,595.00	193,248.75
Other Purchased Services	16,103.00						16,103.00
Tuition	1,722,282.00					1,676,525.00	45,757.00
General Supplies	92,949.17					2,065.94	26,408.84
Textbooks	50,694.63						50,694.63
Other Objects	654.00						654.00
Total Instruction	<u>4,262,853.89</u>	<u>1,409,584.38</u>	<u>284,171.36</u>	<u>42,658.52</u>	<u>3,486.00</u>	<u>1,713,185.94</u>	<u>809,767.69</u>
Support Services:							
Salaries of Supervisors of Instruction	13,231.19						13,231.19
Salaries of Program Directors	20,000.00						20,000.00
Salaries of Other Professional Staff	81,191.65						81,191.65
Personal Services - Employee Benefits	649,468.99						241,797.99
Purchased Professional & Technical Services	130,955.90					12,477.40	82,239.30
Purchased Professional Educational Services	113,202.29						101,052.29
Other Purchased Services	210.00						440.00
Rentals	440.00						13,107.71
Supplies and Materials	13,137.71						
Total Support Services	<u>1,021,837.73</u>	<u>357,467.70</u>	<u>85,940.00</u>	<u>12,318.50</u>	<u>574.00</u>	<u>12,477.40</u>	<u>553,060.13</u>
Capital Outlay:							
Non-Instructional Equipment	21,343.99						21,343.99
Total Expenditures	<u>\$ 5,306,035.61</u>	<u>\$ 1,767,052.08</u>	<u>\$ 370,111.36</u>	<u>\$ 54,977.02</u>	<u>\$ 4,060.00</u>	<u>\$ 1,725,663.34</u>	<u>\$ 1,384,171.81</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	I.D.E.A. Part B		Non-Public Technology Aid	Non-Public Textbook Aid	Non-Public Nursing Aid	Non-Public Security Aid	Total Brought Forward
	Preschool						
<b>REVENUES:</b>							
Federal Sources	\$ 45,757.00	\$ 45,757.00		\$ 50,694.63	\$ 82,239.30	\$ 21,683.85	\$ 1,162,494.03
State Sources	1,338,414.81						
<b>Total Revenues</b>	<b>\$ 1,384,171.81</b>	<b>\$ 45,757.00</b>	<b>\$ 21,303.00</b>	<b>\$ 50,694.63</b>	<b>\$ 82,239.30</b>	<b>\$ 21,683.85</b>	<b>\$ 1,162,494.03</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 386,901.47						\$ 386,901.47
Other Salaries for Instruction	90,000.00						90,000.00
Purchased Professional & Technical Services	193,248.75						193,248.75
Other Purchased Services	16,103.00	\$ 16,103.00					
Tuition	45,757.00	\$ 45,757.00					21,208.84
General Supplies	26,408.84		5,200.00				
Textbooks	50,694.63			\$ 50,694.63			654.00
Other Objects	654.00						
<b>Total Instruction</b>	<b>809,767.69</b>	<b>45,757.00</b>	<b>21,303.00</b>	<b>50,694.63</b>	<b>-</b>	<b>-</b>	<b>692,013.06</b>
Support Services:							
Salaries of Supervisors of Instruction	13,231.19						13,231.19
Salaries of Program Directors	20,000.00						20,000.00
Salaries of Other Professional Staff	81,191.65						81,191.65
Personal Services - Employee Benefits	241,797.99						241,797.99
Purchased Professional & Technical Services	82,239.30				\$ 82,239.30		
Purchased Professional Educational Services	101,052.29						101,052.29
Other Purchased Services							
Rentals	440.00						440.00
Supplies and Materials	13,107.71					\$ 11,364.86	1,742.85
<b>Total Support Services</b>	<b>553,060.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,239.30</b>	<b>11,364.86</b>	<b>459,455.97</b>
Capital Outlay:							
Non-Instructional Equipment	21,343.99	-	-	-	-	10,318.99	11,025.00
<b>Total Expenditures</b>	<b>\$ 1,384,171.81</b>	<b>\$ 45,757.00</b>	<b>\$ 21,303.00</b>	<b>\$ 50,694.63</b>	<b>\$ 82,239.30</b>	<b>\$ 21,683.85</b>	<b>\$ 1,162,494.03</b>

(Continued)

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	N.J. Non-Public Handicapped Services Ch. 193			N.J. Non-Public Auxiliary Services Ch. 192		Total Brought Forward	
	Total Carried Forward	Supplemental Instruction	Examination and Classification	Corrective Speech	Compensatory Education		English as a Second Language
<b>REVENUES:</b>							
Federal Sources	\$ 1,162,494.03	\$ 26,581.50	\$ 53,008.39	\$ 13,292.40	\$ 178,506.00	\$ 9,834.78	\$ 881,270.96
State Sources	\$ 1,162,494.03	\$ 26,581.50	\$ 53,008.39	\$ 13,292.40	\$ 178,506.00	\$ 9,834.78	\$ 881,270.96
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 386,901.47						\$ 386,901.47
Other Salaries for Instruction	90,000.00						90,000.00
Purchased Professional & Technical Services	193,248.75				\$ 178,506.00	\$ 9,834.78	4,907.97
Other Purchased Services							
Tuition							
General Supplies	21,208.84						21,208.84
Textbooks	654.00						654.00
Other Objects							
Total Instruction	692,013.06	-	-	-	178,506.00	9,834.78	503,672.28
Support Services:							
Salaries of Supervisors of Instruction	13,231.19						13,231.19
Salaries of Program Directors	20,000.00						20,000.00
Salaries of Other Professional Staff	81,191.65						81,191.65
Personal Services - Employee Benefits	241,797.99						241,797.99
Purchased Professional & Technical Services	101,052.29	\$ 26,581.50	\$ 53,008.39	\$ 13,292.40			8,170.00
Purchased Professional Educational Services							
Other Purchased Services							
Rentals	440.00						440.00
Supplies and Materials	1,742.85						1,742.85
Total Support Services	459,455.97	26,581.50	53,008.39	13,292.40	-	-	366,573.68
Capital Outlay:							
Non-Instructional Equipment	11,025.00	-	-	-	-	-	11,025.00
Total Expenditures	\$ 1,162,494.03	\$ 26,581.50	\$ 53,008.39	\$ 13,292.40	\$ 178,506.00	\$ 9,834.78	\$ 881,270.96

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	N.J. Non-Public Auxiliary Services Ch. 192			
	Total Carried Forward	Home Instruction	Transportation	Preschool Education Aid
<b>REVENUES:</b>				
Federal Sources	\$ 881,270.96	\$ 1,108.00	\$ 3,799.97	\$ 876,362.99
State Sources	\$ 881,270.96	\$ 1,108.00	\$ 3,799.97	\$ 876,362.99
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	\$ 386,901.47			\$ 386,901.47
Other Salaries for Instruction	90,000.00			90,000.00
Purchased Professional & Technical Services	4,907.97	\$ 1,108.00	\$ 3,799.97	
Other Purchased Services				
Tuition				
General Supplies	21,208.84			21,208.84
Textbooks				
Other Objects	654.00			654.00
Total Instruction	503,672.28	1,108.00	3,799.97	498,764.31
Support Services:				
Salaries of Supervisors of Instruction	13,231.19			13,231.19
Salaries of Program Directors	20,000.00			20,000.00
Salaries of Other Professional Staff	81,191.65			81,191.65
Personal Services - Employee Benefits	241,797.99			241,797.99
Purchased Professional & Technical Services				
Purchased Professional Educational Services	8,170.00			8,170.00
Other Purchased Services				
Rentals	440.00			440.00
Supplies and Materials	1,742.85			1,742.85
Total Support Services	366,573.68	-	-	366,573.68
Capital Outlay:				
Non-Instructional Equipment	11,025.00	-	-	11,025.00
Total Expenditures	\$ 881,270.96	\$ 1,108.00	\$ 3,799.97	\$ 876,362.99

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Special Revenue Fund  
 Schedule of Preschool Education Aid  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 394,366.00	\$ 386,901.47	\$ 7,464.53
Other Salaries for Instruction	90,000.00	90,000.00	
General Supplies	24,475.00	21,208.84	3,266.16
Other Objects	1,000.00	654.00	346.00
<b>Total Instruction</b>	<u>509,841.00</u>	<u>498,764.31</u>	<u>11,076.69</u>
<b>Support Services:</b>			
Salaries of Supervisors of Instruction	20,000.00	13,231.19	6,768.81
Salaries of Program Directors	20,000.00	20,000.00	
Salaries of Other Professional Staff	86,375.00	81,191.65	5,183.35
Employee Benefits	241,797.99	241,797.99	
Purchased Professional Educational Services	10,000.00	8,170.00	1,830.00
Rentals	440.00	440.00	
Supplies and Materials	2,000.00	1,742.85	257.15
<b>Total Support Services</b>	<u>380,612.99</u>	<u>366,573.68</u>	<u>14,039.31</u>
<b>Facilities Acquisition and Construction Services:</b>			
Non-Instructional Equipment	11,025.00	11,025.00	-
<b>Total Expenditures</b>	<u>\$ 901,478.99</u>	<u>\$ 876,362.99</u>	<u>\$ 25,116.00</u>

Calculation of Budget and Carryover

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 795,750.00
Add: Actual ECPA Carryover (June 30, 2015)	112,783.03
Add: Budgeted Transfer from the General Fund 2015-2016	<u>-</u>
<b>Total Preschool Education Aid Funds Available for 2015-2016 Budget</b>	<b>908,533.03</b>
Less: 2015-2016 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(901,478.99)</u>
<b>Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016</b>	<b>7,054.04</b>
Add: 2015-2016 Unexpended Preschool Education Aid	25,116.00
Less: 2015-2016 Commissioner Approved Transfer to General Fund	<u>-</u>
<b>2015-2016 Carryover -- Preschool Education Aid</b>	<b>\$ 32,170.04</b>
<b>2015-2016 Preschool Education Aid Carryover Budgeted in 2016-2017</b>	<b>\$ 7,054.04</b>



CAPITAL PROJECTS FUND

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2016

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Cancellations	Unexpended Balance June 30, 2016
			Prior Years	Current Year		
Senior High School Window Replacement	7/1/2011	\$ 2,600,000.00	\$ 2,099,107.34	\$ 280,033.86	\$ 220,858.80	
Burling Elementary School HVAC and Roof	1/6/2014	2,867,238.00	2,351,797.92		515,440.08	
Senior High School Gym HVAC	1/6/2014	845,547.00	814,488.66		31,058.34	
Senior High School Roof Replacement	1/6/2014	3,915,420.00	1,201,085.00	1,974,278.98		\$ 740,056.02
Senior High School Curtains	7/1/2014	320,000.00		124,941.36	195,058.64	
Roosevelt Parking Lot	7/1/2014	150,000.00				150,000.00
Senior High School Upgrade to Front Entrance	7/1/2014	175,000.00				175,000.00
Middle School Flooring Removal	7/1/2014	150,000.00				150,000.00
Administration Building Asphalt Replacement	7/1/2015	240,000.00				240,000.00
<b>Total</b>		<b>\$ 11,263,205.00</b>	<b>\$ 6,466,478.92</b>	<b>\$ 2,379,254.20</b>	<b>\$ 962,415.86</b>	<b>\$ 1,455,056.02</b>
Reconciliation to Governmental Funds Statements (GAAP):						
						\$ 1,455,056.02
						(740,056.02)
						\$ 715,000.00
Cancellation of SDA Grant						
					\$ 266,748.82	
					220,858.80	
					474,808.24	
					\$ 962,415.86	

## TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT

## Capital Project Funds

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016**Revenues and Other Financing Sources**

State Sources--SDA Grant		
Bond Proceeds and Transfers		
Transfer from Capital Reserve	\$ 240,000.00	
Transfer from Capital Outlay		
Total Revenues		<u>\$ 240,000.00</u>

**Expenditures and Other Financing Uses**

Expenditures:		
Other Purchased Professional and Technical Services	20,085.60	
Construction Services	<u>2,359,168.60</u>	
Total Expenditures		<u>2,379,254.20</u>
Other Financing Uses:		
Cancellation of SDA Grants	266,748.82	
Transfer to General Fund -- Capital Reserve	220,858.80	
Transfer to General Fund -- Capital Outlay Legally Restricted	<u>474,808.24</u>	
Total Other Financing Uses		<u>962,415.86</u>
Total Expenditures and Other Financing Uses		<u>3,341,670.06</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,101,670.06)
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Fund Balance -- July 1	<u>4,556,726.08</u>
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Fund Balance -- June 30	<u>\$ 1,455,056.02</u>
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## Reconciliation to Governmental Funds Statements (GAAP):

Fund Balance as of June 30, 2016	\$ 1,455,056.02
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(740,056.02)</u>

Fund Balance per Governmental Funds (GAAP)	<u>\$ 715,000.00</u>
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Note: For F-2 Exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Senior High School Window Replacement  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve	\$ 2,600,000.00		\$ 2,600,000.00	\$ 2,600,000.00
Transfer from Capital Outlay				
<b>Total Revenues</b>	<u>2,600,000.00</u>	<u>-</u>	<u>2,600,000.00</u>	<u>2,600,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	119,925.00		119,925.00	119,925.00
Construction Services	1,979,182.34	\$ 280,033.86	2,259,216.20	2,259,216.20
Transfer to General Fund -- Capital Reserve		<u>220,858.80</u>	<u>220,858.80</u>	<u>220,858.80</u>
<b>Total Expenditures</b>	<u>2,099,107.34</u>	<u>500,892.66</u>	<u>2,600,000.00</u>	<u>2,600,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 500,892.66</u>	<u>\$ (500,892.66)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	4060-050-11-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,600,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 2,600,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	4/30/2013			
Revised Target Completion Date	6/30/2016			

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Burling Elementary School HVAC and Roof  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 1,812,533.00	\$ (266,748.82)	\$ 1,545,784.18	\$ 1,545,784.18
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve				
Transfer from Capital Outlay	<u>1,054,705.00</u>		<u>1,054,705.00</u>	<u>1,054,705.00</u>
Total Revenues	<u>2,867,238.00</u>	<u>(266,748.82)</u>	<u>2,600,489.18</u>	<u>2,600,489.18</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	47,277.57		47,277.57	47,277.57
Construction Services	2,304,520.35		2,304,520.35	2,304,520.35
Transfer to General Fund -- Capital Outlay		248,691.26	248,691.26	248,691.26
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>2,351,797.92</u>	<u>248,691.26</u>	<u>2,600,489.18</u>	<u>2,600,489.18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 515,440.08</u>	<u>\$ (515,440.08)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	4060-104-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,867,238.00
Additional Authorized Cost	\$ (266,748.82)
Revised Authorized Cost	\$ 2,600,489.18
Percentage Increase over Original Authorized Cost	-9.30%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Senior High School Gym HVAC  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 439,692.00		\$ 439,692.00	\$ 439,692.00
Transfer from (to) Other Local Projects	150,000.00		150,000.00	150,000.00
Transfer from Capital Reserve				
Transfer from Capital Outlay	255,855.00		255,855.00	255,855.00
<b>Total Revenues</b>	<b>845,547.00</b>	<b>-</b>	<b>845,547.00</b>	<b>845,547.00</b>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	9,054.74		9,054.74	9,054.74
Construction Services	805,433.92		805,433.92	805,433.92
Transfer to General Fund -- Capital Outlay		\$ 31,058.34	31,058.34	31,058.34
Transfer to General Fund -- Capital Reserve				
<b>Total Expenditures</b>	<b>814,488.66</b>	<b>31,058.34</b>	<b>845,547.00</b>	<b>845,547.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 31,058.34</u>	<u>\$ (31,058.34)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	4060-050-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 695,547.00
Additional Authorized Cost	\$ 150,000.00
Revised Authorized Cost	\$ 845,547.00
Percentage Increase over Original Authorized Cost	21.57%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Senior High School Roof Replacement  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 2,475,144.00		\$ 2,475,144.00	\$ 2,475,144.00
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve				
Transfer from Capital Outlay	<u>1,440,276.00</u>	<u>                    </u>	<u>1,440,276.00</u>	<u>1,440,276.00</u>
Total Revenues	<u>3,915,420.00</u>	<u>                    </u>	<u>3,915,420.00</u>	<u>3,915,420.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	26,800.00	\$ 20,085.60	46,885.60	187,542.40
Construction Services	1,174,285.00	1,954,193.38	3,128,478.38	3,727,877.60
Transfer to General Fund -- Capital Outlay				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>1,201,085.00</u>	<u>1,974,278.98</u>	<u>3,175,363.98</u>	<u>3,915,420.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,714,335.00</u>	<u>\$ (1,974,278.98)</u>	<u>\$ 740,056.02</u>	<u>                    </u>
Encumbered			\$ 79,152.62	
Designated for Subsequent Years Expenditures			<u>660,903.40</u>	
			<u>\$ 740,056.02</u>	
<b>Additional Project Information:</b>				
Project Number	4060-050-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 3,915,420.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,915,420.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	81.10%			
Original Target Completion Date	8/31/2015			
Revised Target Completion Date	6/30/2017			

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Senior High School Curtains  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve				
Transfer from Capital Outlay	\$ 320,000.00		\$ 320,000.00	\$ 320,000.00
Total Revenues	<u>320,000.00</u>	<u>-</u>	<u>320,000.00</u>	<u>320,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services				
Construction Services		\$ 124,941.36	124,941.36	124,941.36
Transfer to General Fund -- Capital Outlay		195,058.64	195,058.64	195,058.64
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>-</u>	<u>320,000.00</u>	<u>320,000.00</u>	<u>320,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 320,000.00</u>	<u>\$ (320,000.00)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	4060-050-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 320,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 320,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/30/2016
Revised Target Completion Date	6/30/2016



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Roosevelt Parking Lot  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects	\$ (150,000.00)		\$ (150,000.00)	\$ (150,000.00)
Transfer from Capital Reserve				
Transfer from Capital Outlay	300,000.00		300,000.00	300,000.00
Total Revenues	150,000.00	-	150,000.00	150,000.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services				
Construction Services				150,000.00
Transfer to General Fund -- Capital Outlay				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	-	-	-	150,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 150,000.00	-	\$ 150,000.00	-
Designated for Subsequent Years Expenditures			\$ 150,000.00	
<b>Additional Project Information:</b>				
Project Number	4060-180-16-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 300,000.00			
Additional Authorized Cost	\$ (150,000.00)			
Revised Authorized Cost	\$ 150,000.00			
Percentage Increase over Original Authorized Cost	-50.00%			
Percentage Completion	0.00%			
Original Target Completion Date	9/30/2016			
Revised Target Completion Date	6/30/2017			

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Senior High School Upgrade to Front Entrance  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve				
Transfer from Capital Outlay	\$ 175,000.00		\$ 175,000.00	\$ 175,000.00
Total Revenues	<u>175,000.00</u>	<u>-</u>	<u>175,000.00</u>	<u>175,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services				
Construction Services				175,000.00
Transfer to General Fund -- Capital Outlay				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 175,000.00</u>	<u>-</u>	<u>\$ 175,000.00</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 175,000.00</u>	

**Additional Project Information:**

Project Number	Unavailable
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 175,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 175,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	9/30/2016
Revised Target Completion Date	6/30/2017

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Middle School Flooring Removal  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve				
Transfer from Capital Outlay	\$ 150,000.00		\$ 150,000.00	\$ 150,000.00
Total Revenues	<u>150,000.00</u>	<u>-</u>	<u>150,000.00</u>	<u>150,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services				
Construction Services				150,000.00
Transfer to General Fund -- Capital Outlay				
Transfer to General Fund -- Capital Reserve				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 150,000.00</u>	<u>-</u>	<u>\$ 150,000.00</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 150,000.00</u>	
<b>Additional Project Information:</b>				
Project Number	4060-055-16-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 150,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 150,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	9/30/2016			
Revised Target Completion Date	6/30/2017			

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Administration Building Asphalt Replacement  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Transfer from (to) Other Local Projects				
Transfer from Capital Reserve		\$ 240,000.00	\$ 240,000.00	\$ 240,000.00
Transfer from Capital Outlay				
	-----	-----	-----	-----
Total Revenues	-	240,000.00	240,000.00	240,000.00
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services				
Construction Services				240,000.00
Transfer to General Fund -- Capital Outlay				
Transfer to General Fund -- Capital Reserve				
	-----	-----	-----	-----
Total Expenditures	-	-	-	240,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 240,000.00	\$ 240,000.00	-
	-----	-----	-----	-----
Designated for Subsequent Years Expenditures			\$ 240,000.00	
			-----	

**Additional Project Information:**

Project Number	Unavailable
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 240,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 240,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2017

PROPRIETARY FUNDS

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Enterprise Fund  
 Statement of Net Position  
 June 30, 2016

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 749,002.24
Interfunds Receivable:	
Fiduciary Fund	6,114.09
Accounts Receivable:	
State	5,493.01
Federal	367,874.80
Other	13,221.06
Inventories	42,542.51
<b>Total Current Assets</b>	<b>1,184,247.71</b>
Noncurrent Assets:	
Capital Assets:	
Equipment	1,676,361.33
Less Accumulated Depreciation	(1,290,653.93)
<b>Total Noncurrent Assets</b>	<b>385,707.40</b>
<b>Total Assets</b>	<b>1,569,955.11</b>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	586,558.11
Accounts Payable	35,297.45
Unearned Revenue	11,768.95
Compensated Absences Payable	8,476.37
<b>Total Current Liabilities</b>	<b>642,100.88</b>
Noncurrent Liabilities:	
Compensated Absences Payable	33,905.46
<b>Total Liabilities</b>	<b>676,006.34</b>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	385,707.40
Unrestricted	508,241.37
<b>Total Net Position</b>	<b>\$ 893,948.77</b>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 367,021.20
School Breakfast Program	17,884.10
Special Milk Program	2,310.25
Daily Sales - Non-Reimbursable Programs	361,581.22
Miscellaneous	5,517.19
Special Functions	<u>22,987.77</u>
<b>Total Operating Revenues</b>	<u><b>777,301.73</b></u>
<b>OPERATING EXPENSES:</b>	
Salaries	871,985.75
Employee Benefits	700,703.25
General Supplies	18,772.94
Depreciation	62,550.16
Cost of Sales - Reimbursable Programs	1,330,262.41
Cost of Sales - Non-Reimbursable Programs	182,951.30
Miscellaneous	<u>58,254.32</u>
<b>Total Operating Expenses</b>	<u><b>3,225,480.13</b></u>
<b>Operating Income / (Loss)</b>	<u><b>(2,448,178.40)</b></u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	33,808.44
Federal Sources:	
National School Lunch Program	1,627,245.50
National School Breakfast Program	584,795.81
Special Milk Program	4,254.90
Food Distribution Program	199,046.58
Interest Revenue	<u>1,072.03</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u><b>2,450,223.26</b></u>
<b>Change in Net Position</b>	2,044.86
<b>Net Position -- July 1</b>	<u>891,903.91</u>
<b>Net Position -- June 30</b>	<u><u><b>\$ 893,948.77</b></u></u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Enterprise Fund  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 768,560.83
Payments to Employees	(879,049.85)
Payments for Employee Benefits	(701,243.65)
Payments for Supplies and Services	<u>(1,636,006.53)</u>
Net Cash Provided by (used for) Operating Activities	<u>(2,447,739.20)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	30,715.82
Federal Sources	2,208,814.49
Operating Subsidies and Transfers	<u>170,061.05</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>2,409,591.36</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(109,955.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>1,072.03</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(147,030.81)
Cash and Cash Equivalents -- July 1	<u>896,033.05</u>
Cash and Equivalents -- June 30	<u><u>\$ 749,002.24</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (2,448,178.40)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	62,550.16
(Increase) Decrease in Inventories	(4,547.94)
Increase (Decrease) in Accounts Payable	(41,217.62)
Increase (Decrease) in Unearned Revenue	995.19
Increase (Decrease) in Accrued Salary Benefits	(7,604.50)
(Increase) Decrease in Accounts Receivable	<u>(9,736.09)</u>
Total Adjustments	<u>439.20</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (2,447,739.20)</u></u>



FIDUCIARY FUNDS

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2016

	Private Purpose Trust Funds		Agency Funds		
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 25,820.37	\$ 383,076.20	\$ 203,756.20	\$ 1,125,876.20	\$ 1,738,528.97
Interfund Receivable:					
Due Agency Fund -- Payroll		99,184.51			99,184.51
<b>Total Assets</b>	<u>25,820.37</u>	<u>482,260.71</u>	<u>\$ 203,756.20</u>	<u>\$ 1,125,876.20</u>	<u>1,837,713.48</u>
<b>LIABILITIES:</b>					
Accounts Payable		10,328.41			10,328.41
Interfund Accounts Payable:					
Due Unemployment Fund				\$ 99,184.51	99,184.51
Due Permanent Fund			\$ 846.59		846.59
Due General Fund	970.00	82,338.39		523,744.67	607,053.06
Due Food Service Fund				6,114.09	6,114.09
Payable to Student Groups			202,909.61		202,909.61
Payroll Deductions and Withholdings				496,832.93	496,832.93
<b>Total Liabilities</b>	<u>970.00</u>	<u>92,666.80</u>	<u>\$ 203,756.20</u>	<u>\$ 1,125,876.20</u>	<u>1,423,269.20</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 24,850.37</u>	<u>\$ 389,593.91</u>			<u>\$ 414,444.28</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Funds		<u>Total</u>
	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	
ADDITIONS:			
Contributions and Donations from Payroll Deductions Withheld		\$ 75,373.00	\$ 75,373.00
Scholarship Donations	\$ 9,148.20		9,148.20
Investment Earnings:			
Interest		386.86	386.86
Total Additions	<u>9,148.20</u>	<u>75,759.86</u>	<u>84,908.06</u>
DEDUCTIONS:			
Scholarship Awards	4,700.00		4,700.00
Unemployment Claims		118,071.08	118,071.08
Total Deductions	<u>4,700.00</u>	<u>118,071.08</u>	<u>122,771.08</u>
Change in Net Position	4,448.20	(42,311.22)	(37,863.02)
Net Position -- July 1	<u>20,402.17</u>	<u>431,905.13</u>	<u>452,307.30</u>
Net Position -- June 30	<u>\$ 24,850.37</u>	<u>\$ 389,593.91</u>	<u>\$ 414,444.28</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
GENERAL	\$ 81,164.28	\$ 10,534.83	\$ 10,500.00	\$ 81,199.11
MIDDLE SCHOOL	20,983.49	39,196.15	38,278.88	21,900.76
INTERMEDIATE SCHOOL	4,010.48	16,760.34	13,534.48	7,236.34
SENIOR HIGH SCHOOL:				
Pennsauken High School	99,296.60	199,387.57	206,369.13	92,315.04
Student Athletics	844.36	49,692.59	49,432.00	1,104.95
Total High School	100,140.96	249,080.16	255,801.13	93,419.99
Total All Schools	<u>\$ 206,299.21</u>	<u>\$ 315,571.48</u>	<u>\$ 318,114.49</u>	<u>\$ 203,756.20</u>

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 302,123.06	\$ 68,100,645.15	\$ 67,276,892.01	\$ 1,125,876.20
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 176,628.30	\$ 23,674,736.91	\$ 23,354,532.28	\$ 496,832.93
Net Payroll		43,833,162.92	43,833,162.92	
Interfund Accounts Payable:				
Expendable Trust Fund	51,772.21	85,867.69	38,455.39	99,184.51
Food Service Fund		6,114.09		6,114.09
General Fund	73,722.55	500,763.54	50,741.42	523,744.67
Total Liabilities	\$ 302,123.06	\$ 68,100,645.15	\$ 67,276,892.01	\$ 1,125,876.20

LONG-TERM DEBT

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Disbursed</u>	<u>Balance June 30, 2016</u>
School District Refunding Bonds -- Series 2014	12/10/2014	\$ 13,555,000.00	4-1-17	\$ 3,320,000.00	4.00%				
			4-1-18	3,500,000.00	4.00%				
			4-1-19	3,565,000.00	4.00%	\$ 13,555,000.00	-	\$ 3,170,000.00	\$ 10,385,000.00

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,138,665.00		\$ 2,138,665.00	\$ 2,138,665.00	
State Sources:					
Debt Service Aid Type II	1,541,835.00		1,541,835.00	1,541,835.00	
<b>Total Revenues</b>	<u>3,680,500.00</u>	<u>-</u>	<u>3,680,500.00</u>	<u>3,680,500.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	510,500.00		510,500.00	510,500.00	
Redemption of Principal	3,170,000.00		3,170,000.00	3,170,000.00	
<b>Total Expenditures</b>	<u>3,680,500.00</u>	<u>-</u>	<u>3,680,500.00</u>	<u>3,680,500.00</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	161,367.33		161,367.33	161,367.33	-
<b>Fund Balance, June 30</b>	<u>\$ 161,367.33</u>	<u>-</u>	<u>\$ 161,367.33</u>	<u>\$ 161,367.33</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.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 39,102,374.55	\$ 35,626,094.86	\$ 29,398,954.36	\$ 23,124,444.38	\$ 18,597,789.17	\$ 15,978,876.45	\$ 13,651,296.15	\$ 10,475,418.98	\$ 9,514,902.50	\$ 8,282,089.80
Restricted	19,449,838.03	18,150,270.56	18,702,639.09	16,807,945.72	17,088,644.02	12,974,059.20	15,602,679.42	19,513,829.69	16,451,763.94	13,411,247.86
Unrestricted	(30,423,489.47)	(32,598,950.66)	(6,318,706.08)	(4,130,627.88)	(3,928,760.23)	(1,588,429.57)	(4,325,164.94)	(2,090,814.90)	(1,169,231.98)	(1,163,603.68)
<b>Total Governmental Activities Net Position</b>	<b>\$ 28,128,723.11</b>	<b>\$ 21,177,414.76</b>	<b>\$ 41,782,887.37</b>	<b>\$ 35,801,762.22</b>	<b>\$ 31,757,672.96</b>	<b>\$ 27,364,506.08</b>	<b>\$ 24,928,810.63</b>	<b>\$ 27,898,433.77</b>	<b>\$ 24,797,434.46</b>	<b>\$ 20,529,733.98</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 385,707.40	\$ 338,302.56	\$ 376,618.30	\$ 430,426.35	\$ 500,968.49	\$ 473,326.49	\$ 546,666.92	\$ 519,804.60	\$ 529,027.97	\$ 567,242.86
Unrestricted	508,241.37	553,601.35	591,993.53	447,970.78	381,663.04	523,021.35	592,161.07	654,165.38	730,794.19	725,390.26
<b>Total Business-type Activities Net Position</b>	<b>\$ 893,948.77</b>	<b>\$ 891,903.91</b>	<b>\$ 968,611.83</b>	<b>\$ 878,397.13</b>	<b>\$ 882,631.53</b>	<b>\$ 996,347.84</b>	<b>\$ 1,138,827.99</b>	<b>\$ 1,173,969.98</b>	<b>\$ 1,259,822.16</b>	<b>\$ 1,292,633.12</b>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 39,488,081.95	\$ 35,964,397.42	\$ 29,775,572.66	\$ 23,554,870.73	\$ 19,098,757.66	\$ 16,452,202.94	\$ 14,197,963.07	\$ 10,995,223.58	\$ 10,043,930.47	\$ 8,849,332.66
Restricted	19,449,838.03	18,150,270.56	18,702,639.09	16,807,945.72	17,088,644.02	12,974,059.20	15,602,679.42	19,513,829.69	16,451,763.94	13,411,247.86
Unrestricted	(29,915,248.10)	(32,045,349.31)	(5,726,712.55)	(3,682,657.10)	(3,547,097.19)	(1,065,408.22)	(3,733,003.87)	(1,436,649.52)	(438,437.79)	(438,213.42)
<b>Total Government-wide Net Position</b>	<b>\$ 29,022,671.88</b>	<b>\$ 22,069,318.67</b>	<b>\$ 42,751,499.20</b>	<b>\$ 36,680,159.35</b>	<b>\$ 32,640,304.49</b>	<b>\$ 28,380,853.92</b>	<b>\$ 26,067,638.62</b>	<b>\$ 29,072,403.75</b>	<b>\$ 26,057,256.62</b>	<b>\$ 21,822,367.10</b>

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.

Source: Exhibit A-1

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses:</b>										
Governmental Activities:										
Institution:										
Regular	\$ 23,124,832.46	\$ 24,725,446.31	\$ 23,844,608.39	\$ 24,084,302.80	\$ 24,083,201.49	\$ 23,753,650.27	\$ 24,748,038.50	\$ 24,056,366.72	\$ 20,034,160.34	\$ 19,524,302.63
Special Education	9,514,466.29	9,244,956.80	8,680,173.44	8,827,477.21	9,446,366.00	10,084,115.04	10,334,044.03	9,861,586.40	11,294,145.13	11,802,512.50
Other Special Education	701,368.56	594,090.69	389,029.50	406,592.66	437,210.26	755,374.31	908,311.71	354,986.47	278,403.18	135,726.54
Other Instruction	1,126,398.82	1,202,434.37	1,185,925.72	1,120,288.39	1,262,800.83	779,026.57	826,136.89	780,783.20	796,670.08	748,384.76
Tuition	9,620,422.54	9,637,485.76	8,656,264.36	8,389,161.81	7,948,474.60	8,033,185.23	8,498,180.99	7,516,143.47	6,534,047.81	4,541,774.58
Support Services:										
Student and Instruction Related Services	7,607,191.51	7,009,893.76	6,444,151.75	6,558,433.51	6,676,305.43	6,610,873.26	8,315,875.23	6,975,497.37	7,186,050.24	6,610,183.94
School Administrative Services	2,684,634.75	2,521,857.13	2,711,107.89	2,808,422.21	2,779,594.88	2,686,973.97	3,019,683.09	2,839,906.56	2,598,262.76	2,749,064.31
Other Administrative Services	2,397,953.61	2,572,935.00	3,096,759.20	3,217,723.50	3,060,287.23	2,901,744.46	3,346,320.25	3,456,421.76	3,060,373.20	2,951,575.20
Plant Operations and Maintenance	8,547,332.57	8,645,523.57	9,475,486.53	8,786,906.68	8,521,054.59	8,516,377.76	9,379,751.77	8,173,792.39	7,927,311.89	7,803,296.82
Pupil Transportation	5,107,036.63	5,284,782.51	4,494,416.21	4,503,329.68	4,960,279.97	4,041,289.06	4,285,504.41	4,054,252.39	4,576,775.18	3,624,460.94
Unallocated Benefits	17,321,683.31	16,101,151.05	16,401,704.17	16,895,182.69	16,906,273.85	17,099,436.71	15,274,480.08	15,296,838.48	11,772,318.39	11,787,432.02
Reimbursed TPAF and Social Security	8,331,086.77	7,383,515.97	6,490,899.54	7,764,947.73	6,298,859.40	5,296,018.07	5,250,311.44	5,020,100.70	7,814,589.21	7,845,742.73
Special Schools	3,363,325.00	2,813,640.00	2,380,337.00	1,988,577.00	1,802,172.00	1,579,217.00	1,471,433.00	1,179,046.32	158,052.59	140,484.84
Transfer to Charter Schools	472,972.63	460,659.96	882,344.47	1,017,719.60	1,126,243.76	1,238,117.91	1,323,686.50	1,410,227.61	894,015.00	730,161.00
Interest on Long-term Debt		127,905.03		143,465.00	20,495.00	20,495.00	29,915.49	55,622.02	55,622.02	55,622.02
Amortization of Bond Issuance Costs							60,059.22	150,512.22	197,136.96	85,011.00
Unallocated Depreciation			132,741.00							
Total Governmental Activities Expenses	99,890,705.65	98,326,277.91	95,265,949.17	96,512,790.47	95,349,619.29	93,375,904.62	97,074,912.60	91,347,551.08	86,703,977.71	82,766,892.64
Business-type Activities:										
Food Service	3,225,480.13	3,362,986.53	2,926,370.70	2,975,593.86	3,137,200.51	2,910,532.81	2,860,471.08	2,730,574.13	2,722,224.75	2,557,057.77
Total Business-type Activities Expense	3,225,480.13	3,362,986.53	2,926,370.70	2,975,593.86	3,137,200.51	2,910,532.81	2,860,471.08	2,730,574.13	2,722,224.75	2,557,057.77
Total Government Expenses	\$ 103,116,185.78	\$ 101,689,264.44	\$ 98,192,319.87	\$ 99,488,384.33	\$ 98,486,819.80	\$ 96,286,437.43	\$ 99,965,383.68	\$ 94,078,125.21	\$ 89,426,202.46	\$ 85,324,050.41
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services	\$ 604,374.35	\$ 1,021,182.47	\$ 1,240,575.61	\$ 1,006,104.75	\$ 1,072,590.56	\$ 618,550.00	\$ 681,545.45	\$ 733,133.47	\$ 727,991.60	\$ 661,103.00
Operating Grants and Contributions	13,829,637.04	12,604,759.28	11,806,629.98	12,842,217.91	12,079,991.62	12,004,801.98	12,393,472.52	10,247,088.19	17,733,582.97	16,377,869.41
Capital Grants and Contributions		11,280.00						10,000.00		
Total Governmental Activities Program Revenues	14,434,011.39	13,637,221.75	13,047,205.59	13,848,322.66	13,152,582.18	12,623,351.98	13,075,017.97	10,990,201.66	18,461,574.57	17,038,792.41

(Continued)

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues (Cont'd):</b>										
Business-type activities:										
Charges for services:										
Food service	\$ 777,301.73	\$ 768,053.84	\$ 796,238.22	\$ 813,392.07	\$ 842,124.29	\$ 871,226.85	\$ 856,395.74	\$ 885,715.79	\$ 953,026.90	\$ 1,033,438.63
Capital Grants and Contributions					107,500.00		57,159.20	4,741.00	571.00	
Operating Grants and Contributions	2,449,151.23	2,517,062.38	2,219,112.96	2,149,752.37	2,063,412.02	1,895,317.67	1,932,487.02	1,734,327.27	1,657,427.44	1,479,455.82
Total Business-type Activities Program Revenues	3,226,452.96	3,285,116.22	3,015,351.18	2,963,144.44	3,013,036.31	2,766,544.52	2,846,041.96	2,624,784.06	2,611,025.34	2,512,894.45
Total Government Program Revenues	\$ 17,660,464.35	\$ 16,922,337.97	\$ 16,062,556.77	\$ 16,811,467.10	\$ 16,165,618.49	\$ 15,389,886.50	\$ 15,921,059.93	\$ 13,814,985.72	\$ 21,072,589.91	\$ 19,551,688.86
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (85,456,694.26)	\$ (84,689,056.16)	\$ (82,218,743.58)	\$ (82,664,467.81)	\$ (82,197,037.11)	\$ (80,752,552.84)	\$ (83,998,894.63)	\$ (80,357,349.42)	\$ (68,242,403.14)	\$ (65,728,200.23)
Business-type Activities	972.83	(77,870.31)	88,980.48	(12,449.42)	(124,164.20)	(143,988.29)	(44,429.12)	(105,790.07)	(111,189.41)	(44,163.32)
Total Government-wide Net Expense	\$ (85,455,721.43)	\$ (84,766,926.47)	\$ (82,129,763.10)	\$ (82,676,917.23)	\$ (82,321,201.31)	\$ (80,896,540.93)	\$ (84,044,323.75)	\$ (80,463,139.49)	\$ (68,353,602.55)	\$ (65,772,363.55)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 37,284,104.00	\$ 35,323,974.00	\$ 35,323,974.00	\$ 34,631,347.00	\$ 34,631,347.00	\$ 34,631,347.00	\$ 34,260,911.00	\$ 34,388,514.00	\$ 34,433,660.00	\$ 33,134,647.00
Taxes Levied for Debt Service	2,138,665.00	2,344,923.00	2,366,317.00	2,391,843.00	2,407,910.00	2,428,961.00	2,210,486.00	2,082,893.00	2,037,747.00	2,169,042.00
Unrestricted Grants and Contributions	49,051,333.82	48,275,115.81	48,652,589.64	48,523,393.33	47,192,867.93	45,144,427.29	41,246,283.63	43,800,521.15	32,937,112.02	31,298,796.30
Restricted Grants and Contributions	3,279,300.93	2,941,290.99	1,363,007.04	1,083,896.68	1,188,406.05	650,934.93	2,871,886.86	1,203,734.00	1,825,810.56	1,321,709.07
Investment Earnings	16,609.27	127,905.03	2,282.15	28,801.59	99,768.85	103,500.43	320,468.03	320,468.03	567,373.41	718,064.35
Other	657,989.59	935,296.73	459,284.70	327,258.03	390,675.98	306,938.39	146,774.07	253,155.67	641,530.66	462,081.86
Cancellation of Prior Year Accounts Receivable		(27,654.98)	(169,585.80)	(288,705.98)	(133,473.75)	(38,359.00)				
Cancellation of Special Revenue Grant Balances		(11,782.03)		10,723.42	235,801.93	(8,501.95)				
Cancellation of Payables										
Transfers					(143,100.00)	(31,000.00)	(28,548.10)	45,895.95	66,870.06	50,471.60
Total Governmental Activities	92,408,002.61	90,909,068.55	88,199,868.73	86,708,557.07	86,590,203.99	83,188,248.09	81,030,271.49	83,458,348.73	72,510,103.62	69,155,756.13
Business-type Activities:										
Investment Earnings	1,072.03	1,162.39	1,234.22	8,215.02	10,447.89	10,683.82	9,287.13	19,937.89	78,388.45	108,817.25
Cancellation of Prior Year Accounts Receivable						(9,175.88)				
Total Business-type Activities	1,072.03	1,162.39	1,234.22	8,215.02	10,447.89	1,508.14	9,287.13	19,937.89	78,388.45	108,817.25
Total Government-wide	\$ 92,409,074.64	\$ 90,910,230.94	\$ 88,201,102.95	\$ 86,716,772.09	\$ 86,600,651.88	\$ 83,189,756.23	\$ 81,039,558.62	\$ 83,478,286.62	\$ 72,588,492.07	\$ 69,264,573.38
<b>Change in Net Position:</b>										
Governmental Activities	\$ 6,951,308.35	\$ 6,220,012.39	\$ 5,981,125.15	\$ 4,044,089.26	\$ 4,393,166.88	\$ 2,435,695.45	\$ (2,969,623.14)	\$ 3,100,999.31	\$ 4,267,700.48	\$ 3,427,555.90
Business-type Activities	2,044.86	(76,707.92)	90,214.70	(4,234.40)	(113,716.31)	(142,480.15)	(35,141.99)	(85,852.18)	(32,810.96)	64,653.93
Total Government	\$ 6,953,353.21	\$ 6,143,304.47	\$ 6,071,339.85	\$ 4,039,854.86	\$ 4,279,450.57	\$ 2,293,215.30	\$ (3,004,765.13)	\$ 3,015,147.13	\$ 4,234,889.52	\$ 3,492,209.83

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

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

Source: Exhibit A-2

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Nonspendable	\$ 132,851.88	\$ 174,372.11	\$ 200,858.96	\$ 205,893.61	\$ 225,984.14	\$ 183,922.48				
Restricted	18,535,134.48	16,009,261.75	17,701,857.94	13,008,621.03	11,420,825.90	10,225,188.53	\$ 12,296,554.20	\$ 17,965,073.28	\$ 13,671,845.56	\$ 11,147,725.70
Assigned	2,444,221.01	401,493.41	292,190.94	870,532.08	1,443,502.41	999,822.87	(344,241.02)	2,002,797.03	1,859,049.93	1,676,063.43
Unassigned	(2,298,567.38)	(2,590,630.95)	(2,321,050.34)			2,306,971.42				
<b>Total General Fund</b>	<b>\$ 18,813,639.99</b>	<b>\$ 13,994,496.32</b>	<b>\$ 15,873,857.50</b>	<b>\$ 14,085,046.72</b>	<b>\$ 13,090,312.45</b>	<b>\$ 13,715,905.30</b>	<b>\$ 11,952,313.18</b>	<b>\$ 19,967,870.31</b>	<b>\$ 15,530,895.49</b>	<b>\$ 12,823,789.13</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00				
Restricted	876,547.78	1,734,080.04	791,922.20	2,828,792.98	3,582,259.59	687,181.63	\$ 1,266,534.00	\$ 221,069.87	\$ 8,000.00	\$ 460,905.00
Unassigned, Reported in:										
Capital Projects Fund				92,437.14	647,061.99	1,133,448.97	692,900.00		213,069.87	193,436.87
Special Revenue Fund	(47,404.96)						1,636,102.03	1,478,431.99	2,588,024.86	1,895,380.23
Debt Service Fund							2,806.63			
Permanent Fund						1,129.04	1,587.44	2,042.61	2,362.16	42.85
<b>Total All Other Governmental Funds</b>	<b>\$ 837,142.82</b>	<b>\$ 1,742,080.04</b>	<b>\$ 799,922.20</b>	<b>\$ 2,929,230.12</b>	<b>\$ 4,237,321.58</b>	<b>\$ 1,829,759.64</b>	<b>\$ 3,599,930.10</b>	<b>\$ 1,701,544.47</b>	<b>\$ 2,811,456.89</b>	<b>\$ 2,549,764.95</b>

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.

Source: Exhibit B-1

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 39,422,769.00	\$ 37,668,897.00	\$ 37,692,291.00	\$ 37,023,190.00	\$ 37,039,257.00	\$ 37,060,308.00	\$ 36,471,407.00	\$ 36,471,407.00	\$ 36,471,407.00	\$ 35,303,688.00
Other Local Revenue	1,278,973.21	1,973,560.20	1,712,525.20	1,367,226.98	1,580,480.69	1,032,690.60	1,156,397.67	1,318,166.57	1,942,055.08	1,843,371.11
State Sources	61,857,826.17	60,682,776.03	58,240,081.49	58,964,913.98	55,715,687.26	53,221,443.13	43,544,511.44	51,039,883.36	49,796,430.28	46,409,972.35
Federal Sources	4,282,445.62	4,121,289.05	3,771,762.43	3,479,531.33	5,448,133.04	4,575,019.29	12,961,521.45	4,200,030.58	2,694,915.86	2,586,100.53
Total Revenue	106,842,014.00	104,446,542.28	101,416,660.12	100,834,862.29	99,783,557.99	95,889,461.02	94,133,837.56	93,029,487.51	90,904,808.22	86,143,132.99
<b>Expenditures:</b>										
Instruction										
Regular Instruction	22,735,815.59	24,601,305.34	23,241,590.12	23,335,721.43	23,607,222.32	23,521,045.06	24,280,400.46	23,772,340.77	19,657,772.08	19,011,542.31
Special Education Instruction	9,157,988.28	8,987,144.08	8,287,914.36	8,364,364.02	9,128,820.69	9,812,208.90	10,029,711.10	9,660,030.63	11,066,512.71	10,065,937.50
Other Special Instruction	701,368.96	594,090.69	389,029.50	406,592.66	437,210.26	755,374.31	908,311.71	354,986.47	278,403.18	135,726.54
Other Instruction	1,126,398.82	1,202,434.37	1,185,925.72	1,120,288.39	1,262,800.83	779,026.57	826,136.89	780,783.20	796,670.08	748,384.76
Tuition	9,620,422.54	9,637,485.76	8,656,264.36	8,389,161.81	7,948,474.60	8,033,185.23	8,499,180.99	7,516,143.47	6,534,047.81	5,976,753.58
Support Services:										
Student and Instruction Related Services	7,403,264.51	6,805,849.76	6,369,360.75	6,538,232.51	6,508,547.43	6,499,340.32	8,202,307.23	6,926,583.37	7,136,155.24	6,568,596.03
School Administrative Services	2,610,661.75	2,527,503.34	2,756,902.72	2,892,777.05	2,777,904.88	2,664,395.97	3,014,467.09	2,832,164.56	2,588,361.78	2,732,739.31
Other Administrative Services	2,163,538.69	2,369,038.90	2,843,355.16	2,981,466.79	2,874,219.60	2,726,085.46	3,143,796.34	3,292,953.16	2,909,184.18	2,766,192.48
Plant Operations and Maintenance	7,354,406.91	7,581,679.95	8,215,703.48	7,799,982.52	7,585,757.89	7,740,013.33	8,579,056.39	7,535,148.84	7,148,890.91	7,127,072.28
Pupil Transportation	4,834,736.62	4,974,448.51	4,218,301.21	4,305,008.68	4,867,736.83	4,068,100.68	4,350,631.59	3,887,590.57	4,530,714.28	3,565,168.50
Unallocated Benefits	16,769,976.31	16,514,849.05	16,401,704.17	17,089,019.69	16,906,273.85	16,996,442.71	15,274,480.08	13,869,117.48	11,772,318.39	11,787,432.02
Reimbursed TPAF Pension and Social Security	8,331,086.77	7,383,515.97	6,490,899.54	7,764,947.73	6,298,859.40	5,296,018.07	5,250,311.44	5,020,100.70	7,814,589.21	7,845,742.73
Special Schools										
Transfer to Charter Schools	3,363,325.00	2,813,640.00	2,380,337.00	1,988,577.00	1,802,172.00	1,579,217.00	1,471,433.00	1,165,467.00	894,015.00	730,161.00
Debt Service:										
Principal	3,170,000.00	3,230,000.00	3,130,000.00	3,040,000.00	2,970,000.00	2,885,000.00	2,895,000.00	2,545,000.00	2,320,000.00	2,320,000.00
Interest and Other Charges	510,500.00	515,906.68	816,255.00	945,455.02	1,046,904.60	1,162,305.00	1,279,055.00	1,368,105.00	1,502,855.00	1,616,355.00
Bond Insurance Costs		127,905.03								
Capital Outlay	3,074,317.20	5,578,929.36	6,198,993.72	3,928,551.09	2,224,923.56	1,309,838.94	2,671,310.23	562,607.21	1,046,711.36	1,666,973.60
Total Expenditures	102,927,807.55	105,445,726.79	101,582,536.81	100,850,146.39	98,247,828.74	95,827,597.51	100,675,589.54	91,288,168.75	88,180,253.80	84,805,264.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,914,206.45	(999,184.51)	(165,876.69)	(15,284.10)	1,535,729.25	61,863.51	(6,541,751.98)	1,741,318.76	2,724,554.42	1,337,868.51
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)										
Change in Inventory		(26,486.85)	(5,034.65)	(20,090.53)	137,450.00	433,892.00	433,892.00	167,482.00	220,904.97	(755.91)
Accounts Receivable/Payable Canceled		(27,654.98)	(169,585.80)	(288,705.98)	(133,473.75)	(38,359.00)	19,236.58	45,895.95	87,681.16	50,471.60
Cancellation of Deferred Revenue		(11,782.03)				(8,501.95)			39.90	
Canceled to Due to Grantor									(20,851.00)	
Proceeds from Issuance of Refunding Bonds		13,555,000.00								
Defeasance of Bond		1,002,412.55								
Loss from Issuance of Refunding Bonds		(14,150,000.00)								
Unamortized Loss on Bonds		(604,424.82)								
Transfers In		524,917.30								
Transfers Out		(3,695,836.00)								
Total Other Financing Sources (Uses)		61,981.17	(174,620.45)	(298,073.09)	246,239.84	(68,441.85)	424,580.48	1,585,743.64	244,243.88	50,659.64
Net Change in Fund Balances	\$ 3,914,206.45	\$ (937,203.34)	\$ (340,497.14)	\$ (313,357.19)	\$ 1,781,969.09	\$ (6,578.34)	\$ (6,117,171.50)	\$ 3,327,062.40	\$ 2,968,798.30	\$ 1,388,528.15
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.9%	4.1%	4.1%	4.2%	4.3%	4.3%	4.3%	4.4%	4.7%

Source: Exhibit B-2

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Rental of School Facilities	\$ 154,726.50	\$ 215,032.39	\$ 1,000.00	\$ 10,177.00	\$ 16,217.50	\$ 18,035.00	\$ 5,110.00	\$ 9,215.00	\$ 111,652.50	\$ 114,008.63
Comcast Tower Rental	66,064.56	92,972.50	54,236.00	19,250.00	22,750.00	21,000.00	19,999.98	18,999.96	20,583.29	17,416.63
Refund of Prior Year Expenditures	115,526.83		56,846.33	75,440.51	92,577.25	50,232.53	43,513.73	64,709.92	272,140.62	113,175.06
Cancellation of Prior Year Accounts Payable			159,992.55							
Other	79,097.39	8,291.19	43,087.68		12,840.43	20,358.32	8,001.01	9,244.24	26,221.69	22,945.00
Settlement		74,914.55	143,296.67	302.17	29,701.34		3,990.46	2,817.19		
Resitution				17,936.77			7,000.00			
Miscellaneous Sales	1,970.22	980.00	818.69					519.31	36,303.32	11,524.34
Transportation Fees									13,890.40	9,912.00
E-Rate Refunds	240,600.66	527,946.71		154,653.50	216,564.37	181,947.38	143,725.06	147,357.09	137,103.41	134,589.45
Nonpublic Grant Administrative Fee				886.70		1,954.56	2,135.96			
NJSBA Safety Award						13,369.00	12,471.00			
Interest Earned on Deposits	16,609.27	15,155.76	2,282.15	77,399.06	99,768.85	103,500.43	218,443.44	320,468.03	567,373.41	718,064.35
<b>Total Miscellaneous Revenues</b>	<b>\$ 674,595.43</b>	<b>\$ 935,293.10</b>	<b>\$ 461,560.07</b>	<b>\$ 356,045.71</b>	<b>\$ 490,419.74</b>	<b>\$ 410,397.22</b>	<b>\$ 464,390.64</b>	<b>\$ 573,330.74</b>	<b>\$ 1,185,268.64</b>	<b>\$ 1,141,635.46</b>

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.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2016	\$ 24,260,500.00	\$ 1,540,472,200.00	\$ 559,006,900.00	\$ 179,253,200.00	\$ 39,549,100.00	\$ 2,342,541,900.00	\$ 3,901,660.00	\$ 2,346,443,560.00	\$ 455,250,500.00	\$ 2,442,939,677.00	\$ 1.70
2015 (R)	24,869,000.00	1,542,080,900.00	574,671,000.00	160,468,300.00	39,638,700.00	2,341,727,900.00	4,038,671.00	2,345,766,571.00	450,370,900.00	2,423,429,001.00	1.64
2014	15,861,900.00	996,054,700.00	380,295,100.00	108,444,900.00	22,637,800.00	1,523,294,400.00	2,028,950.00	1,525,323,350.00	274,829,900.00	2,483,431,049.00	2.47
2013	16,085,800.00	995,496,300.00	397,116,500.00	93,838,600.00	20,808,900.00	1,523,346,100.00	3,102,179.00	1,526,448,279.00	280,692,800.00	2,420,334,483.00	2.45
2012	16,088,700.00	994,847,000.00	411,461,200.00	90,481,800.00	23,487,100.00	1,536,365,800.00	2,753,453.00	1,539,119,253.00	276,870,000.00	2,575,500,788.00	2.41
2011	16,565,200.00	992,894,700.00	427,107,300.00	92,069,800.00	21,025,000.00	1,549,662,000.00	2,788,010.00	1,552,450,010.00	275,412,600.00	2,644,268,455.00	2.35
2010	16,241,200.00	991,682,500.00	434,811,400.00	98,486,100.00	21,516,500.00	1,562,737,700.00	3,104,950.00	1,565,842,650.00	254,750,000.00	2,719,893,434.00	2.35
2009	16,358,300.00	991,423,700.00	442,168,000.00	128,968,400.00	22,297,900.00	1,599,216,300.00	2,892,138.00	1,602,108,438.00	254,418,900.00	2,945,593,746.00	2.28
2008	16,499,500.00	989,074,800.00	459,986,200.00	119,667,000.00	22,311,900.00	1,607,539,400.00	2,968,218.00	1,610,507,618.00	254,320,400.00	2,775,780,107.00	2.27
2007	16,770,800.00	986,574,300.00	486,458,700.00	101,217,200.00	22,311,900.00	1,613,332,900.00	3,213,046.00	1,616,545,946.00	252,375,200.00	2,418,530,739.00	2.22

(R) Revaluation

(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

Source: Camden County Board of Taxation

**TOWNSHIP OF PENNSAUKEN 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 Debt Service	Total Direct School Tax Rate	Township of Pennsauken	Township of Pennsauken Garbage District	Camden County	Township of Pennsauken	
2016	\$ 1,605	\$ 0.092	\$ 1,697	\$ 0.975	\$ 0.173	\$ 0.880	\$ 0.173	\$ 3,725
2015	1,542	0.102	1,644	0.979	0.170	0.865	0.170	3,658
2014	2,316	0.155	2,471	1,505	0.262	1,324	0.262	5,562
2013	2,289	0.158	2,447	1,511	0.272	1,258	0.272	5,488
2012	2,251	0.156	2,407	1,414	0.264	1,219	0.264	5,304
2011	2,233	0.154	2,387	1,380	0.259	1,164	0.259	5,190
2010	2,205	0.143	2,348	1,322	0.254	1,080	0.254	5,004
2009	2,147	0.130	2,277	1,210	0.254	1,084	0.254	4,825
2008	2,138	0.127	2,265	1,141	0.246	1,045	0.246	4,697
2007	2,084	0.136	2,220	1,052	0.234	0,999	0.234	4,505

Source: Municipal Tax Collector

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago  
*Unaudited*

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Bloom Organization	\$ 63,124,300.00	1	2.69%	\$ 67,512,300.00	1	4.18%
Buckeye Pennsauken Terminal, LLC	22,523,900.00	2	0.96%			
Lockbourne Manor, LLC	13,583,000.00	3	0.58%	8,260,000.00	7	0.51%
Delair Aluminum, LLC	11,477,200.00	4	0.49%			
Menu Foods, Inc.	10,643,600.00	5	0.45%	8,413,300.00	6	0.52%
Sauken Associates, LP	9,855,400.00	6	0.42%			
Cooper RPA, LLC	8,670,300.00	7	0.37%			
Beverage Distribution Center, Inc.	8,163,400.00	8	0.35%	8,000,000.00	8	0.49%
Pennsauken Senior Living, LLC	8,085,300.00	9	0.34%			
Union River Realty Company, Inc.	7,494,000.00	10	0.32%			
Citigo Petroleum Corporation				6,586,400.00	10	0.41%
Shapes, LLC				19,796,800.00	2	1.22%
Amerada Hess Corporation				19,227,500.00	3	1.19%
Geriatric Medical Center				12,364,100.00	4	0.76%
Standard Warehouse & Distributing				9,260,000.00	5	0.57%
				6,902,400.00	9	0.43%
<b>Total</b>	<b>\$ 163,620,400.00</b>		<b>6.97%</b>	<b>\$ 166,322,800.00</b>		<b>10.29%</b>

Source: Municipal Tax Assessor

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2016	\$ 39,422,769.00	\$ 39,422,769.00	100.00%	-
2015	37,668,897.00	37,668,897.00	100.00%	-
2014	37,692,291.00	37,357,741.00	99.11%	\$ 334,550.00
2013	37,023,190.00	37,023,190.00	100.00%	-
2012	37,039,257.00	37,039,257.00	100.00%	-
2011	37,060,308.00	37,060,308.00	100.00%	-
2010	36,471,407.00	36,471,407.00	100.00%	-
2009	36,471,407.00	36,471,407.00	100.00%	-
2008	36,471,407.00	36,471,407.00	100.00%	-
2007	35,303,689.00	35,303,689.00	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.

**TOWNSHIP OF PENNSAUKEN 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)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2016	\$ 10,385,000.00	-	-	-	-	\$ 10,385,000.00	Unavailable	Unavailable
2015	13,555,000.00	-	-	-	-	13,555,000.00	Unavailable	Unavailable
2014	17,380,000.00	-	\$ 79,116.45	-	-	17,459,116.45	1.04%	\$ 489.70
2013	20,510,000.00	-	165,341.15	-	-	20,675,341.15	1.28%	578.41
2012	23,550,000.00	-	248,205.64	-	-	23,798,205.64	1.49%	665.05
2011	26,520,000.00	-	229,211.26	-	-	26,749,211.26	1.69%	747.10
2010	29,405,000.00	-	399,163.03	-	-	29,804,163.03	1.98%	831.01
2009	32,300,000.00	-	183,602.68	-	-	32,483,602.68	2.23%	929.19
2008	34,845,000.00	-	143,734.99	-	-	34,988,734.99	2.41%	998.51
2007	37,190,000.00	-	77,838.12	-	-	37,267,838.12	2.65%	1,059.05

14 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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2016	\$ 10,385,000.00	-	\$ 10,385,000.00	0.44%	Unavailable
2015	13,555,000.00	-	13,555,000.00	0.58%	\$ 380.46
2014	17,380,000.00	-	17,380,000.00	1.14%	487.48
2013	20,510,000.00	-	20,510,000.00	1.34%	573.79
2012	23,550,000.00	-	23,550,000.00	1.53%	658.12
2011	26,520,000.00	-	26,520,000.00	1.71%	740.70
2010	29,405,000.00	-	29,405,000.00	1.88%	819.88
2009	32,300,000.00	-	32,300,000.00	2.02%	923.94
2008	34,845,000.00	-	34,845,000.00	2.16%	994.41
2007	37,190,000.00	-	37,190,000.00	2.30%	1,056.83

**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



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2015  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Pennsauken Township</u>
Municipal Debt: (1)				
Pennsauken Township School District	\$ 13,905,000.00	\$ 13,905,000.00		
Pennsauken Township	<u>36,027,619.31</u>	<u>7,696,244.31</u>	<u>\$ 28,331,375.00</u>	<u>\$ 28,331,375.00</u>
	<u>49,932,619.31</u>	<u>21,601,244.31</u>	<u>28,331,375.00</u>	<u>28,331,375.00</u>
Overlapping Debt Apportioned to the Municipality: (2)				
Pennsauken Sewerage Authority	628,520.00		628,520.00	628,520.00
County of Camden:				
General:				
Bonds	35,695,000.00	12,761,633.00	22,933,367.00	1,519,784.09 (5)
Loan Agreement	269,003,014.00		269,003,014.00	17,826,710.83 (5)
Bonds Issued by Other Public Bodies				
Guaranteed by the County	<u>471,754,632.00</u>	<u>471,754,632.00</u>		<u>(5)</u>
	<u>777,081,166.00</u>	<u>484,516,265.00</u>	<u>292,564,901.00</u>	<u>19,975,014.92</u>
	<u>\$ 827,013,785.31</u>	<u>\$ 506,117,509.31</u>	<u>\$ 320,896,276.00</u>	<u>\$ 48,306,389.92</u>

Sources:

- (1) 2015 Annual Debt Statement
  - (2) Entity's Respective 2015 Reports of Audit
  - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
  - (4) Deductible in accordance with N.J.S. 40:37A-80.
  - (5) Such debt is allocated as a proportion of the Township's share of the total 2015 Equalized Value, which is 6.63%.
- The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized valuation basis (1)	
\$ 2,438,030,088	2015
2,495,567,497	2014
2,480,211,820	2013
<u>\$ 7,413,809,405</u>	

\$ 2,471,269,802	Average equalized valuation of taxable property
\$ 98,850,792.07	Debt limit 4% of \$ 2,471,269,801.67 (2)
<u>10,385,000.00</u>	Total Net Debt Applicable to Limit
<u>\$ 88,465,792.07</u>	Legal Debt Margin

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$ 98,850,792.07	\$ 96,849,083.37	\$ 65,754,850.00	\$ 102,571,145.00	\$ 107,103,972.12	\$ 111,936,457.41	\$ 113,521,234.17	\$ 108,738,541.33	\$ 97,953,041.63	\$ 86,194,383.00
Total net debt applicable to limit (3)	<u>10,385,000.00</u>	<u>14,150,000.00</u>	<u>17,380,000.00</u>	<u>20,510,000.00</u>	<u>23,550,000.00</u>	<u>26,520,000.00</u>	<u>29,405,000.00</u>	<u>32,300,000.00</u>	<u>34,845,000.00</u>	<u>37,190,000.00</u>
Legal debt margin	<u>\$ 88,465,792.07</u>	<u>\$ 84,699,083.37</u>	<u>\$ 48,374,850.00</u>	<u>\$ 82,061,144.71</u>	<u>\$ 83,553,972.12</u>	<u>\$ 85,416,457.41</u>	<u>\$ 84,116,234.17</u>	<u>\$ 76,438,541.33</u>	<u>\$ 63,108,041.63</u>	<u>\$ 49,004,383.00</u>
Total net debt applicable to the limit as a percentage of debt limit	10.51%	14.31%	26.43%	20.00%	21.99%	23.69%	25.90%	28.70%	35.57%	43.15%

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.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	35,628	Unavailable	Unavailable	6.40%
2014	35,653	\$ 1,671,626,558.00	\$ 46,886.00	7.50%
2013	35,745	1,611,277,365.00	45,077.00	10.00%
2012	35,784	1,601,047,728.00	44,742.00	11.80%
2011	35,804	1,579,493,460.00	44,115.00	11.70%
2010	35,865	1,506,078,945.00	41,993.00	11.70%
2009	34,959	1,455,727,719.00	41,641.00	11.20%
2008	35,041	1,449,751,293.00	41,373.00	7.20%
2007	35,190	1,407,811,140.00	40,006.00	5.50%
2006	35,292	1,362,200,616.00	38,598.00	5.80%

## 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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Principal Non-Governmental Employers  
 Current Year and Nine Years Ago  
*Unaudited*

	2016			2007		
	<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>
Pepsi/Beverage Dist. Ctr.	650	1	3.51%	625	1	3.54%
J & J Snacks	435	2	2.35%	435	3	2.46%
Aluminum Shapes, Inc.	400	3	2.16%	600	2	3.40%
Puratos Corporation	350	4	1.89%			
Helvoet Pharma	308	5	1.66%	300	6	1.70%
Disc Makers	300	6	1.62%	300	4	1.70%
Holman/RMP	230	7	1.24%	230	8	1.30%
Simmons Pet Foods, Inc.	223	8	1.20%	223	9	1.26%
WAWA, Inc.	215	9	1.16%			
Forman Mills	175	10	0.94%	189	10	1.07%
Mediq & Mediq/PRN				300	5	1.70%
Lehigh Press				260	7	1.47%
	<u>3,286</u>		<u>17.73%</u>	<u>3,462</u>		<u>19.60%</u>

Source: Individual Employers

## Operating Information

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

Function/Program	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction										
Regular	342	362	343	320	321	321	333	360	353	350
Special education	161	158	170	139	142	121	105	100	87	76
Other instruction	24	25	45	36	24	36	80	85	73	72
Support Services:										
Student & instruction related services	51	49	126	91	111	129	118	100	95	79
General administrative services	2	2	4	5	5	11	12	15	13	13
School administrative services	40	41	49	46	47	53	58	55	47	48
Business administrative services	16	16	18	19	17	10	11	18	18	19
Plant operations and maintenance	92	97	96	110	105	90	86	95	93	96
Pupil transportation	62	62	64	69	67	66	61	67	63	48
Food Service	38	33	40	40	32	27	28	38	49	47
<b>Total</b>	<b>828</b>	<b>844</b>	<b>955</b>	<b>875</b>	<b>871</b>	<b>864</b>	<b>892</b>	<b>933</b>	<b>891</b>	<b>848</b>

Source: District Records

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	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	Intermediate	Middle School/High School				
2016	\$ 96,172,990.35	\$ 19,385.81	1.83%	405	13/1	13/1	11/1	4,994.8	4,706.5	-1.61%	94.23%
2015	96,120,890.75	19,037.61	6.10%	462	9.18/1	10.36/1	9.2/1	5,076.4	4,791.3	-0.75%	94.38%
2014	91,437,288.09	17,942.95	1.26%	488	9.58/1	10.52/1	9.58/1	5,114.6	4,841.9	-2.37%	94.67%
2013	92,936,140.28	17,719.00	3.67%	416	10.2/1	13.3/1	11.1/1	5,239.0	4,943.0	-2.28%	94.35%
2012	92,006,000.58	17,091.96	3.44%	487	11.0/1	11.24/1	9.9/1	5,361.3	5,038.2	7.23%	93.97%
2011	90,470,453.57	16,524.28	-3.49%	478	12.62/1	10.64/1	11.12/1	5,000.0	4,661.0	-4.34%	93.22%
2010	93,830,224.31	17,122.30	8.03%	518	12.57/1	10.96/1	10.86/1	5,227.0	5,205.0	0.08%	99.58%
2009	86,792,456.54	15,849.61	5.07%	545	11.85/1	9.66/1	7.2/1	5,223.0	5,201.0	-6.20%	99.58%
2008	83,285,687.44	15,085.25	7.58%	503	18.28/1	11.7/1	11.92/1	5,568.0	5,157.5	-2.23%	92.63%
2007	79,201,935.88	14,023.01	7.80%	494	19.3/1	12.1/1	12.2/1	5,695.1	5,351.5	-1.91%	93.97%

Sources: District Records



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

District Building	Fiscal Year Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Elementary</b>										
Baldwin (1955)	11,621	11,621	11,621	11,621	11,621	11,621	11,621	11,621	11,621	11,621
Square Feet	275	275	275	275	275	275	275	275	275	275
Capacity (students)	120	118	108	134	125	143	125	114	113	103
Enrollment										
Burling (1963)	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880
Square Feet	150	150	150	150	150	150	150	150	150	150
Capacity (students)	124	132	118	110	111	125	131	127	119	-
Enrollment										
Carson (1954)	46,274	46,274	46,274	46,274	46,274	46,274	46,274	46,274	46,274	46,274
Square Feet	314	314	314	314	314	314	314	314	314	314
Capacity (students)	329	344	354	346	333	361	378	348	353	305
Enrollment										
Central (1925)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Square Feet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delair (2002)	41,481	41,481	41,481	41,481	41,481	41,481	41,481	41,481	41,481	41,481
Square Feet	430	430	430	430	430	430	430	430	430	430
Capacity (students)	417	428	413	401	403	399	397	393	360	380
Enrollment										
Fine (1964)	41,310	41,310	41,310	41,310	41,310	41,310	41,310	41,310	41,310	41,310
Square Feet	378	378	378	378	378	378	378	378	378	378
Capacity (students)	318	322	327	332	310	355	356	320	320	277
Enrollment										
Franklin (1954)	56,802	56,802	56,802	56,802	56,802	56,802	56,802	56,802	56,802	56,802
Square Feet	551	551	551	551	551	551	551	551	551	551
Capacity (students)	378	402	423	449	443	466	458	409	436	397
Enrollment										
Longfellow (1926)	22,320	22,320	22,320	22,320	22,320	22,320	22,320	22,320	22,320	22,320
Square Feet	227	227	227	227	227	227	227	227	227	227
Capacity (students)	222	201	223	243	252	233	247	252	252	165
Enrollment										
Roosevelt (1926)	23,132	23,132	23,132	23,132	23,132	23,132	23,132	23,132	23,132	23,132
Square Feet	217	217	217	217	217	217	217	217	217	217
Capacity (students)	168	170	170	178	181	191	192	204	203	226
Enrollment										
<b>Intermediate</b>										
Intermediate School (2002)	82,733	82,733	82,733	82,733	82,733	82,733	82,733	82,733	82,733	82,733
Square Feet	986	986	986	986	986	986	986	986	986	986
Capacity (students)	765	778	731	796	798	798	805	792	807	827
Enrollment										
<b>Middle School</b>										
Middle School (1965)	153,790	153,790	153,790	153,790	153,790	153,790	153,790	153,790	153,790	153,790
Square Feet	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Capacity (students)	771	790	822	818	793	834	837	885	882	894
Enrollment										
<b>Booker T. Washington Annex</b>										
Booker T. Washington (1927)	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206	6,206
Square Feet	43	43	43	43	43	43	43	43	43	43
Capacity (students)	closed	closed	26	22	20	25	25	37	39	34
Enrollment										
<b>High School</b>										
Pennsauken High School (1959)	232,755	232,755	232,755	232,755	232,755	232,755	232,755	232,755	232,755	232,755
Square Feet	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986	1,986
Capacity (students)	1,349	1,364	1,381	1,416	1,512	1,545	1,529	1,595	1,637	1,700
Enrollment										
<b>Other</b>										
District Administration Building (2014)	55,340	55,340	55,340	55,340	55,340	55,340	55,340	55,340	55,340	55,340
Square Feet										

Number of Schools at June 30, 2016  
 Elementary = 6  
 Intermediate = 1  
 Middle School = 1  
 Booker T. Washington Annex = 1  
 High School = 1  
 Other = 1

(A) Administration building was purchased in 2014.

Source: District Records

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Pennsauken High Administration	031	\$ 536,289.04	\$ 504,013.95	\$ 614,370.31	\$ 495,536.02	\$ 391,140.87	\$ 441,011.27	\$ 648,636.96	\$ 385,115.36	\$ 351,453.52	\$ 296,612.25
Howard M. Philier Middle Intermediate	030	59,796.13	36,634.34	79,810.70	56,984.48	69,181.24	34,296.42	72,436.96	26,612.80	21,939.44	16,228.05
A. E. Burling Magnet	029	271,351.07	319,279.66	333,801.46	120,108.51	157,010.66	274,427.20	415,272.02	291,213.07	278,637.05	237,946.84
Booker T. Washington	022	84,903.39	68,553.13	95,840.27	141,238.95	83,182.27	103,303.13	219,037.58	88,732.49	64,924.38	60,608.50
Baldwin	021	41,587.68	58,885.11	70,359.94	74,967.96	49,841.65	20,469.51	33,452.99	37,726.04	97,098.89	113,296.93
Benjamin Franklin	020	37,940.95	11,468.79	26,752.99	44,689.53	44,446.87	45,275.77	24,575.86	20,304.96	14,722.17	22,430.33
Central	026	153,277.28	37,803.89	93,364.23	49,677.71	54,825.80	24,145.54	28,077.08	33,892.76	26,838.19	20,409.65
Delair	106	73,882.92	98,031.21	120,475.29	90,554.64	77,492.41	63,660.42	118,476.79	104,726.74	54,343.55	40,009.72
Carson	024	72,931.93	120,943.09	98,449.13	97,902.09	91,353.00	85,094.91	102,711.52	69,493.03	32,524.74	40,203.31
George B. Fine	023	86,773.33	76,767.87	86,778.46	67,847.43	66,925.97	63,259.94	101,450.07	58,013.03	48,725.82	43,519.40
Longfellow	025	67,908.32	73,630.31	135,965.62	78,843.12	76,601.89	55,815.76	101,424.87	66,295.15	54,793.51	43,660.55
Roosevelt	027	67,252.75	58,722.73	82,941.09	99,962.69	84,784.37	41,483.25	64,582.42	46,366.01	42,452.39	43,711.09
	028				95,509.72	65,651.27	49,237.12	75,709.78	69,083.38	43,899.25	35,243.26
<b>Total</b>		<b>\$ 1,553,894.79</b>	<b>\$ 1,520,476.78</b>	<b>\$ 1,946,639.27</b>	<b>\$ 1,513,821.95</b>	<b>\$ 1,312,438.27</b>	<b>\$ 1,301,480.14</b>	<b>\$ 2,006,299.90</b>	<b>\$ 1,317,185.44</b>	<b>\$ 1,184,910.59</b>	<b>\$ 1,079,197.93</b>

\* 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

## TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

*Unaudited*


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		<u>Coverage</u>	<u>Deductible</u>
Gloucester, Cumberland, Salem School District Joint Insurance Fund			
Property, Inland Marine and Automobile Physical Damages	(B) \$	150,000,000.00	\$ 500.00
Boiler and Machinery	(A)	125,000.00	1,000.00
Crime	(A)	500,000.00	500.00
General and Automobile Liability	(A)	20,000,000.00	
Workers' Compensation		Statutory	
Educator's Legal Liability	(A)	20,000,000.00	
Pollution Legal Liability	(A)	3,000,000.00	25,000.00
Cyber Liability	(A)	1,000,000.00	25,000.00
Violent Malicious Acts	(A)	1,000,000.00	15,000.00
AOE American Insurance Company			
Storage Tank Liability	(A)	4,000,000.00	25,000.00
Zurich American Insurance Company			
Student Accident	(A)	5,000,000.00	
Ohio Casualty Insurance Company:			
Treasurer		425,000.00	
School Business Administrator		375,000.00	
(A) Per Claim/Annual Aggregate			
(B) Per Occurrence			

Source: District Records

SINGLE AUDIT SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Pennsauken School District  
County of Camden  
Pennsauken, New Jersey 08110

***Report on Compliance for Each Major Federal and State Program***

We have audited the Township of Pennsauken School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Township of Pennsauken School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

### ***Report on Internal Control Over Compliance***

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

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2016

Pass-through Grantor/Program Title	Federal CFDA Number	Federal Fain Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover / (Walkover) Amount
					From	To		
<b>General Fund</b>								
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	\$ 82,715.47	7-1-13	6-30-14		
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	330,833.61	7-1-14	6-30-15	\$ (103,569.74)	
Special Education Medicaid Initiative	93.778	1605NJ5MAP	N/A	205,724.55	7-1-15	6-30-16		
Medicaid Administrative Claiming Aid	93.778	1605NJ5MAP	N/A	26,384.80	7-1-15	6-30-16		
<b>Total Medical Assistance Program (Medicaid)</b>							<u>(103,569.74)</u>	<u>-</u>
<b>Total General Fund</b>							<u>(103,569.74)</u>	<u>-</u>
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I, Part A	84.010A	S010A150030	NCLB406015	1,375,513.00	7-1-14	6-30-15	(118,127.23)	\$ (140,455.00)
Title I, Part A	84.010A	S010A150030	NCLB406016	1,767,449.00	7-1-15	6-30-16		140,455.00
<b>Total Title I, Part A</b>							<u>(118,127.23)</u>	<u>-</u>
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	NCLB406015	193,441.00	7-1-14	6-30-15	(12,675.95)	(181,696.00)
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	NCLB406016	189,522.00	7-1-15	6-30-16		181,696.00
<b>Total Title II, Part A, Improving Teacher Quality</b>							<u>(12,675.95)</u>	<u>-</u>
Title III	84.365A	S365A150030	NCLB406015	54,464.00	7-1-14	6-30-15	(48,483.74)	(26,539.00)
Title III	84.365A	S365A150030	NCLB406016	63,170.00	7-1-15	6-30-16		26,539.00
Title III, Immigrant	84.365A	S365A150030	NCLB406015	15,797.00	7-1-14	6-30-15	(900.13)	
Title III, Immigrant	84.365A	S365A150030	NCLB406016	17,506.00	7-1-15	6-30-16		
<b>Total Title III</b>							<u>(49,383.87)</u>	<u>-</u>
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A150100	FT406015	1,688,388.00	7-1-14	6-30-15	(199,894.25)	(11,423.00)
Basic	84.027	H027A150100	FT406016	1,726,837.00	7-1-15	6-30-16		11,423.00
Preschool	84.173	H173A150114	PS406015	44,220.00	7-1-14	6-30-15	(24,317.00)	
Preschool	84.173	H173A150114	PS406016	45,757.00	7-1-15	6-30-16		
<b>Total I.D.E.A. Part B Special Education Cluster</b>							<u>(224,211.25)</u>	<u>-</u>
<b>Total Special Revenue Fund</b>							<u>(404,398.30)</u>	<u>-</u>
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	645,704.37	7-1-14	6-30-15	(38,302.02)	
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	584,795.81	7-1-15	6-30-16		
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	Unavailable	162,143.01	7-1-14	6-30-15	5,180.75	
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	Unavailable	199,046.58	7-1-15	6-30-16		
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	1,635,533.32	7-1-14	6-30-15	(117,015.70)	
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	1,627,245.50	7-1-15	6-30-16		
Special Milk Program	10.556	16161NJ304N1099	Unavailable	5,623.45	7-1-14	6-30-15	(322.62)	
Special Milk Program	10.556	16161NJ304N1099	Unavailable	4,254.90	7-1-15	6-30-16		
<b>Total Child Nutrition Cluster</b>							<u>(150,459.59)</u>	<u>-</u>
School Breakfast Expansion Program	10.579	15151NJ354N8103	Unavailable	10,000.00	7-1-14	6-30-15	(2,000.00)	
Fresh Fruit and Vegetable Program	10.582	16161NJ304L1603	Unavailable	22,041.08	7-1-14	6-30-15	(3,706.16)	
<b>Total Enterprise Fund</b>							<u>(156,165.75)</u>	<u>-</u>
<b>Total Federal Financial Assistance</b>							<u>\$ (664,133.79)</u>	<u>-</u>

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

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016		Due to Grantor
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
\$ 103,569.74	\$ 82,715.47		\$ 82,715.47				\$ (82,715.47)		
174,787.37	205,724.55		205,724.55				(30,937.18)		
26,384.80	26,384.80		26,384.80						
<u>304,741.91</u>	<u>314,824.82</u>	<u>-</u>	<u>314,824.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,652.65)</u>	<u>-</u>	<u>-</u>
<u>304,741.91</u>	<u>314,824.82</u>	<u>-</u>	<u>314,824.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,652.65)</u>	<u>-</u>	<u>-</u>
258,583.00					\$ (0.77)				
1,617,187.00	1,767,052.08		1,767,052.08				(150,262.00)	\$ 140,851.92	
1,875,770.00	1,767,052.08	-	1,767,052.08	-	(0.77)	-	(150,262.00)	140,851.92	-
194,372.00					(0.05)				
188,416.00	370,111.36		370,111.36				(1,106.00)	1,106.64	
<u>382,788.00</u>	<u>370,111.36</u>	<u>-</u>	<u>370,111.36</u>	<u>-</u>	<u>(0.05)</u>	<u>-</u>	<u>(1,106.00)</u>	<u>1,106.64</u>	<u>-</u>
75,023.00					(0.26)				
26,766.00	54,977.02		54,977.02				(36,404.00)	34,731.98	
900.00					0.13				
3,820.00	4,060.00		4,060.00				(24,734.00)	24,494.00	
<u>106,509.00</u>	<u>59,037.02</u>	<u>-</u>	<u>59,037.02</u>	<u>-</u>	<u>(0.13)</u>	<u>-</u>	<u>(61,138.00)</u>	<u>59,225.98</u>	<u>-</u>
211,317.00					0.25				
1,706,725.00	1,725,663.34		1,725,663.34				(20,112.00)	12,596.66	
24,317.00									
45,757.00	45,757.00		45,757.00						
<u>1,988,116.00</u>	<u>1,771,420.34</u>	<u>-</u>	<u>1,771,420.34</u>	<u>-</u>	<u>0.25</u>	<u>-</u>	<u>(20,112.00)</u>	<u>12,596.66</u>	<u>-</u>
<u>4,353,183.00</u>	<u>3,967,620.80</u>	<u>-</u>	<u>3,967,620.80</u>	<u>-</u>	<u>(0.70)</u>	<u>-</u>	<u>(232,618.00)</u>	<u>213,781.20</u>	<u>-</u>
38,302.02									
491,472.62	584,795.81		584,795.81				(93,323.19)		
199,046.58	5,180.75		5,180.75						
117,015.70	190,439.86		190,439.86					8,606.72	
1,355,417.43	1,627,245.50		1,627,245.50				(271,828.07)		
322.62									
3,531.36	4,254.90		4,254.90				(723.54)		
<u>2,205,108.33</u>	<u>2,411,916.82</u>	<u>-</u>	<u>2,411,916.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(365,874.80)</u>	<u>8,606.72</u>	<u>-</u>
-	-	-	-	-	-	-	(2,000.00)	-	-
3,706.16	-	-	-	-	-	-	-	-	-
<u>2,208,814.49</u>	<u>2,411,916.82</u>	<u>-</u>	<u>2,411,916.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(367,874.80)</u>	<u>8,606.72</u>	<u>-</u>
<u>\$ 6,866,739.40</u>	<u>\$ 6,694,362.44</u>	<u>-</u>	<u>\$ 6,694,362.44</u>	<u>-</u>	<u>\$ (0.70)</u>	<u>-</u>	<u>\$ (714,145.45)</u>	<u>\$ 222,387.92</u>	<u>-</u>



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	State Project Number	Award Amount	Required Match	Grant Period		Balance at June 30, 2015		Carryover / (Walkover) Amount
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	
<b>General Fund:</b>								
New Jersey Department of Education:								
Current Expense:								
State Aid Public Cluster:								
Equalization Aid	15-495-034-5120-078	\$ 43,049,368.00	N/A	7-1-14	6-30-15	\$ (4,062,942.42)		
Equalization Aid	16-495-034-5120-078	43,049,368.00	N/A	7-1-15	6-30-16			
Categorical Special Education Aid	15-495-034-5120-089	3,033,664.00	N/A	7-1-14	6-30-15	(286,313.20)		
Categorical Special Education Aid	16-495-034-5120-089	3,033,664.00	N/A	7-1-15	6-30-16			
Categorical Security Aid	15-495-034-5120-084	1,472,261.00	N/A	7-1-14	6-30-15	(138,950.05)		
Categorical Security Aid	16-495-034-5120-084	1,472,261.00	N/A	7-1-15	6-30-16			
PARCC Readiness Aid	15-495-034-5120-098	51,380.00	N/A	7-1-14	6-30-15	(4,849.17)		
PARCC Readiness Aid	16-495-034-5120-098	51,380.00	N/A	7-1-15	6-30-16			
Per Pupil Growth Aid	15-495-034-5120-097	51,380.00	N/A	7-1-14	6-30-15	(4,849.17)		
Per Pupil Growth Aid	16-495-034-5120-097	51,380.00	N/A	7-1-15	6-30-16			
<b>Total State Aid Public Cluster</b>						<b>(4,497,904.01)</b>	<b>-</b>	<b>-</b>
Transportation Aid:								
Categorical Transportation Aid	15-495-034-5120-014	475,976.00	N/A	7-1-14	6-30-15	(44,921.99)		
Categorical Transportation Aid	16-495-034-5120-014	475,976.00	N/A	7-1-15	6-30-16			
Additional Non-Public Transportation Aid	15-495-034-5120-014	82,179.00	N/A	7-1-14	6-30-15	(82,179.00)		
Additional Non-Public Transportation Aid	16-495-034-5120-014	61,074.00	N/A	7-1-15	6-30-16			
<b>Total Transportation Aid</b>						<b>(127,100.99)</b>	<b>-</b>	<b>-</b>
Extraordinary Aid								
Extraordinary Aid	15-495-034-5120-044	602,636.00	N/A	7-1-14	6-30-15	(602,636.00)		
Extraordinary Aid	16-495-034-5120-044	588,318.00	N/A	7-1-15	6-30-16			
<b>Total Extraordinary Aid</b>						<b>(602,636.00)</b>	<b>-</b>	<b>-</b>
Homeless Tuition Aid								
Homeless Tuition Aid	16-495-034-5120-005	7,640.00	N/A	7-1-15	6-30-16	-	-	-
Reimbursed TPAF Social Security Contributions								
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	2,448,946.97	N/A	7-1-14	6-30-15	(115,126.60)		
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	2,425,869.77	N/A	7-1-15	6-30-16			
<b>Total Reimbursed TPAF Social Security Contributions</b>						<b>(115,126.60)</b>	<b>-</b>	<b>-</b>
<b>Total General Fund</b>						<b>(5,342,767.60)</b>	<b>-</b>	<b>-</b>
<b>Special Revenue Fund:</b>								
New Jersey Department of Education:								
Nonpublic Aid:								
Nursing Services	15-100-034-5120-070	88,021.00	N/A	7-1-14	6-30-15		\$ 880.00	
Nursing Services	16-100-034-5120-070	83,070.00	N/A	7-1-15	6-30-16			
Textbook Aid (Ch. 194)	15-100-034-5120-064	54,099.00	N/A	7-1-14	6-30-15		6,951.00	
Textbook Aid (Ch. 194)	16-100-034-5120-064	51,619.00	N/A	7-1-15	6-30-16			
Technology	15-100-034-5120-373	27,520.00	N/A	7-1-14	6-30-15		964.00	
Technology	16-100-034-5120-373	22,074.00	N/A	7-1-15	6-30-16			
Security	16-100-034-5120-509	23,075.00	N/A	7-1-15	6-30-16			
Auxiliary Services (Ch. 192)								
Compensatory Education	15-100-034-5120-067	188,297.00	N/A	7-1-14	6-30-15		11,018.00	
Compensatory Education	16-100-034-5120-067	195,432.00	N/A	7-1-15	6-30-16			
Home Instruction	15-100-034-5120-067	355.00	N/A	7-1-14	6-30-15	(355.00)		
Home Instruction	16-100-034-5120-067	1,108.00	N/A	7-1-15	6-30-16			
English as a Second Language	15-100-034-5120-067	11,419.00	N/A	7-1-14	6-30-15		3,563.00	
English as a Second Language	16-100-034-5120-067	17,255.00	N/A	7-1-15	6-30-16			
Transportation	15-100-034-5120-068	22,950.00	N/A	7-1-14	6-30-15		18,992.00	
Transportation	16-100-034-5120-068	13,984.00	N/A	7-1-15	6-30-16			
Handicapped Services (Ch. 193)								
Corrective Speech	15-100-034-5120-066	32,690.00	N/A	7-1-14	6-30-15		8,482.00	
Corrective Speech	16-100-034-5120-066	35,115.00	N/A	7-1-15	6-30-16			
Supplementary Instruction	15-100-034-5120-066	189,897.00	N/A	7-1-14	6-30-15		165,257.00	
Supplementary Instruction	16-100-034-5120-066	45,668.00	N/A	7-1-15	6-30-16			
Examination and Classification	15-100-034-5120-066	55,109.00	N/A	7-1-14	6-30-15		5,039.00	
Examination and Classification	16-100-034-5120-066	59,144.00	N/A	7-1-15	6-30-16			
<b>Total Nonpublic Aid:</b>						<b>(355.00)</b>	<b>221,146.00</b>	<b>-</b>
Adult Education								
Adult Education	15-100-034-5064-014	24,000.00	N/A	7-1-14	6-30-15	(11,466.04)		
Preschool Education Aid								
Preschool Education Aid	14-495-034-5120-086	933,680.00	N/A	7-1-13	6-30-14	105,728.99		\$ (105,728.99)
Preschool Education Aid	15-495-034-5120-086	753,310.00	N/A	7-1-14	6-30-15	(68,276.96)		
Preschool Education Aid	16-495-034-5120-086	795,750.00	N/A	7-1-15	6-30-16			105,728.99
<b>Total Preschool Education Aid</b>						<b>37,452.03</b>	<b>-</b>	<b>-</b>
<b>Total Special Revenue Fund</b>						<b>25,630.99</b>	<b>221,146.00</b>	<b>-</b>
<b>Capital Projects Fund:</b>								
New Jersey School Development Authority:								
School Facility Project – Burling HVAC	4060-104-14-1001-G04	1,812,533.00	\$ 1,054,705.00	7-1-14	Completion	(1,297,092.92)		
School Facility Project – High School HVAC	4060-050-14-1002-G04	439,692.00	405,855.00	7-1-14	Completion	(408,633.66)		
School Facility Project – High School Roof Replacement	4060-050-14-1003-G04	2,475,144.00	1,440,276.00	7-1-14	Completion	239,191.00		
<b>Total Capital Projects Fund</b>						<b>(1,466,535.58)</b>	<b>-</b>	<b>-</b>
<b>Debt Service Fund:</b>								
New Jersey Department of Education:								
School Construction Debt Service Aid	16-495-034-5120-075	1,541,835.00	N/A	7-1-15	6-30-16	-	-	-
<b>Enterprise Fund:</b>								
New Jersey Department of Agriculture:								
State School Lunch Aid	15-100-010-3350-023	36,017.15	N/A	7-1-14	6-30-15	(2,400.39)		
State School Lunch Aid	16-100-010-3350-023	33,808.44	N/A	7-1-15	6-30-16			
<b>Total Enterprise Fund</b>						<b>(2,400.39)</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance subject to Major Program Determination for State Single Audit</b>						<b>(6,786,072.58)</b>	<b>221,146.00</b>	<b>-</b>
<b>State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:</b>								
<b>General Fund (Non-Cash Assistance):</b>								
New Jersey Department of the Treasury:								
TPAF Post Retirement Medical	16-495-034-5094-001	3,209,662.00	N/A	7-1-15	6-30-16			
Teacher's Pension & Annuity Fund	16-495-034-5094-002	2,567,651.00	N/A	7-1-15	6-30-16			
TPAF Non-Contributory Insurance	16-495-034-5094-004	127,904.00	N/A	7-1-15	6-30-16			
<b>Total General Fund (Non-Cash Assistance)</b>						<b>-</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>						<b>\$ (6,786,072.58)</b>	<b>\$ 221,146.00</b>	<b>-</b>

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

Cash Received	Total Budgetary Expenditures	Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016			Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
					(Accounts Receivable)	Unearned Revenue	Due to Grantor		
\$ 4,062,942.42									
38,919,748.92	\$ 43,049,368.00				\$ (4,129,619.08)			\$ (4,129,619.08)	\$ 43,049,368.00
286,313.20									
2,742,652.14	3,033,664.00				(291,011.86)			(291,011.86)	3,033,664.00
138,950.05									
1,331,030.66	1,472,261.00				(141,230.34)			(141,230.34)	1,472,261.00
4,849.17									
46,451.24	51,380.00				(4,928.76)			(4,928.76)	51,380.00
4,849.17									
46,451.24	51,380.00				(4,928.76)			(4,928.76)	51,380.00
47,584,238.21	47,658,053.00	-	-	-	(4,571,718.80)	-	-	(4,571,718.80)	47,658,053.00
44,921.99									
430,316.80	475,976.00				(45,659.20)			(45,659.20)	475,976.00
82,179.00									
	61,074.00				(61,074.00)				61,074.00
557,417.79	537,050.00	-	-	-	(106,733.20)	-	-	(45,659.20)	537,050.00
602,636.00	588,318.00				(588,318.00)				588,318.00
602,636.00	588,318.00	-	-	-	(588,318.00)	-	-	-	588,318.00
-	7,640.00	-	-	-	(7,640.00)	-	-	-	7,640.00
115,126.60									
2,309,843.34	2,425,869.77				(116,026.43)				2,425,869.77
2,424,969.94	2,425,869.77	-	-	-	(116,026.43)	-	-	-	2,425,869.77
51,169,261.94	51,216,930.77	-	-	-	(5,390,436.43)	-	-	(4,617,378.00)	51,216,930.77
83,070.00	82,239.30		\$ 0.30	\$ 880.00			\$ 831.00		82,239.30
51,619.00	50,694.63		(0.37)	6,951.00			924.00		50,694.63
22,074.00	21,303.00			964.00			771.00		21,303.00
23,075.00	21,683.85		(0.15)				1,391.00		21,683.85
195,432.00	178,506.00			11,018.00			16,926.00		178,506.00
355.00	1,108.00				(1,108.00)				1,108.00
17,255.00	9,834.78		(0.22)	3,563.00			7,420.00		9,834.78
13,984.00	3,799.97		(0.03)	18,992.00			10,184.00		3,799.97
35,115.00	13,292.40		0.40	8,482.00			21,823.00		13,292.40
45,668.00	26,581.50		(0.50)	165,257.00			19,086.00		26,581.50
59,144.00	53,008.39		0.39	5,039.00			6,136.00		53,008.39
546,791.00	462,051.82	-	(0.18)	221,146.00	(1,108.00)	-	85,492.00	-	462,051.82
-	-	-	11,466.04	-	-	-	-	-	22,230.00
75,331.00						\$ 7,054.04			827,951.01
716,175.00	876,362.99				(79,575.00)	25,116.00		(79,575.00)	882,958.10
791,506.00	876,362.99	-	-	-	(79,575.00)	32,170.04	-	(79,575.00)	876,362.99
1,338,297.00	1,338,414.81	-	11,465.86	221,146.00	(80,683.00)	32,170.04	85,492.00	(79,575.00)	2,587,272.10
1,545,784.18			(248,691.26)						3,071,553.92
439,692.00	1,974,278.98		(31,058.34)		(2,475,144.00)	740,056.02			2,351,797.92
1,985,476.18	1,974,278.98	-	(279,749.60)	-	(2,475,144.00)	740,056.02	-	-	814,488.66
1,541,835.00	1,541,835.00	-	-	-	-	-	-	-	1,974,278.98
2,400.39									5,140,565.56
28,315.43	33,808.44				(5,493.01)				1,541,835.00
30,715.82	33,808.44	-	-	-	(5,493.01)	-	-	-	33,808.44
56,065,585.94	56,105,268.00	-	(268,283.74)	221,146.00	(7,951,756.44)	772,226.06	85,492.00	(4,696,953.00)	61,004,693.69
3,209,662.00	3,209,662.00								3,209,662.00
2,567,651.00	2,567,651.00								2,567,651.00
127,904.00	127,904.00								127,904.00
5,905,217.00	5,905,217.00	-	-	-	-	-	-	-	5,905,217.00
\$ 61,970,802.94	\$ 62,010,485.00	-	\$ (268,283.74)	\$ 221,146.00	\$ (7,951,756.44)	\$ 772,226.06	\$ 85,492.00	\$ (4,696,953.00)	\$ 66,909,910.69

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$74,552.00) for the general fund and (\$84,856.99) 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	\$ 314,824.82	\$ 57,047,595.77	\$ 57,362,420.59
Special Revenue	3,967,620.80	1,253,557.82	5,221,178.62
Capital Projects		2,014,837.58	2,014,837.58
Debt Service		1,541,835.00	1,541,835.00
Food Service	<u>2,411,916.82</u>	<u>33,808.44</u>	<u>2,445,725.26</u>
Total Awards and Financial Assistance	<u>\$ 6,694,362.44</u>	<u>\$ 61,891,634.61</u>	<u>\$ 68,585,997.05</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" in the Schedule of Expenditures of Federal Awards represent minor rounding differences. The amounts reported in the column entitled "adjustments" in the Schedule of Expenditures of State Financial Assistance represent minor rounding differences, capital project cancellations and the cancellation of a grant balance.

**Note 6: REIMBURSED AND ON-BEHALF PAYMENTS**

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

**Note 7: MAJOR PROGRAMS**

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

*Section 1- Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B Cluster -- Basic &amp; Capacity</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Part B Cluster -- Preschool</u>
<u>84.010A</u>	<u>S010A150030</u>	<u>Title I Part A</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - School Breakfast Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - Food Distribution Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - National School Lunch Program</u>
<u>10.556</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster - Special Milk Program</u>

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

Auditee qualified as low-risk auditee?   X   yes        no



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***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.



**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***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.

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings and  
Questioned Costs as Prepared by Management

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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**

**Finding No. 2015-001**

**Condition**

The reconciliation of payroll deductions payable was not performed on a monthly basis.

**Current Status**

This condition has been resolved.

