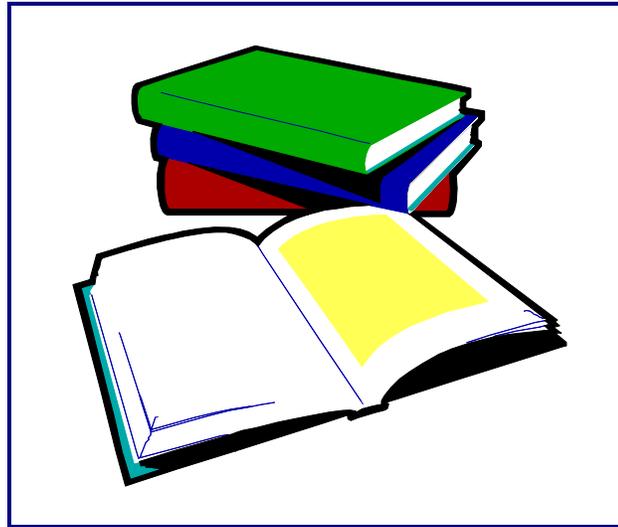


**PENNS GROVE-CARNEYS POINT
REGIONAL
SCHOOL DISTRICT**



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

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INTRODUCTORY SECTION

Penns Grove – Carneys Point Regional School District

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School Business Administrator

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November 29, 2012

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

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*, and the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

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

1. REPORTING ENTITY AND ITS SERVICES (CONT'D)

General

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

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

Facilities

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

Staff

The faculty for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 226 full-time teachers/professional positions serving a total enrollment of 2,333 students, as of October 14, 2011. The School District has full academic accreditation. The business of the School District is conducted by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 73 instructional and non-instructional aides, 29 cafeteria workers, 22 full-time secretaries, 30 maintenance/custodial staff, and 3 technology staff.

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	2,237	(5.69)%
2010-2011	2,372	(2.70)%
2009-2010	2,436	(1.18)%
2008-2009	2,465	(0.52)%
2007-2008	2,478	5.30%
2006-2007	2,353	1.90%
2005-2006	2,314	3.07%
2004-2005	2,302	(1.62)%
2003-2004	2,282	1.02%
2002-2003	2,259	(0.97)%

2. ECONOMIC CONDITION AND OUTLOOK

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

3. MAJOR INITIATIVES

MAJOR INITIATIVES

The Penns Grove-Carneys Point Regional School District's mission to prepare all students with the essential 21st century skills is of the utmost importance. In order to accomplish this endeavor, all students are afforded a well-rounded education that aligns with the Common Core State Standards for the English Language Arts and Mathematics subject areas and the New Jersey Core Curriculum Content Standards. New or expanded initiatives from Grades Pre-K through 12 will be implemented during the 2012-2013 school year.

General Areas

1. Teacher Evaluation System – This initiative is in the first year of implementation. Initiative has the goal of raising student achievement by improving instruction through the adoption of teacher evaluations that provides meaningful feedback to teachers on their performance based on educational conversations that use data, evidence and artifacts to guide professional development
2. PD 360 – Professional Development tool that provides teacher with an on-line library of differentiated training videos. The videos have a wide variety of topics that addresses teachers needs and students needs. It is part of the teacher effectiveness system that will help students reach college and career readiness.
3. OnCourse Curriculum Builder – On-line system that provides collaboration among teachers, supervisors and administrators to create curricular guides, curriculum maps and curricular units aligned with the standards.
4. Learning Focused - This research-based initiative is in its third year of implementation. Teaching staff at the Lafayette-Pershing School have been added to the training sessions. Unique to this initiative is the active incorporation of the administrators in the leadership process of organizing and connecting the techniques, strategies and systems by developing action plans for the implementation. This initiative is in the second year of implementation at the middle and high school level.
5. Children's Literacy Initiative (CLI) will continue providing coaching to teachers in Grades K-3. The extensive professional development provides researched-based practices in literacy instruction in order for our children to become powerful readers, writers, and thinkers.

3. MAJOR INITIATIVES (CONT'D)

By Building

Lafayette-Pershing School – Grades Pre-K – K

1. Continue with the use of the MOBI technology in the instruction of Kindergarten students to enhance their technological skills. MOBI technology will expand teacher's abilities to develop skills in the literacy and mathematic indicators of the Kindergarten Standards.
2. Literacy Coaching from the CLI facilitate resources and provide professional development to the teachers at the schools.
3. Creative Curriculum – This curricular initiative is aligned with the mandates for the Early Childhood Program from the New Jersey Department of Education. It is researched-based curriculum that differentiates instruction for students and provides teacher with resources that range from classroom strategies to job-embedded professional development.
4. Incorporation of the Harcourt Go Math series for daily mathematics instruction to support the units of study for Mathematics.
5. IXL Online Mathematics program to provide practice of Common Core Standards aligned skills and monitor student growth.

Field Street School – Grades 1, 2 and 3

1. Incorporation of the Harcourt Go Math series for daily mathematics instruction to support the units of study for Mathematics.
2. Buddy Reading –First grade students have the opportunity to practice their reading and cognitive skills with the students from Penns Grove High School National Honor Society. Students select reading books to use while the teacher monitors the reading strategies with the students.
3. Character Education Program – Focusing on a specific recognized character trait, each month students have the opportunity to participate in the selected activity. This program is integrated into all areas of social and academic development.

Paul W. Carleton School – Grades 4 and 5

1. Strive for Five – This character education initiative focuses on a specific recognized character trait. This program is integrated into all areas of social and academic development.
2. Homework Bound Program – The Homework Bound Program has been continued for another year. The students in this program receive additional supportive instruction and are assisted in completing their homework assignments.
3. DuPont Science Fair – Held in the spring at the Salem Community College. It provides students the opportunity to practice problem-solving strategies while work in groups designing and constructing experiences and recording data.

3. MAJOR INITIATIVES (CONT'D)

Penns Grove Middle School – Grades 6, 7 and 8

1. Students Advisory – Group of school and community stakeholder that convenes on a monthly basis to discuss and arrange extra-curricular activities for the student body and aligns with the New Jersey Curriculum Content Standards.
2. South Jersey Math Partnership from Rowan University - Provides Middle School teachers with math workshops and hands-on activities to increase the instructional strategies.
3. Teaming Training and Middle Level Institute as part of the initiatives for improving middle schools from the NJDOE.
4. DuPont Science Fair – It provides students the opportunity to work in groups designing and constructing experiences and recording data. It will also offer problem-solving situations.
5. Century 21st Grant after-school program provides supplemental assistance to students in content areas as well as supports character education and parental involvement.
6. Development of units of study for Mathematics with common assessments.
7. Braining Camp Online Mathematics program to provide practice of Common Core Standards aligned skills to promote conceptual understanding.
8. ALEKS online progress monitoring for the Targeted Assistance population to provide data driven instruction and individualized assessments to promote mastery of Mathematics skills.

Penns Grove High School

1. Dual credit agreements with Salem Community College and Rowan University will continue to be offered to our students.
2. Site-base Council – This committee includes stakeholders to make school-based decisions, present and discuss with staff.
3. Science Fair – Students will continue to be involved with the DuPont Science Fair, which is held in the spring at the Salem Community College. It will provide students the opportunity to work in groups designing and constructing experiences and recording data. It will also offer problem-solving situations.
4. The Academy of Engineering and Technologies has implemented the two curricular tracks for students attending our school district. Students are afforded the opportunity to select attendance to Rowan University as a freshman in the College of Engineering or attend Salem Community College as a technology student.
5. Mathematics lab for the 9th and 10th grade Targeted Assistance population with an online instructional component from Learn Beyond to provide Common Core Standards aligned practice for remediation of skill deficiencies.
6. ALEKS online progress monitoring for the Targeted Assistance population to provide data driven instruction and individualized assessments to promote mastery of Mathematics skills.
7. Development of Units of Study with Common Assessments for Mathematics Courses.

4. INTERNAL ACCOUNTING CONTROLS

Management of the 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 statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of each municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups 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 2. 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.

The Board's cash position reflects a bank balance of \$2,042,552.06 in cash at June 30, 2012.

8. GENERAL FUND BALANCE

General Fund Balance (budgetary basis) of \$3,408,434.33 as of June 30, 2012, represents a 6.62% decrease from June 30, 2011. Of the \$3,408,434.33, \$1,493,561.00 has been appropriated for the 2012/2013 school budget in order to maintain a stable tax levy. The remaining \$1,914,873.33, upon considering reserved fund balance which includes excess surplus, represents 5.50% of the 2011/2012 General Fund Budget expenditures totaling \$34,790,956.19.

9. 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 as a member of the Gloucester Cumberland Salem School Districts Joint Insurance Fund.

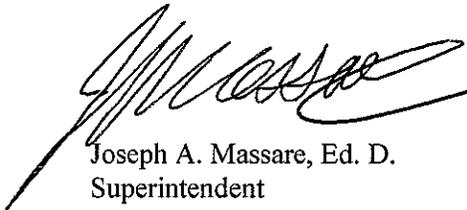
10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS

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

Respectfully submitted,

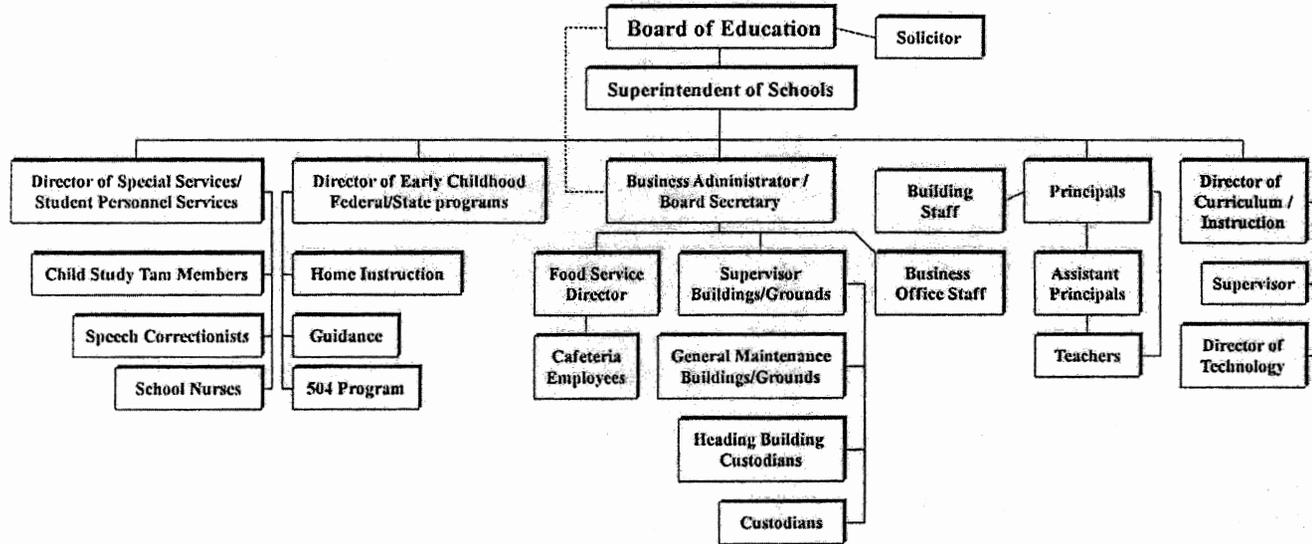


Joseph A. Massare, Ed. D.
Superintendent



Brian Ferguson
School Business Administrator/Board Secretary

Penns Grove - Carneys Point Regional School District



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012

	Term <u>Expires</u>
Members of the Board of Education	
Gregory Wright, President	2013
RoseAnn Chiacchio, Vice President	2014
Debra Bradford	2013
Fred Tomarchio	2014
Kenneth James	2014
Jeanette Harbeson	2012
Ginger Sackes	2012
Walter Sayers	2013
Michael B. Venello	2012

Other Officials

Joseph Massare, Ed.D. Superintendent
Brian E. Ferguson, Business Administrator/Board Secretary
Mark G. Toscano, Esq., Solicitor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2012

Architect

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Mount Laurel, NJ 08054

Audit Firm

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Attorney

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Bond Counsel

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Fiscal Agent

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Official Depositories

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The Bank
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Woodstown, NJ 08098

Financial Advisers

Public Financial Management
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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 Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Penns Grove-Carneys Point Regional School District's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2012 on our consideration of the Penns Grove-Carneys Point Regional 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 and should be considered in assessing the results of our audit.

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

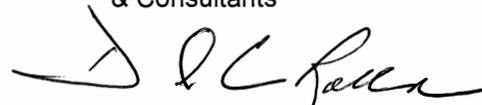
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penns Grove-Carneys Point Regional School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penns Grove-Carneys Point Regional School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



David C. Rollison
 Certified Public Accountant
 Public School Accountant No. CS 00346

Woodbury, New Jersey
 November 29, 2012

**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**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 29, 2012. 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.

Internal Control Over Financial Reporting

Management of the Penns Grove-Carneys Point Regional School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Penns Grove-Carneys Point Regional School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
November 29, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Penns Grove-Carneys Point Regional School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

Financial Highlights

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$13,838,428 (net assets).
- The Penns Grove-Carneys Point Regional School District's total net assets increased by \$2,458,282. This increase is primarily attributable to an increase in receivables and acquisitions of capital assets.
- As of the close of the current fiscal year, the Penns Grove-Carneys Point Regional School District's governmental funds reported combined ending fund balances of \$1,882,775, a decrease of \$388,831 in comparison with the prior year. Most of the decrease was attributable to the cancelation of State Aid for certain Capital Projects.
- At the end of the current fiscal year, unreserved fund balance for the general fund was a deficit of \$1,217,032 a decrease in deficit of \$49,556 from that of the prior fiscal year. The decrease is due to several factors.
- The Penns Grove-Carneys Point Regional School District's total debt decreased by \$795,000 as a result of budgeted debt payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Penns Grove-Carneys Point Regional School District's basic financial statements. The Penns Grove-Carneys Point Regional School District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Penns Grove-Carneys Point Regional School District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Penns Grove-Carneys Point Regional School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Penns Grove-Carneys Point Regional School District is improving or deteriorating.

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

Penns Grove-Carneys Point Regional School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

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

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

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

The Penns Grove-Carneys Point Regional School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program and the academy program.

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

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

Penns Grove-Carneys Point Regional School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2012

(Unaudited)

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, assets exceeded liabilities by \$13,838,428 at the close of the most recent fiscal year.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 4,567,023	\$ 3,264,100	\$ 284,645	\$ 391,732	\$ 4,851,668	\$ 3,655,832
Capital Assets	18,942,441	16,720,224	135,615	122,865	19,078,056	16,843,089
Total Assets	23,509,464	19,984,324	420,260	514,597	23,929,724	20,498,921
Long-Term Liabilities						
Outstanding	7,370,838	8,092,483	16,805	12,925	7,387,643	8,105,408
Other Liabilities	2,687,356	984,275	16,297	29,092	2,703,653	1,013,367
Total Liabilities	10,058,194	9,076,758	33,102	42,017	10,091,296	9,118,775
Invested in Capital Assets, Net of Related Debt	12,779,473	9,833,365	135,615	122,865	12,915,088	9,956,230
Restricted	2,241,158	2,953,546			2,241,158	2,953,546
Unrestricted	(1,569,361)	(1,879,345)	251,543	349,715	(1,317,818)	(1,529,630)
Total Net Assets	\$ 13,451,270	\$ 10,907,566	\$ 387,158	\$ 472,580	\$ 13,838,428	\$ 11,380,146

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

There was a decrease of \$85,422 in overall net assets for the Penns Grove-Carneys Point Regional School District's business-type activities. The decrease was mainly due to an increase in Food Service Fund expenses.

There was an increase of \$2,458,282 in overall net assets for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

Governmental Activities - Governmental activities increased the Penns Grove-Carneys Point Regional School District's net assets by \$2,458,282, while business type activities decreased net assets by \$85,422. Key elements of the changes are as follows:

Penns Grove-Carneys Point Regional School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET ASSETS							
	Governmental Activities		Business-Type Activities		Total		
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,252,643	\$ 1,706,605			\$ 1,252,643	\$ 1,706,605	
Operating Grants and Contributions	6,238,796	6,065,804	\$ 835,864	\$ 816,887	7,074,660	6,882,691	
Business Type Activities:							
Food Service			284,110	299,594	284,110	299,594	
Academy Program			165,309	171,035	165,309	171,035	
Internal Service			7,500	5,000	7,500	5,000	
General Revenues:							
Property Taxes	10,043,947	9,935,674			10,043,947	9,935,674	
Grants and Contributions not Restricted to Specific Programs	23,507,737	20,408,929			23,507,737	20,408,929	
Other	84,377	99,459	136	163	84,513	99,622	
Total Revenues	41,127,500	38,216,471	1,292,919	1,292,679	42,420,419	39,509,150	
Expenses:							
Instruction	16,783,746	16,828,857			16,783,746	16,828,857	
Support Services	21,469,898	20,429,488			21,469,898	20,429,488	
Other	330,152	361,927			330,152	361,927	
Food Service			1,169,776	1,126,629	1,169,776	1,126,629	
Academy Program			201,065	223,064	201,065	223,064	
Internal Service			7,500	5,000	7,500	5,000	
Total Expenses	38,583,796	37,620,272	1,378,341	1,354,693	39,962,137	38,974,965	
Increase in Net Assets	2,543,704	596,199	(85,422)	(62,014)	2,458,282	534,185	
Net Assets, July 1	10,907,566	10,311,367	472,580	534,594	11,380,146	10,845,961	
Net Assets, June 30	\$ 13,451,270	\$ 10,907,566	\$ 387,158	\$ 472,580	\$ 13,838,428	\$ 11,380,146	

- *Property taxes* increased by \$108,273 during the year. This 1% increase represents a cost of living increase.
- *Grant Revenues* increased by \$3,098,808 during the year. The majority of this increase is the result of an increase in state aid and Education Jobs funding from the federal government.

The overall \$963,524 increase in expenses was attributable to an increase in support services.

Business-Type Activities - Business-type activities decreased the Penns Grove-Carneys Point Regional School District's net assets by \$85,422.

Penns Grove-Carneys Point Regional School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2012 was \$3,408,434, a decrease of \$241,549 from June 30, 2011.

Of the \$3,408,434, \$1,493,561 has been appropriated for the 2012-2013 school budget in order to maintain a stable tax levy. Of the remaining fund balance, \$280,406 has been reserved for encumbrances, \$180 is capital reserve, \$67,974 is maintenance reserve, \$801,150 is excess surplus and \$749,663 is unrestricted.

The general fund and special revenue fund had a fund balance deficit at the end of the current fiscal year in the amount of \$1,217,032 and \$78,660, respectively. The deficits were a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The debt service fund has a total fund balance of \$1.

The capital projects fund had fund balance of \$535,195 at the end of the current fiscal year. This was a decrease of \$91,212 in comparison to the prior fiscal year. The decrease is due to a variety of factors.

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

Unrestricted net assets consisted of the following: a positive balance of \$251,543 regarding the food service program, and a \$0 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities.

Penns Grove-Carneys Point Regional School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

General Fund Budgetary Highlights

During the course of the 2012 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$338,133.

The final budgetary basis revenue estimate was \$32,127,258. The original budgeted estimate was \$32,104,894.

During fiscal year 2012, the Penns Grove-Carneys Point Regional School District budgeted \$9,491,035 and \$20,375,219 for property taxes (local tax levy) and state aid revenues, respectively. The Penns Grove-Carneys Point Regional School District also received \$1,204,714 and \$1,548,329 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditure appropriation estimate was \$33,640,391 compared to the originate estimate of \$33,279,894.

The Penns Grove-Carneys Point Regional School District's expenditures also include the reimbursed TPAF Social Security Aid and T.P.A.F. Pension Contributions of \$1,204,714 and \$1,548,329, respectively.

Capital Asset and Debt Administration

Capital Assets - The Penns Grove-Carneys Point Regional School District's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to \$19,078,056 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of the fiscal year 2012, the Penns Grove-Carneys Point Regional School District had \$32,513,110 invested in land, construction in progress, land improvements, buildings and improvements and equipment.

Major capital asset events during the fiscal year include several parking lot improvements funded through both the General Fund and Capital Projects Funds and completed construction in progress related to the high school windows and bleachers and project paid through the Capital Projects Fund. The District also initiated a project in the Capital Projects Fund to upgrade the high school science lab and auditorium.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET ASSETS						
(NET OF ACCUMULATED DEPRECIATION)						
	Governmental Activities		Business-Type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 1,280,600	\$ 1,280,600			\$ 1,280,600	\$ 1,280,600
Construction in Progress	2,496,939	1,700,728			2,496,939	
Land Improvements	24,193	27,034			24,193	27,034
Building Improvements	14,930,788	13,527,696			14,930,788	13,527,696
Equipment	209,921	184,166	\$ 135,615	\$ 122,865	345,536	307,031
Total	\$ 18,942,441	\$ 16,720,224	\$ 135,615	\$ 122,865	\$ 19,078,056	\$ 15,142,361

Additional information on the Penns Grove-Carneys Point Regional School District's capital assets can be found in Note 6 to the Financial Statements.

Penns Grove-Carneys Point Regional School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

(Unaudited)

Long-term Debt - At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$6,460,000. The entire Penns Grove-Carneys Point Regional School District's bonded debt is governmental as opposed to business-type. The 2012 adopted budget has an appropriation of \$1,061,391 representing the payment of the annual principal and interest. The bonds will mature on March 1, 2020. See Note 7 to the Financial Statements for more detail.

Economic Factors and Next Year's Budget

For the 2011-12 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 28 percent of total revenue is from local tax levy, while 72 percent of the School District's revenue is from federal, state and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2011-12 budget was adopted March 2011 based in part on the state education aid the School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 15, 2010.

The Penns Grove-Carneys Point Regional School District anticipates a slight increase in enrollment for the 2012-13 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 497,872.22	\$ 11,203.66	\$ 509,075.88
Receivables, Net	3,660,973.27	100,970.38	3,761,943.65
Interfund Accounts Receivable	19,276.16	149,811.19	169,087.35
Deferred Charge:			
Debt Issuance Costs (Net of Amortization)	70,152.32		70,152.32
Inventory		22,659.60	22,659.60
Restricted Assets:			
Restricted Cash and Cash Equivalents	318,568.90		318,568.90
Capital Reserve Account - Cash	180.00		180.00
Capital Assets, Net (Note 6)	18,942,440.81	135,615.38	19,078,056.19
Total Assets	23,509,463.68	420,260.21	23,929,723.89
LIABILITIES:			
Accounts Payable	2,437,525.43	11,258.34	2,448,783.77
Interfund Accounts Payable	149,811.19	-	149,811.19
Payable to Federal Government	25,533.89		25,533.89
Accrued Interest	73,259.95		73,259.95
Deferred Revenue	1,224.99	5,038.68	6,263.67
Noncurrent Liabilities (Note 7):			
Due within One Year	884,802.00		884,802.00
Due beyond One Year	6,486,036.39	16,805.00	6,502,841.39
Total Liabilities	10,058,193.84	33,102.02	10,091,295.86
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	12,779,472.74	135,615.38	12,915,088.12
Restricted for:			
Debt Service (Deficit)	(73,259.41)		(73,259.41)
Capital Projects	535,195.18		535,195.18
Other Purposes	1,779,222.17		1,779,222.17
Unrestricted (Deficit)	(1,569,360.84)	251,542.81	(1,317,818.03)
Total Net Assets	\$ 13,451,269.84	\$ 387,158.19	\$ 13,838,428.03

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense)/Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 11,826,681.37	\$ 1,252,643.35	\$ 1,928,321.39		\$ (8,645,716.63)		\$ (8,645,716.63)
Special Education	3,428,833.52				(3,428,833.52)		(3,428,833.52)
Other Special Instruction	1,191,432.43				(1,191,432.43)		(1,191,432.43)
Other Instruction	336,798.95				(336,798.95)		(336,798.95)
Support Services:							
Tuition	1,548,220.10				(1,548,220.10)		(1,548,220.10)
Student and Instruction Related Services	3,606,009.99		1,048,951.91		(2,557,058.08)		(2,557,058.08)
School Administrative Services	1,549,344.77				(1,549,344.77)		(1,549,344.77)
Other Administrative Services	1,473,381.41				(1,473,381.41)		(1,473,381.41)
Plant Operations and Maintenance	3,355,922.18				(3,355,922.18)		(3,355,922.18)
Pupil Transportation	1,854,255.09				(1,854,255.09)		(1,854,255.09)
Unallocated Benefits	8,082,764.53		2,753,043.47		(5,329,721.06)		(5,329,721.06)
Other:							
Amortization of Debt Issuance Costs	71,108.55				(71,108.55)		(71,108.55)
Interest on Long-Term Debt	259,043.08		508,479.00		249,435.92		249,435.92
Total Governmental Activities	38,583,795.97	1,252,643.35	6,238,795.77	\$ -	(31,092,356.85)	\$ -	(31,092,356.85)
Business-Type Activities:							
Food Service	1,169,776.21	284,109.93	835,864.39			(49,801.89)	(49,801.89)
Academy Program	201,064.70	165,309.00				(35,755.70)	(35,755.70)
Internal Service Fund	7,500.00	7,500.00					
Total Business-Type Activities	1,378,340.91	456,918.93	835,864.39	-	-	(85,557.59)	(85,557.59)
Total Primary Government	\$ 39,962,136.88	\$ 1,709,562.28	\$ 7,074,660.16	\$ -	(31,092,356.85)	(85,557.59)	(31,177,914.44)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					9,491,035.00		9,491,035.00
Taxes Levied for Debt Service					552,912.00		552,912.00
Federal and State Aid not Restricted					23,807,980.94		23,807,980.94
Federal and State Aid Restricted - Cancellation of State Aid					(300,244.40)		(300,244.40)
Investment Earnings						135.91	135.91
Miscellaneous Income					84,377.36		84,377.36
Total General Revenues, Special Items, Extraordinary Items and Transfers					33,636,060.90	135.91	33,636,196.81
Change in Net Assets					2,543,704.05	(85,421.68)	2,458,282.37
Net Assets -- July 1					10,907,565.79	472,579.87	11,380,145.66
Net Assets -- June 30					\$ 13,451,269.84	\$ 387,158.19	\$ 13,838,428.03

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

FUND FINANCIAL STATEMENTS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 497,872.22		\$ 318,568.36	\$ 0.54	\$ 816,441.12
Restricted Cash - Capital Reserve	180.00				180.00
Interfund Accounts Receivable	324,234.87		51,158.96		375,393.83
Receivables from Other Governments	831,302.82	\$ 405,582.92	2,367,189.00		3,604,074.74
Other Receivables - Tuition	56,898.53				56,898.53
Total Assets	\$ 1,710,488.44	\$ 405,582.92	\$ 2,736,916.32	\$ 0.54	\$ 4,852,988.22
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 83,278.96	\$ 152,525.33	\$ 2,201,721.14		\$ 2,437,525.43
Interfund Accounts Payable	200,970.15	304,958.71			505,928.86
Payable to Federal Government		25,533.89			25,533.89
Deferred Revenue		1,224.99			1,224.99
Total Liabilities	284,249.11	484,242.92	2,201,721.14	\$ -	2,970,213.17
Fund Balances:					
Restricted:					
Capital Reserve	180.00				180.00
Maintenance Reserve	67,974.51				67,974.51
Legally Restricted - Excess Surplus Designated for Subsequent Year's Expenditures	629,512.09				629,512.09
Excess Surplus - Current Year	801,149.90				801,149.90
Capital Projects Fund			535,195.18		535,195.18
Debt Service Fund				0.54	0.54
Assigned:					
Designated for Subsequent Year's Expenditures	864,048.91				864,048.91
Other Purposes	280,405.67				280,405.67
Unassigned (Deficit)	(1,217,031.75)	(78,660.00)			(1,295,691.75)
Total Fund Balances (Deficit)	1,426,239.33	(78,660.00)	535,195.18	0.54	1,882,775.05
Total Liabilities and Fund Balances	\$ 1,710,488.44	\$ 405,582.92	\$ 2,736,916.32	\$ 0.54	

Amounts reported for *governmental activities* in the statement of net assets (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 \$32,513,109.56 and the accumulated depreciation is \$13,570,668.75. 18,942,440.81

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

(7,370,838.39)

Governmental funds report the effect of issuance costs 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.

70,152.32

Interest on long term debt is accrued on the Statement of Net Assets regardless when due.

(73,259.95)

Net assets of governmental activities

\$ 13,451,269.84

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 9,491,035.00			\$ 552,912.00	\$ 10,043,947.00
Tuition Charges	1,252,643.35				1,252,643.35
Miscellaneous	84,377.36				84,377.36
State Sources	23,516,707.47	\$ 792,106.73	\$ 2,207,310.00	508,479.00	27,024,603.20
Federal Sources	835,379.18	2,186,794.33			3,022,173.51
Total Revenues	35,180,142.36	2,978,901.06	2,207,310.00	1,061,391.00	41,427,744.42
EXPENDITURES:					
Current:					
Regular Instruction	9,589,522.20	1,931,190.17			11,520,712.37
Special Education Instruction	3,427,205.76	1,627.76			3,428,833.52
Other Special Instruction	1,191,432.43				1,191,432.43
Other Instruction	336,798.95				336,798.95
Support Services and Undistributed Costs:					
Tuition	1,548,220.10				1,548,220.10
Student and Instruction Related Services	2,555,498.86	1,050,511.13			3,606,009.99
School Administrative Services	1,533,969.77				1,533,969.77
Other Administrative Services	1,411,309.41				1,411,309.41
Plant Operations and Maintenance	3,102,427.18				3,102,427.18
Pupil Transportation	1,854,255.09				1,854,255.09
Unallocated Benefits	8,094,577.53				8,094,577.53
Debt Service:					
Principal				795,000.00	795,000.00
Interest and Other Charges				266,391.00	266,391.00
Capital Outlay	145,738.91		2,680,654.82		2,826,393.73
Total Expenditures	34,790,956.19	2,983,329.06	2,680,654.82	1,061,391.00	41,516,331.07
Excess (Deficiency) of Revenues over Expenditures	389,186.17	(4,428.00)	(473,344.82)	-	(88,586.65)
OTHER FINANCING SOURCES (USES):					
Capital Reserve Transferred to Capital Projects	(775,000.00)		775,000.00		
Maintenance Reserve Transferred to Capital Projects	(223.81)		223.81		
Transfer from Capital Projects Fund					
Unexpended Transferred Capital Outlay	92,846.63		(92,846.63)		
Cancellation of State Aid			(300,244.40)		(300,244.40)
Total Other Financing Sources (Uses)	(682,377.18)		382,132.78		(300,244.40)
Net Changes in Fund Balances	(293,191.01)	(4,428.00)	(91,212.04)		(388,831.05)
Fund Balance(Deficit) -- July 1	1,719,430.34	(74,232.00)	626,407.22	0.54	2,271,606.10
Fund Balance(Deficit) -- June 30	\$ 1,426,239.33	\$ (78,660.00)	\$ 535,195.18	\$ 0.54	\$ 1,882,775.05

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds		\$ (388,831.05)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (636,911.00)	
Capital Outlays	<u>2,826,393.73</u>	2,189,482.73
Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Bond Principal		795,000.00
Governmental funds report the effect of issuance costs 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.		
		(71,108.55)
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. (+)		
		7,347.92
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 (+).		
		<u>11,813.00</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 2,543,704.05</u></u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds			<u>Totals</u>
	<u>Food Service</u>	<u>Academy Program</u>	<u>Internal Service Fund</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 11,203.66			\$ 11,203.66
Accounts Receivable:				
State	529.12			529.12
Federal	100,441.26			100,441.26
Interfund Accounts Receivable	149,811.19			149,811.19
Inventories	22,659.60			22,659.60
Total Current Assets	284,644.83	\$ -	\$ -	284,644.83
Noncurrent Assets:				
Furniture, Machinery and Equipment	671,234.58	30,118.20		701,352.78
Less: Accumulated Depreciation	(550,678.30)	(15,059.10)		(565,737.40)
Total Noncurrent Assets	120,556.28	15,059.10		135,615.38
Total Assets	405,201.11	15,059.10		420,260.21
LIABILITIES:				
Current Liabilities:				
Accounts Payable	11,258.34			11,258.34
Deferred Revenue	5,038.68			5,038.68
Total Current Liabilities	16,297.02			16,297.02
Noncurrent Liabilities:				
Compensated Absences	16,805.00			16,805.00
Total Liabilities	33,102.02			33,102.02
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	120,556.28	15,059.10		135,615.38
Unrestricted	251,542.81			251,542.81
Total Net Assets	\$ 372,099.09	\$ 15,059.10	\$ -	\$ 387,158.19

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Fund			Totals
	<u>Food Service</u>	<u>Academy Program</u>	<u>Internal Service Fund</u>	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 135,219.23			\$ 135,219.23
Daily Sales - Non-Reimbursable Programs	137,950.19			137,950.19
Other Sales	1,176.20			1,176.20
Special Functions	9,764.31			9,764.31
Food Service Director Services			\$ 7,500.00	7,500.00
Academy Tuition		\$ 165,309.00		165,309.00
Total Operating Revenues	284,109.93	165,309.00	7,500.00	456,918.93
OPERATING EXPENSES:				
Salaries	521,635.49	137,340.44	7,500.00	666,475.93
Employee Benefits	76,260.76			76,260.76
Purchased Property Services	17,436.21			17,436.21
General Supplies		75.00		75.00
Depreciation	15,222.02	2,007.88		17,229.90
Transportation		33,997.38		33,997.38
Tuition		27,644.00		27,644.00
Miscellaneous	6,399.98			6,399.98
Cost of Sales	532,821.75			532,821.75
Total Operating Expenses	1,169,776.21	201,064.70	7,500.00	1,378,340.91
Operating Income (Loss)	(885,666.28)	(35,755.70)		(921,421.98)
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	14,303.03			14,303.03
Federal Sources:				
National School Lunch Program	624,684.65			624,684.65
National School Breakfast Program	118,226.13			118,226.13
National Snack Program	10,153.60			10,153.60
Food Distribution Program	68,496.98			68,496.98
Interest and Investment Revenue	135.91			135.91
Total Nonoperating Revenues(Expenses)	836,000.30			836,000.30
Net Change in Assets	(49,665.98)	(35,755.70)		(85,421.68)
Net Assets -- July 1	421,765.07	50,814.80		472,579.87
Net Assets--June 30	\$ 372,099.09	\$ 15,059.10	\$ -	\$ 387,158.19

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 284,109.93	\$ 165,309.00		\$ 449,418.93
Payments to Employees	(521,635.49)	(137,340.44)		(658,975.93)
Payments for Employee Benefits	(72,380.76)			(72,380.76)
Payments to Suppliers	(498,614.32)	(61,716.38)		(560,330.70)
Net Cash Provided by (used for) Operating Activities	(808,520.64)	(33,747.82)	\$ -	(842,268.46)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	14,792.56			14,792.56
Federal Sources	703,845.94			703,845.94
Operating Subsidies and Transfers to other Funds	38,111.75	33,747.82		71,859.57
Net Cash Provided by (used for) Non-Capital Financing Activities	756,750.25	33,747.82		790,498.07
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earned on Investments	135.91			135.91
Net Cash Provided by (used for) Investing Activities	135.91			135.91
Net Increase (Decrease) in Cash and Cash Equivalents	(51,634.48)			(51,634.48)
Balances -- July 1	62,838.14			62,838.14
Balances -- June 30	\$ 11,203.66	\$ -	\$ -	\$ 11,203.66
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (885,666.28)	\$ (35,755.70)		\$ (921,421.98)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	15,222.02	2,007.88		17,229.90
Food Distribution Program	68,496.98			68,496.98
(Increase) Decrease in Accounts Receivable Other, net			\$ (500.00)	(500.00)
(Increase) Decrease in Inventories	1,841.29			1,841.29
Increase (Decrease) in Accounts Payable	(2,071.03)			(2,071.03)
Increase (Decrease) in Other Current Liabilities	(10,223.62)		500.00	(9,723.62)
Increase (Decrease) in Compensated Absences	3,880.00			3,880.00
Total Adjustments	77,145.64	2,007.88	-	79,153.52
Net Cash Provided by (used for) Operating Activities	\$ (808,520.64)	\$ (33,747.82)	\$ -	\$ (842,268.46)

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Trust Funds</u>		<u>Agency Funds</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 502.99	\$ 237,192.42	\$ 85,493.29	\$ 307,687.16
Interfund Receivable				1,000.00
Total Assets	\$ 502.99	\$ 237,192.42	\$ 85,493.29	\$ 308,687.16
LIABILITIES:				
Payable to Student Groups			\$ 85,493.29	
Payroll Deductions and Withholdings				\$ 243,205.18
Employee Section 125 Plan				46,205.82
Interfund Payable	\$ 1,000.00			19,276.16
Total Liabilities	1,000.00	\$ -	\$ 85,493.29	\$ 308,687.16
NET ASSETS:				
Held in Trust for School Uniforms (Deficit)	(497.01)			
Held in Trust for Unemployment Claims		237,192.42		
Total Net Assets	\$ (497.01)	\$ 237,192.42		

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions		\$ 41,727.15	\$ 41,727.15
Total Contributions	\$ -	41,727.15	41,727.15
Investment earnings:			
Interest	1.02	622.01	623.03
Net Investment Earnings	1.02	622.01	623.03
Total Additions	1.02	42,349.16	42,350.18
DEDUCTIONS:			
Uniforms	199.69		199.69
Unemployment Claims		78,496.80	78,496.80
Total Deductions	199.69	78,496.80	78,696.49
Change in Net Assets	(198.67)	(36,147.64)	(36,346.31)
Net Assets -- July 1 (Deficit)	(298.34)	273,340.06	273,041.72
Net Assets -- June 30 (Deficit)	\$ (497.01)	\$ 237,192.42	\$ 236,695.41

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Penns Grove-Carneys Point Regional School District (hereafter referred to as the "School District") is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2012 of 2,237.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School 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. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District has determined that there are no component units as of the year end June 30, 2012.

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

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

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

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

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

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

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

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those 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.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

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

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

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

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

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

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

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

The School District's enterprise fund is:

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

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

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

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

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

Equipment	15 Years
Vehicles	4-6 Years

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

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

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

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

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

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which includes *Preschool Education Aid*, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

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

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

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the propriety fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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

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

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

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

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

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

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

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued 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 fund financial statements when due.

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

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

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

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

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

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

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

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 trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balances of \$2,126,497.88 were exposed to custodial credit risk as follows:

Insured	\$ 418,549.22
Uninsured and uncollateralized	614,890.13
Collateralized by securities held by the pledging financial institutions	<u>1,093,058.53</u>
Total	<u><u>\$ 2,126,497.88</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the 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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011	\$ 775,175.00
Increased by:	
Interest Earnings	<u>5.00</u>
	775,180.00
Decreased by:	
Transfer to Capital Projects Fund	<u>775,000.00</u>
Ending Balance June 30, 2012	<u><u>\$ 180.00</u></u>

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

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>
Receivables:				
Intergovernmental	<u>\$ 888,201.35</u>	<u>\$ 405,582.92</u>	<u>2,367,189.00</u>	<u>\$ 100,970.38</u>

Note 5: INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$	18,384.62
Supplies		<u>4,274.98</u>
	\$	<u><u>22,659.60</u></u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed Construction</u>	<u>Balance June 30, 2012</u>
Governmental Activities:					
Land	\$ 1,280,600.00				\$ 1,280,600.00
Construction in Progress	1,700,728.00	\$ 2,712,789.28		\$ (1,916,578.00)	2,496,939.28
Total Capital Assets not being Depreciated	<u>2,981,328.00</u>	<u>\$ 2,712,789.28</u>	<u>\$ -</u>	<u>(1,916,578.00)</u>	<u>3,777,539.28</u>
Land Improvements	1,388,813.00				1,388,813.00
Building and Improvements	22,784,528.96	76,611.05		1,916,578.00	24,777,718.01
Equipment	2,499,311.87	69,727.40			2,569,039.27
Total Capital Assets being Depreciated	<u>26,672,653.83</u>	<u>146,338.45</u>		<u>1,916,578.00</u>	<u>28,735,570.28</u>
Less: Accumulated Depreciation					
Land Improvements	(1,361,779.28)	(2,841.00)			(1,364,620.28)
Building and Improvements	(9,256,832.85)	(590,097.00)			(9,846,929.85)
Equipment	(2,315,145.62)	(43,973.00)			(2,359,118.62)
Total Accumulated Depreciation	<u>(12,933,757.75)</u>	<u>(636,911.00)</u>	<u>-</u>		<u>(13,570,668.75)</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,720,224.08</u>	<u>\$ 2,222,216.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,942,440.81</u>
Business-Type Activities:					
Equipment	\$ 671,372.78	\$ 29,980.00			\$ 701,352.78
Less: Accumulated Depreciation	(548,507.50)	(17,229.90)			(565,737.40)
Business-Type Activities Capital Assets, Net	<u>\$ 122,865.28</u>	<u>\$ 12,750.10</u>	<u>\$ -</u>		<u>\$ 135,615.38</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	305,969.00
Administrative Support		62,072.00
Business Services		15,375.00
Operations/Maintenance		<u>253,495.00</u>
Total Depreciation Expense	\$	<u><u>636,911.00</u></u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 7,255,000.00		\$ (795,000.00)	\$ 6,460,000.00	\$ 820,000.00
Compensated Absences	1,116,797.00	\$ 61,901.00	(40,980.00)	1,137,718.00	64,802.00
Governmental Activity Long-term Liabilities	<u>\$ 8,371,797.00</u>	<u>\$ 61,901.00</u>	<u>\$ (835,980.00)</u>	<u>\$ 7,597,718.00</u>	<u>\$ 884,802.00</u>
Business-Type Activities:					
Compensated Absences	<u>\$ 12,925.00</u>	<u>\$ 3,880.00</u>	<u>\$ -</u>	<u>\$ 16,805.00</u>	<u>\$ -</u>

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

On April 7, 2003, the School District issued \$4,465,000.00 general obligation bonds at interest rates varying from 2.00% to 3.40% for various construction and renovation projects. The final maturity of these bonds is December 15, 2015. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

On February 22, 2005 the School District issued \$7,785,000.00 refunding school bonds at interest rates varying from 3.00% to 4.00% to extinguish previous bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000.00. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

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

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 820,000.00	\$ 239,416.24	\$ 1,059,416.24
2014	845,000.00	211,469.38	1,056,469.38
2015	875,000.00	180,665.00	1,055,665.00
2016	905,000.00	148,587.50	1,053,587.50
2017	720,000.00	118,955.00	838,955.00
2018-2020	<u>2,295,000.00</u>	<u>184,255.00</u>	<u>2,479,255.00</u>
	6,460,000.00	<u>\$ 1,083,348.12</u>	<u>\$ 7,543,348.12</u>
Add/Less:			
Unamortized Loss on Refunding Bonds	<u>226,879.61</u>		
	6,233,120.39		
Due Within One Year	<u>(820,000.00)</u>		
Long - Term Portion	<u>\$ 5,413,120.39</u>		

Bonds Authorized But Not Issued - As of June 30, 2012, the School District had no authorized but not issued bonds.

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

Note 8: OPERATING LEASES

At June 30, 2012, the School District had operating lease agreements in effect for copiers and mail machines. The future minimum rental payments under operating lease agreements are as follows:

Year Ending June 30,	Amount
2013	\$ 166,309.56
2014	162,349.56
2015	154,657.56
2016	<u>99,297.04</u>
	<u>\$ 582,613.72</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$171,498.57.

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 and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. 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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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 district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Note 9: PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd) - The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by District</u>
2012	\$ 150,877.00	\$ 28,838.00	\$ 301,754.00	\$ 481,469.00	\$ 481,469.00
2011	153,409.00	30,217.00	244,446.00	428,072.00	428,072.00
2010	125,187.00	39,667.00	160,850.00	325,704.00	325,704.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was 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.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were \$544.21 and \$523.31 for the fiscal years ending June 30, 2012 and 2011, respectively.

Note 10: POST-RETIREMENT 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, 2010, there were 87,288 retirees eligible for postemployment medical benefits. 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$514,350 and \$1,033,979, respectively.

Note 12: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ -	\$ 41,727.15	\$ 78,496.80	\$ 237,192.42
2011	180,000.00	52,711.34	117,797.64	273,340.06
2010	-	38,508.53	65,470.69	158,017.31

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

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

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

Note 13: DEFERRED COMPENSATION

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

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

Note 14: COMPENSATED ABSENCES

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

All School District employees are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. All School District employees except non-instructional aides are entitled to three personal days which may be carried forward and accumulated to be paid at retirement. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental and proprietary fund types was \$1,137,718.00 and \$16,805.00, respectively.

Note 15: ARBITRAGE REBATE

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

The School District issued refunding bonds on April 7, 2003. Such bonds were dated June 1, 2003. The first required computation date of rebatable arbitrage in respect to the bonds is May 31, 2008 (the final maturity of the bonds) or if earlier, the redemption date of the last outstanding bond.

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

Note 16: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2012.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 324,234.87	\$ 200,970.15
Special Revenue		304,958.71
Capital Projects	51,158.96	
Proprietary	149,811.19	
Fiduciary		19,276.16
	<u>\$ 525,205.02</u>	<u>\$ 525,205.02</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2013, the District expects to liquidate such interfunds, depending upon the availability of cash flow

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,217,031.75 in the general fund and \$78,660.00 in the special revenue fund, as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the 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 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 \$1,295,691.75 is less than the June state aid payments.

Note 18: 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. There are no nonspendable fund balances of the School District, as of June 30, 2012.

RESTRICTED

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$801,149.90. Additionally, \$629,512.09 of excess fund balance generated during 2010-2011 has been restricted and designated for utilization in the 2012-2013 budget.

For Capital Reserve Account - As of June 30, 2012, the balance in the capital reserve account is \$180.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2012, the balance in the maintenance reserve account is \$67,974.51. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Capital Projects Fund - As of June 30, 2012, the restricted fund balance amount was \$535,195.18. Budgets of district projects are approved and funded in part by the School Development Authority. The balance in the fund represents the receivable due from the School Development Authority less inception to date project expenditures.

Debt Service Fund - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$0.54 as of June 30, 2012. These funds were derived from the net interest cost savings of refunding bonds. These funds are to be used to retire any outstanding debt service obligation of the School District. The reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

Note 18: FUND BALANCES (CONT'D)**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, 2013 \$864,048.91 of general fund balance at June 30, 2012.

Other Purposes - As of June 30, 2012, the School District had \$280,405.67 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2012, the fund balance of the general fund was a deficit of \$1,217,031.75, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,217,031.75 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2012, the fund balance of the special revenue fund was a deficit of \$78,660.00, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$78,660.00 is less than the last state aid payment.

Note 19: 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.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	Actual <u>(GAAP Basis)</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,491,035.00		\$ 9,491,035.00	\$ 9,491,035.00	
Tuition from Individuals				450.00	\$ 450.00
Tuition from LEAS within the State	1,408,031.00		1,408,031.00	1,252,193.35	(155,837.65)
Transportation Fees from Other LEA's				1,495.00	1,495.00
Miscellaneous	31,000.00		31,000.00	82,882.36	51,882.36
Total - Local Sources	10,930,066.00	\$ -	10,930,066.00	10,828,055.71	(102,010.29)
State Sources:					
Categorical Special Education	1,107,306.00		1,107,306.00	1,107,306.00	
Equalization Aid	19,110,627.00		19,110,627.00	19,267,361.00	156,734.00
Categorical Security Aid				174,448.00	174,448.00
Extraordinary Aid	157,286.00		157,286.00	255,925.00	98,639.00
Reimbursement of Nonpublic School Transportation Costs				10,266.00	10,266.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,033,979.00	1,033,979.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				514,350.00	514,350.00
Reimbursed TPAF Social Security (Non-Budgeted)				1,204,714.47	1,204,714.47
Total - State Sources	20,375,219.00	-	20,375,219.00	23,568,349.47	3,193,130.47
Federal Sources:					
Education Jobs Fund	713,877.00	22,364.00	736,241.00	736,241.00	
Medical Assistance Program	85,732.00		85,732.00	99,138.18	13,406.18
Total - Federal Sources	799,609.00	22,364.00	821,973.00	835,379.18	13,406.18
Total Revenues	32,104,894.00	22,364.00	32,127,258.00	35,231,784.36	3,104,526.36
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	628,972.00		628,972.00	616,306.88	12,665.12
Grades 1-5	2,710,954.00	186,845.00	2,897,799.00	2,881,153.08	16,645.92
Grades 6-8	2,367,295.00	(38,717.00)	2,328,578.00	2,277,041.15	51,536.85
Grades 9-12	2,882,842.00	(188,595.00)	2,694,247.00	2,616,850.36	77,396.64
Regular Programs - Home Instruction:					
Salaries of Teachers	70,000.00	(10,341.35)	59,658.65	57,733.65	1,925.00
Purchased Professional - Educational Services	20,000.00	18,526.52	38,526.52	38,525.60	0.92
Other Purchased Services (400-500 Series)	1,500.00	(668.17)	831.83	831.83	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	87,680.00	15,525.00	103,205.00	101,668.66	1,536.34
Purchased Professional - Educational Services	326,856.00	111,492.00	438,348.00	437,523.83	824.17
Purchased Technical Services	12,000.00	(12,000.00)			
Cleaning, Repair and Maintenance Services	14,350.00	(4,787.00)	9,563.00	7,098.37	2,464.63
Other Purchased Services (400-500 Series)	168,040.00	26,000.00	194,040.00	102,478.29	91,561.71
Other Purchased Services (400-500 Series)	275.00		275.00		275.00
General Supplies	398,248.00	92,861.13	491,109.13	444,234.76	46,874.37
Textbooks	23,675.00	(12,934.00)	10,741.00	5,722.38	5,018.62
Other Objects	7,700.00	(1,000.00)	6,700.00	2,353.36	4,346.64
Total Regular Programs	9,720,387.00	182,207.13	9,902,594.13	9,589,522.20	313,071.93
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	979,282.00	(263,727.00)	715,555.00	666,295.90	49,259.10
Other Salaries for Instruction	129,542.00	(700.00)	128,842.00	108,512.88	20,329.12
General Supplies		11,500.00	11,500.00	6,082.30	5,417.70
Total Learning and / or Language Disabilities	1,108,824.00	(252,927.00)	855,897.00	780,891.08	75,005.92

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

EXPENDITURES (CONT'D):	Original	Budget	Final	Actual	Variance
	<u>Budget</u>	<u>Modifications</u>	<u>Budget</u>	<u>(GAAP Basis)</u>	<u>Positive (Negative) Final to Actual</u>
Multiple Disabilities:					
Salaries of Teachers	\$ 794,330.00	\$ (133,105.00)	\$ 661,225.00	\$ 615,693.00	\$ 45,532.00
Other Salaries for Instruction	427,364.00	(4,529.00)	422,835.00	409,154.55	13,680.45
Purchased Professional - Educational Services	7,605.00	(247.00)	7,358.00	7,357.75	0.25
Transportation - Extra Runs		250.00	250.00	237.26	12.74
General Supplies	12,214.00	4,898.00	17,112.00	15,709.47	1,402.53
Total Multiple Disabilities	1,241,513.00	(132,733.00)	1,108,780.00	1,048,152.03	60,627.97
Special Education - Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	1,104,406.00	192,763.00	1,297,169.00	1,294,128.41	3,040.59
Other Salaries for Instruction	91,280.00	1,664.00	92,944.00	92,943.75	0.25
General Supplies	15,775.00	3,561.00	19,336.00	14,872.80	4,463.20
Textbooks	2,331.00		2,331.00	845.87	1,485.13
Total Resource Room / Resource Center	1,213,792.00	197,988.00	1,411,780.00	1,402,790.83	8,989.17
Preschool Disabilities - Part-Time:					
Salaries of Teachers	118,717.00	22,574.00	141,291.00	141,291.00	
Other Salaries for Instruction	48,868.00	5,213.00	54,081.00	54,080.82	0.18
General Supplies	100.00	900.00	1,000.00	-	1,000.00
Total Preschool Disabilities - Instruction - Part-Time	167,685.00	28,687.00	196,372.00	195,371.82	1,000.18
Total Special Education - Instruction	3,731,814.00	(158,985.00)	3,572,829.00	3,427,205.76	145,623.24
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	580,810.00	(169.00)	580,641.00	571,387.31	9,253.69
Other Salaries for Instruction	14,282.00	(14,113.00)	169.00	168.04	0.96
Total Basic Skills / Remedial - Instruction	595,092.00	(14,282.00)	580,810.00	571,555.35	9,254.65
Bilingual Education - Instruction:					
Salaries of Teachers	443,575.00	66,886.00	510,461.00	510,460.71	0.29
Other Salaries for Instruction	101,988.00	4,529.00	106,517.00	106,516.64	0.36
Purchased Professional - Educational Services	6,000.00	(336.00)	5,664.00	2,899.73	2,764.27
Total Bilingual Education - Instruction	551,563.00	71,079.00	622,642.00	619,877.08	2,764.92
School Sponsored Cocurricular Activities - Instruction:					
Salaries	90,480.00	(160.00)	90,320.00	55,532.14	34,787.86
General Supplies	7,800.00	(5,169.00)	2,631.00	2,576.46	54.54
Miscellaneous Expenditures	8,100.00	(325.00)	7,775.00	6,714.23	1,060.77
Total School Sponsored Cocurricular Activities - Instruction	106,380.00	(5,654.00)	100,726.00	64,822.83	35,903.17
School Sponsored Athletics - Instruction:					
Salaries	187,923.00		187,923.00	168,664.15	19,258.85
Purchased Professional Services	1,500.00	(750.00)	750.00	750.00	
Other Purchased Professional and Technical Services	43,000.00	5,874.00	48,874.00	48,874.00	
Cleaning, Repair and Maintenance Services	6,731.00	26.00	6,757.00	4,613.06	2,143.94
Rentals	800.00	(800.00)		-	
Travel	3,000.00	(1,725.00)	1,275.00	1,191.67	83.33
General Supplies	23,435.00	4,810.59	28,245.59	28,244.83	0.76
Miscellaneous Expenditures	10,000.00	(1,977.59)	8,022.41	8,022.41	
Total School Sponsored Athletics - Instruction	276,389.00	5,458.00	281,847.00	260,360.12	21,486.88
Summer School - Instruction:					
Salaries of Teachers		13,000.00	13,000.00	4,116.00	8,884.00
Purchased Technical Services		12,000.00	12,000.00	7,500.00	4,500.00
Total Summer School - Instruction		25,000.00	25,000.00	11,616.00	13,384.00
Total Instruction	14,981,625.00	104,823.13	15,086,448.13	14,544,959.34	541,488.79

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 31,212.00	\$ 156,086.00	\$ 187,298.00	\$ 177,573.33	\$ 9,724.67
Tuition to Other LEA's Within State - Special	82,132.00	16,232.00	98,364.00	98,088.06	275.94
Tuition to CSSD and Regional Day Schools	528,926.00	97,361.00	626,287.00	625,159.52	1,127.48
Tuition to Private Schools for the Disabled - Within State	795,680.00	(308,552.00)	487,128.00	446,303.67	40,824.33
Tuition to Private Schools for the Disabled - Out of State	43,883.00	10,902.00	54,785.00	54,784.52	0.48
Tuition - State Facilities	143,325.00	2,986.00	146,311.00	146,311.00	
Total Undistributed Expenditures - Instruction	1,625,158.00	(24,985.00)	1,600,173.00	1,548,220.10	51,952.90
Undistributed Expenditures - Attendance and Social Work:					
Salaries	46,190.00	264.00	46,454.00	46,453.22	0.78
Total Undistributed Expenditures - Attendance and Social Work	46,190.00	264.00	46,454.00	46,453.22	0.78
Undistributed Expenditures - Health Services:					
Salaries of Other Professional Staff	289,822.00	14,115.00	303,937.00	303,936.90	0.10
Other Purchased Professional and Technical Services	76,000.00	13,300.00	89,300.00	89,300.00	
Other Purchased Services (400-500 series)	1,000.00	(1,000.00)		-	
General Supplies	9,363.00	(1,927.23)	7,435.77	7,257.65	178.12
Total Undistributed Expenditures - Health Services	376,185.00	24,487.77	400,672.77	400,494.55	178.22
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	114,406.00	(8,300.00)	106,106.00	106,089.82	16.18
Salaries of Other Professional Staff	250.00		250.00	-	250.00
Purchased Professional - Educational Services		10,900.00	10,900.00	10,900.00	
General Supplies	100.00	(100.00)		-	
Total Undistributed Expenditures - Other Support Services - Students - Related Services	114,756.00	2,500.00	117,256.00	116,989.82	266.18
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	518,699.00	(11,513.00)	507,186.00	505,896.77	1,289.23
Salaries of Secretarial and Clerical Assistants	100,884.00	(1,299.00)	99,585.00	98,848.74	736.26
School to Work	500.00		500.00	237.26	262.74
School Based Youth	2,500.00		2,500.00	-	2,500.00
School to Careers	3,500.00		3,500.00	750.00	2,750.00
Other Purchased Professional and Technical Services	45,000.00		45,000.00	26,287.50	18,712.50
General Supplies	6,033.00	1,414.89	7,447.89	6,923.10	524.79
Total Undistributed Expenditures - Other Support Services - Students - Regular:	677,116.00	(11,397.11)	665,718.89	638,943.37	26,775.52
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	443,302.00	(8,567.00)	434,735.00	434,734.11	0.89
Salaries of Secretarial and Clerical Assistants	43,970.00	1,450.00	45,420.00	45,420.00	
Purchased Professional - Educational Services	35,000.00	(522.00)	34,478.00	34,477.75	0.25
Other Purchased Professional and Technical Services	82,000.00	4,615.00	86,615.00	72,469.29	14,145.71
Misc. Pur. Serv. (400-500 series other than resid. costs)	3,000.00	(1,376.80)	1,623.20	118.67	1,504.53
General Supplies	12,000.00	342.98	12,342.98	12,266.20	76.78
Miscellaneous Expenditures	5,000.00		5,000.00	2,736.00	2,264.00
Total Undistributed Expenditures - Other Support Services - Students - Special	624,272.00	(4,057.82)	620,214.18	602,222.02	17,992.16
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	242,811.00		242,811.00	224,962.76	17,848.24
Salaries of Other Professional Staff	43,000.00		43,000.00	26,261.16	16,738.84
Salaries of Secretarial and Clerical Assistants	52,832.00		52,832.00	51,573.12	1,258.88
General Supplies	10,000.00		10,000.00	1,051.00	8,949.00
Miscellaneous Expenditures	4,000.00		4,000.00	1,060.00	2,940.00
Total Undistributed Expenditures - Improvement of Instruction Services	352,643.00		352,643.00	304,908.04	47,734.96

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries of Other Professional Staff	\$ 286,934.00	\$ (11,068.00)	\$ 275,866.00	\$ 256,229.89	\$ 19,636.11
Other Salaries for Instruction	21,798.00	1,753.00	23,551.00	23,550.67	0.33
Salaries of Technology Coordinators	68,851.00	5,000.00	73,851.00	72,424.53	1,426.47
Purchased Technical Services	1,387.00	3,300.00	4,687.00	4,650.00	37.00
Other Purchased Services (400-500 Series)	21,448.00	(3,904.00)	17,544.00	16,149.69	1,394.31
General Supplies	28,995.00	4,662.80	33,657.80	31,257.45	2,400.35
Total Undistributed Expenditures - Educational Media Services / School Library	429,413.00	(256.20)	429,156.80	404,262.23	24,894.57
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	18,000.00		18,000.00	13,028.50	4,971.50
Other Purchased Services (400-500 series)	55,000.00		55,000.00	28,197.11	26,802.89
Total Undistributed Expenditures - Instructional Staff Training Services:	73,000.00		73,000.00	41,225.61	31,774.39
Undistributed Expenditures - Support Services - General Administration:					
Salaries of Other Professional Staff	162,856.00	(5,356.00)	157,500.00	157,500.00	
Salaries of Secretarial and Clerical Assistants	50,946.00	(1,053.00)	49,893.00	49,892.58	0.42
Legal Services	7,500.00	69,914.00	77,414.00	77,413.42	0.58
Audit Fees	32,000.00	(3,835.00)	28,165.00	28,000.00	165.00
Architect/Engineer Services		54,707.00	54,707.00	54,706.33	0.67
Other Purchased Professional Services	51,000.00	(15,000.00)	36,000.00	36,000.00	
Purchased Technical Services	2,000.00		2,000.00	1,357.00	643.00
Rentals	191,621.00	(9,545.12)	182,075.88	180,437.37	1,638.51
Communications / Telephone	108,200.00	(50,734.74)	57,465.26	56,563.26	902.00
Travel	15,000.00	(9,138.17)	5,861.83	4,954.67	907.16
BOE Other Purchased Services	25,000.00		25,000.00	24,973.27	26.73
Other Purchased Services (400-500 series)	176,174.00	(5,175.00)	170,999.00	167,338.00	3,661.00
Misc. Pur. Serv. (400-500 series other than resid. costs)	45,000.00	(29,023.00)	15,977.00	15,572.68	404.32
General Supplies	15,000.00	11.20	15,011.20	9,493.07	5,518.13
Miscellaneous Expenditures	17,500.00	(16,858.00)	642.00	642.00	
Total Undistributed Expenditures - Support Services - General Administration	899,797.00	(21,085.83)	878,711.17	864,843.65	13,867.52
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	907,043.00	(11,605.00)	895,438.00	872,639.90	22,798.10
Salaries of Other Professional Staff	116,637.00	(4,210.00)	112,427.00	112,426.46	0.54
Salaries of Secretarial and Clerical Assistants	453,482.00	1,605.00	455,087.00	454,257.99	829.01
Purchased Professional - Educational Services		39,525.00	39,525.00	39,100.00	425.00
Travel	3,500.00	(845.00)	2,655.00	-	2,655.00
General Supplies	65,429.00	2,245.34	67,674.34	51,795.42	15,878.92
Miscellaneous Expenditures	5,000.00		5,000.00	3,750.00	1,250.00
Total Undistributed Expenditures - Support Services - School Administration	1,551,091.00	26,715.34	1,577,806.34	1,533,969.77	43,836.57
Undistributed Expenditures - Central Services					
Salaries of Other Professional Staff	120,028.00	2,372.00	122,400.00	122,400.00	
Salaries of Secretarial and Clerical Assistants	206,718.00	(3,800.00)	202,918.00	202,861.92	56.08
Purchased Technical Services	50,652.00	(1,274.00)	49,378.00	42,786.10	6,591.90
General Supplies	11,500.00	12.47	11,512.47	3,271.35	8,241.12
Miscellaneous Expenditures	5,050.00		5,050.00	2,810.51	2,239.49
Total Undistributed Expenditures - Central Services	393,948.00	(2,689.53)	391,258.47	374,129.88	17,128.59
Undistributed Expenditures - Administrative Information Technology					
Salaries	169,634.00	2,702.00	172,336.00	172,335.88	0.12
Purchased Professional Services	500.00		500.00	-	500.00
Total Undistributed Expenditures - Administrative Information Technology	170,134.00	2,702.00	172,836.00	172,335.88	500.12
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	191,000.00	71,554.17	262,554.17	251,027.61	11,526.56
General Supplies	98,000.00	37,411.33	135,411.33	109,621.75	25,789.58
Other Objects		1,000.00	1,000.00	-	1,000.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	289,000.00	109,965.50	398,965.50	360,649.36	38,316.14

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	Actual <u>(GAAP Basis)</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	\$ 1,109,033.00	\$ (21,497.31)	\$ 1,087,535.69	\$ 1,081,302.09	\$ 6,233.60
Salaries of Non-Instructional Aides	167,361.00	49,383.80	216,744.80	216,744.74	0.06
Salaries - Maintenance	267,459.00	(7,471.25)	259,987.75	258,727.39	1,260.36
Purchased Professional Services	4,000.00		4,000.00	3,065.00	935.00
Cleaning, Repair and Maintenance Services	10,000.00	1,787.00	11,787.00	8,084.61	3,702.39
Other Purchased Property Services	95,655.00	6,903.60	102,558.60	93,678.62	8,879.98
Insurance	105,071.00		105,071.00	105,040.00	31.00
General Supplies	101,900.00	28,891.93	130,791.93	125,755.26	5,036.67
Energy (Natural Gas)	310,386.00	(10,251.68)	300,134.32	166,338.27	133,796.05
Energy (Electricity)	472,000.00	26,556.73	498,556.73	403,986.86	94,569.87
Energy (Gasoline)	12,000.00		12,000.00	10,145.67	1,854.33
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	2,654,865.00	74,302.82	2,729,167.82	2,472,868.51	256,299.31
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	169,269.00	(19,278.23)	149,990.77	149,989.97	0.80
Salaries - Maintenance	2,500.00	(2,500.00)		-	
Cleaning, Repair, and Maintenance Services	7,500.00	19,750.00	27,250.00	22,800.00	4,450.00
General Supplies	26,000.00	(19,826.00)	6,174.00	4,479.34	1,694.66
Total Care and Up Keep of Grounds	205,269.00	(21,854.23)	183,414.77	177,269.31	6,145.46
Undistributed Expenditures - Security					
Salaries	46,190.00		46,190.00	46,123.73	66.27
Cleaning, Repair and Maintenance Services		25,290.50	25,290.50	25,290.50	
General Supplies		20,225.77	20,225.77	20,225.77	
Total Undistributed Expenditures - Security	46,190.00	45,516.27	91,706.27	91,640.00	66.27
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular Education	57,549.00	(2,820.00)	54,729.00	54,728.88	0.12
Management Fee - ESC & CTSA Transportation Program	1,722.00	(1,536.00)	186.00	186.00	
Other Purchased Professional and Technical Services	3,377.00	93.00	3,470.00	3,470.00	
Contracted Services - Aid in Lieu of Payments	64,000.00	14,195.39	78,195.39	75,002.42	3,192.97
Contracted Services - (Between Home and School) - Vendors	906,110.00	(16,938.15)	889,171.85	889,170.96	0.89
Contracted Services - (Other than Between Home and School) - Vendors	68,100.00	(149.85)	67,950.15	67,946.97	3.18
Contracted Services (Special Education Students) - Vendors	558,229.00	28,695.00	586,924.00	586,923.80	0.20
Contracted Services (Regular Education Students) - ESC's and CTSA's	45,105.00	(26,651.00)	18,454.00	18,453.61	0.39
Contracted Services (Special Education Students) - ESC's and CTSA's	114,685.00	43,688.00	158,373.00	158,372.45	0.55
Total Undistributed Expenditures - Student Transportation Services	1,818,877.00	38,576.39	1,857,453.39	1,854,255.09	3,198.30
Unallocated Benefits:					
Social Security Contributions	480,000.00	(62,851.00)	417,149.00	401,301.72	15,847.28
Other Retirement Contributions - Regular	550,100.00	(68,631.00)	481,469.00	481,469.00	
Workmen's Compensation	258,521.00	(5,050.00)	253,471.00	253,471.00	
Health Benefits	4,141,390.00	23,853.00	4,165,243.00	3,965,743.34	199,499.66
Tuition Reimbursement	103,000.00	(9,513.00)	93,487.00	82,627.00	10,860.00
Other Employee Benefits	28,898.00	128,024.00	156,922.00	156,922.00	
Total Unallocated Benefits	5,561,909.00	5,832.00	5,567,741.00	5,341,534.06	226,206.94
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)					
				1,033,979.00	(1,033,979.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)					
				514,350.00	(514,350.00)
Reimbursed TPAF Social Security (Non-Budgeted)					
				1,204,714.47	(1,204,714.47)
Total On-behalf Contributions				2,753,043.47	(2,753,043.47)
Total Undistributed Expenditures	17,909,813.00	244,536.37	18,154,349.37	20,100,257.94	(1,945,908.57)
Total Current Expense	32,891,438.00	349,359.50	33,240,797.50	34,645,217.28	(1,404,419.78)

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	Actual <u>(GAAP Basis)</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Capital Outlay:					
Equipment:					
Preschool	\$ 25,000.00	\$ (10,856.00)	\$ 14,144.00	\$ -	\$ 14,144.00
Grade 1-5		2,663.40	2,663.40	2,663.40	
Care Upkeep Grounds		8,399.00	8,399.00	8,399.00	
Non-Instructional Equipment	15,000.00	75.00	15,075.00	15,075.00	
Business/Other Support Services	37,600.00	(7,620.00)	29,980.00	-	29,980.00
Total Equipment	77,600.00	(7,338.60)	70,261.40	26,137.40	44,124.00
Facilities Acquisition and Construction Services Construction Services					
Construction Services	300,000.00	18,476.00	318,476.00	108,745.51	209,730.49
Other Objects	10,856.00		10,856.00	10,856.00	
Total Facilities Acquisition and Construction Services	310,856.00	18,476.00	329,332.00	119,601.51	209,730.49
Total Capital Outlay	388,456.00	11,137.40	399,593.40	145,738.91	253,854.49
Total Expenditures	33,279,894.00	360,496.90	33,640,390.90	34,790,956.19	(1,150,565.29)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,175,000.00)	(338,132.90)	(1,513,132.90)	440,828.17	(1,953,961.07)
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out:					
Capital Reserve - Transfer to Capital Projects Fund				(775,000.00)	775,000.00
Maintenance Reserve - Transfer to Capital Projects Fund				(223.81)	223.81
Operating Transfers In:					
Transfer from Capital Projects Fund - Unexpended Transferred Capital Outlay				92,846.63	(92,846.63)
Total Other Financing Sources (Uses)	-	-	-	(682,377.18)	682,377.18
Net Change in Fund Balances	(1,175,000.00)	(338,132.90)	(1,513,132.90)	(241,549.01)	(1,271,583.89)
Fund Balances, July 1	3,649,983.34		3,649,983.34	3,649,983.34	
Fund Balances, June 30	\$ 2,474,983.34	\$ (338,132.90)	\$ 2,136,850.44	\$ 3,408,434.33	\$ (1,271,583.89)
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 180.00	
Maintenance Reserve				67,974.51	
Legally Restricted - Excess Surplus Designated for Subsequent Year's Expenditures				629,512.09	
Excess Surplus - Current Year				801,149.90	
Assigned:					
Designated For Subsequent Year's Expenditures				864,048.91	
Other Purposes				280,405.67	
Unassigned				765,163.25	
				3,408,434.33	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments Not Recognized on GAAP Basis				(1,982,195.00)	
				<u>\$ 1,426,239.33</u>	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund - Education Jobs Fund
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 713,877.00	\$ 22,364.00	\$ 736,241.00	\$ 736,241.00	
Total - Federal Sources	713,877.00	22,364.00	736,241.00	736,241.00	\$ -
Total Revenues	713,877.00	22,364.00	736,241.00	736,241.00	-
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9-12	713,877.00	22,364.00	736,241.00	736,241.00	-
Total Regular Programs	713,877.00	22,364.00	736,241.00	736,241.00	-
Total Instruction	713,877.00	22,364.00	736,241.00	736,241.00	-
Total Expenditures	713,877.00	22,364.00	736,241.00	736,241.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1					-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
State Sources:					
Preschool Education Aid	\$ 786,546.00		\$ 786,546.00	\$ 786,546.00	
Other	2,000.00	\$ 7,988.73	9,988.73	9,988.73	
Total - State Sources	788,546.00	7,988.73	796,534.73	796,534.73	\$ -
Federal Sources:					
Title I	1,243,580.00	99,621.07	1,343,201.07	1,343,201.07	
Title II	169,356.00	52.43	169,408.43	169,408.43	
Title III	44,015.00	7,253.67	51,268.67	51,268.67	
I.D.E.A., Part B	507,779.00	76,414.16	584,193.16	584,193.16	
I.D.E.A., Part B, Preschool Incentive	19,814.00	1,872.00	21,686.00	21,686.00	
Other	18,263.00	(1,226.00)	17,037.00	17,037.00	
Total - Federal Sources	2,002,807.00	183,987.33	2,186,794.33	2,186,794.33	
Total Revenues	2,791,353.00	191,976.06	2,983,329.06	2,983,329.06	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,047,485.00	(102,096.24)	945,388.76	945,388.76	
Salaries of Other Professional Staff	2,000.00	(2,000.00)		-	
Other Salaries for Instruction	253,084.00	28,392.00	281,476.00	281,476.00	
Purchased Professional and Technical Services	361.00	184.00	545.00	545.00	
Purchased Professional - Educational Services	1,700.00	(1,700.00)		-	
Other Purchased Services (400-500 series)	2,064.00	14,923.50	16,987.50	16,987.50	
Tuition	527,593.00	49,546.00	577,139.00	577,139.00	
General Supplies	106,998.00	(1,386.33)	105,611.67	105,611.67	
Textbooks	3,400.00	(3,400.00)		-	
Other Objects	4,522.00	(1,402.00)	3,120.00	3,120.00	
Miscellaneous Expenditures	2,550.00		2,550.00	2,550.00	
Total Instruction	1,951,757.00	(18,939.07)	1,932,817.93	1,932,817.93	-
Support Services:					
Salaries of Principals, Asst. Principals, & Program Dir.	46,656.00		46,656.00	46,656.00	
Salaries of Other Professional Staff	46,026.00	(561.00)	45,465.00	45,465.00	
Salaries of Secretarial and Clerical Assistants	47,715.00		47,715.00	47,715.00	
Other Salaries	50,243.00	1.00	50,244.00	50,244.00	
Personal Services - Employee Benefits	27,402.00	2,204.00	29,606.00	29,606.00	
Medical Benefits	108,100.00	50,305.00	158,405.00	158,405.00	
Other Employee Benefits	152,696.00	8,165.26	160,861.26	160,861.26	
Purchased Professional - Technical Services		6,727.00	6,727.00	6,727.00	
Purchased Professional - Educational Services	337,961.00	145,649.23	483,610.23	483,610.23	
Contracted Services - Transportation Other than Between Home and School	5,159.00	(678.75)	4,480.25	4,480.25	
Travel	1,378.00	(926.35)	451.65	451.65	
Other Purchased Services (400-500 series)	4,090.00	(1,389.18)	2,700.82	2,700.82	
General Supplies					
Miscellaneous Expenditures	12,170.00	1,418.92	13,588.92	13,588.92	
Total Support Services	839,596.00	210,915.13	1,050,511.13	1,050,511.13	
Total Expenditures	2,791,353.00	191,976.06	2,983,329.06	2,983,329.06	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 35,231,784.36	\$ 2,983,329.06
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,930,553.00	74,232.00
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)	<u>(1,982,195.00)</u>	<u>(78,660.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 35,180,142.36</u>	<u>\$ 2,978,901.06</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule	\$ 34,790,956.19	\$ 2,983,329.06
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 34,790,956.19</u>	<u>\$ 2,983,329.06</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	N.C.L.B.						Total Carried Forward
	Title I			Title II			
	Part A Carryover		School Improvement	A - Training	D - Technology		
	2011-2012	2009-2010	2010-2011	2010-2011	2011-2012	2010-2011	
REVENUES:							
Federal Sources	\$ 1,302,170.18	\$ 6,316.16	\$ 14,760.73	\$ 19,954.00	\$ 166,762.00	\$ 2,646.43	\$ 1,512,609.50
State Sources							-
Local Sources							-
Total Revenues	1,302,170.18	6,316.16	14,760.73	19,954.00	166,762.00	2,646.43	1,512,609.50
EXPENDITURES:							
Instruction:							
Salaries of Teachers	397,502.00			5,320.00	138,968.00		541,790.00
Other Salaries for Instruction	129,542.00						129,542.00
Purchased Professional and Technical Services							-
Other Purchased Services (400-500 series)	7,437.50			7,500.00			14,937.50
Tuition							-
General Supplies	44,589.98	934.16					45,524.14
Other Objects							-
Miscellaneous Expenditures	50.00						50.00
Total Instruction	579,121.48	934.16	-	12,820.00	138,968.00	-	731,843.64
Support Services:							
Salaries of Principals, Asst. Principals, & Program Dir.							-
Salaries of Other Professional Staff							-
Salaries of Secretarial and Clerical Assistants							-
Other Salaries							-
Personal Services - Employee Benefits				407.00	24,528.00		24,935.00
Medical Benefits	155,139.00				3,266.00		158,405.00
Other Employee Benefits	91,270.26						91,270.26
Purchased Professional - Technical Services				6,727.00			6,727.00
Purchased Professional - Educational Services	462,381.89	5,382.00	14,760.73			1,085.61	483,610.23
Contracted Services - Transportation Other than Between Home and School							-
Travel	133.55						133.55
Other Purchased Services (400-500 series)	860.00					1,560.82	2,420.82
Miscellaneous Expenditures	13,264.00						13,264.00
Total Support Services	723,048.70	5,382.00	14,760.73	7,134.00	27,794.00	2,646.43	780,765.86
Total Expenditures	1,302,170.18	6,316.16	14,760.73	19,954.00	166,762.00	2,646.43	1,512,609.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward	N.C.L.B.		I.D.E.A. Part B			Total Carried Forward
		Title III - English Language		Basic			
		2011-2012	2010-2011	2011-2012	2010-2011	ARRA 2009-2011	
REVENUES:							
Federal Sources	\$ 1,512,609.50	\$ 49,210.13	\$ 2,058.54	\$ 555,453.00	\$ 21,255.65	\$ 7,484.51	\$ 2,148,071.33
State Sources	-						-
Local Sources	-						-
Total Revenues	1,512,609.50	49,210.13	2,058.54	555,453.00	21,255.65	7,484.51	2,148,071.33
EXPENDITURES:							
Instruction:							
Salaries of Teachers	541,790.00				1,627.76		543,417.76
Other Salaries for Instruction	129,542.00	24,000.00					153,542.00
Purchased Professional and Technical Services	-						-
Other Purchased Services (400-500 series)	14,937.50						14,937.50
Tuition	-			555,453.00			555,453.00
General Supplies	45,524.14	23,049.21	452.54		18,862.89	7,484.51	95,373.29
Other Objects	-						-
Miscellaneous Expenditures	50.00						50.00
Total Instruction	731,843.64	47,049.21	452.54	555,453.00	20,490.65	7,484.51	1,362,773.55
Support Services:							
Salaries of Principals, Asst. Principals, & Program Dir.	-						-
Salaries of Other Professional Staff	-						-
Salaries of Secretarial and Clerical Assistants	-						-
Other Salaries	-						-
Personal Services - Employee Benefits	24,935.00	1,836.00	1,606.00		765.00		29,142.00
Medical Benefits	158,405.00						158,405.00
Other Employee Benefits	91,270.26						91,270.26
Purchased Professional - Technical Services	6,727.00						6,727.00
Purchased Professional - Educational Services	483,610.23						483,610.23
Contracted Services - Transportation Other than Between Home and School	-						-
Travel	133.55						133.55
Other Purchased Services (400-500 series)	2,420.82						2,420.82
Miscellaneous Expenditures	13,264.00	324.92					13,588.92
Total Support Services	780,765.86	2,160.92	1,606.00	-	765.00	-	785,297.78
Total Expenditures	1,512,609.50	49,210.13	2,058.54	555,453.00	21,255.65	7,484.51	2,148,071.33
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward	I.D.E.A. Part B		CASE Grant	Preschool Education Aid	Total
		Preschool	Perkins Vocational			
		2011-2012	2011-2012	2010-2011		
REVENUES:						
Federal Sources	\$ 2,148,071.33	\$ 21,686.00	\$ 16,805.00	\$ 232.00		\$ 2,186,794.33
State Sources	-				\$ 9,988.73	796,534.73
Local Sources	-					-
Total Revenues	2,148,071.33	21,686.00	16,805.00	232.00	9,988.73	2,983,329.06
EXPENDITURES:						
Instruction:						
Salaries of Teachers	543,417.76				401,971.00	945,388.76
Other Salaries for Instruction	153,542.00				127,934.00	281,476.00
Purchased Professional and Technical Services	-		545.00			545.00
Other Purchased Services (400-500 series)	14,937.50		2,050.00			16,987.50
Tuition	555,453.00	21,686.00				577,139.00
General Supplies	95,373.29		3,067.75		7,170.63	105,611.67
Other Objects	-		3,120.00			3,120.00
Miscellaneous Expenditures	50.00				2,500.00	2,550.00
Total Instruction	1,362,773.55	21,686.00	8,782.75	-	9,670.63	1,932,817.93
Support Services:						
Salaries of Principals, Asst. Principals, & Program Dir.	-				46,656.00	46,656.00
Salaries of Other Professional Staff	-		3,030.00		42,435.00	45,465.00
Salaries of Secretarial and Clerical Assistants	-				47,715.00	47,715.00
Other Salaries	-				50,244.00	50,244.00
Personal Services - Employee Benefits	29,142.00		232.00	232.00		29,606.00
Medical Benefits	158,405.00					158,405.00
Other Employee Benefits	91,270.26				69,591.00	160,861.26
Purchased Professional - Technical Services	6,727.00					6,727.00
Purchased Professional - Educational Services	483,610.23					483,610.23
Contracted Services - Transportation Other than Between Home and School	-		4,480.25			4,480.25
Travel	133.55				318.10	451.65
Other Purchased Services (400-500 series)	2,420.82		280.00			2,700.82
Miscellaneous Expenditures	13,588.92					13,588.92
Total Support Services	785,297.78	-	8,022.25	232.00	318.10	1,050,511.13
Total Expenditures	2,148,071.33	21,686.00	16,805.00	232.00	9,988.73	2,983,329.06
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 401,971.00	\$ 401,971.00	
Other Salaries for Instruction	127,934.00	127,934.00	
Total Instruction	<u>529,905.00</u>	<u>529,905.00</u>	<u>\$ -</u>
Support Services:			
Salaries of Principals	46,656.00	46,656.00	
Salaries of Other Professional Staff	42,435.00	42,435.00	
Salaries of Secretarial/Clerical Assistants	47,715.00	47,715.00	
Other Salaries	50,244.00	50,244.00	
Other Employee Benefits	69,591.00	69,591.00	
Total Support Services	<u>256,641.00</u>	<u>256,641.00</u>	<u>-</u>
Total Expenditures	<u>\$ 786,546.00</u>	<u>\$ 786,546.00</u>	<u>\$ -</u>

Calculation of Budget and Carryover

Total Revised 2011-12 Preschool Education Aid Allocation	\$ 786,546.00
Add: Budgeted Transfer from the General Fund 2011-12	<u>-</u>
Total Preschool Education Aid Funds Available for 2011-12 Budget	786,546.00
Less: 2011-12 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(786,546.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2012	<u>-</u>
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>-</u>
2011-12 Carryover - Preschool Education Aid/Preschool Programs	<u>\$ -</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	<u>\$ -</u>

CAPITAL PROJECTS FUND

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2012

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditure to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) Science Lab & Auditorium Upgrades at Penns Grove High School	4/5/2012	\$ 3,000,000.00	-	\$ 2,464,804.82	\$ 535,195.18
(b) HVAC Renovations in Lafayette-Pershing Elementary School	6/17/2009	693,119.20	\$ 793,183.97	(100,064.77)	-
(c) Window and Gym Bleacher Replacement in High School	6/19/2009	1,604,189.77	1,504,125.00	100,064.77	-
(d) Parking Lot Expansion at Paul Carleton Elementary School	10/31/2011	123,720.00	-	123,720.00	-
(e) Parking Lot Expansion and Driveway Entrance Improvements at Lafayette Pershing Elementary School	10/31/2011	92,130.00	-	92,130.00	-
		<u>\$ 5,513,158.97</u>	<u>\$ 2,297,308.97</u>	<u>\$ 2,680,654.82</u>	<u>\$ 535,195.18</u>
Designated for Subsequent Year's Expenditures					<u>\$ 535,195.18</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances--Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

<hr/>	
Revenues and Other Financing Sources:	
State Sources	\$ 2,207,310.00
Transfer from Capital Reserve	775,000.00
Transfer from Maintenance Reserve	<u>223.81</u>
Total Revenues	<u>2,982,533.81</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional-Technical Service	56,000.00
General Supplies	-
Land and Improvements	-
Construction Services	2,612,850.00
Other Costs	<u>11,804.82</u>
Total Expenditures	<u>2,680,654.82</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>301,878.99</u>
Other Financing Sources (Uses):	
State Sources - Cancellation of State Aid	(300,244.40)
Transfer to General Fund - Unexpended Transferred Capital Outlay	<u>(92,846.63)</u>
Net Changes in Fund Balances	(91,212.04)
Fund Balance - July 1	<u>626,407.22</u>
Fund Balance - June 30	<u><u>\$ 535,195.18</u></u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis

Renovation of Auditorium and Science Labs at Penns Grove High School

From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Maintenance Reserve		\$ 223.81	\$ 223.81	\$ 223.81
Transferred from Other Projects by Authorizing Resolution	\$ 9,466.19		9,466.19	9,466.19
Capital Reserve		775,000.00	775,000.00	775,000.00
State Sources		2,207,310.00	2,207,310.00	2,207,310.00
Local Source - Contribution	8,000.00		8,000.00	8,000.00
Total Revenues	17,466.19	2,982,533.81	3,000,000.00	3,000,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional-Technical Service				
General Supplies				
Land and Improvements				
Construction Services		2,453,000.00	2,453,000.00	
Other Costs		11,804.82	11,804.82	
Equipment purchases				
Total Expenditures	-	2,464,804.82	2,464,804.82	3,000,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 17,466.19	\$ 517,728.99	\$ 535,195.18	\$ -

Additional Project Information:

Project Number	4070-050-10-1004
Grant Date	April 5, 2012
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,000,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 3,000,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	26.61%
Original Target Completion Date	November 15, 2012
Revised Target Completion Date	N/A

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 HVAC Renovations in Lafayette-Pershing Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transferred from Capital Outlay	\$ 215,598.00		\$ 215,598.00	\$ 215,598.00
State Sources	596,902.00	\$ (119,380.80)	477,521.20	477,521.20
Total Revenues	812,500.00	(119,380.80)	693,119.20	693,119.20
Expenditures and Other Financing Uses:				
Other Purchased Professional-Technical Service				
General Supplies				
Land and Improvements				
Construction Services	793,183.97	(100,064.77)	693,119.20	
Other Costs				
Equipment purchases				
Total Expenditures	793,183.97	(100,064.77)	693,119.20	693,119.20
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,316.03	\$ (19,316.03)	\$ -	\$ -
Additional Project Information:				
Project Number	4070-100-09-1002			
Grant Date	June 17, 2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 812,500.00			
Additional Authorized Cost	(119,380.80)			
Revised Authorized Cost	\$ 693,119.20			
Percentage Decrease Under Original Authorized Cost	-15%			
Percentage Completion	100.00%			
Original Target Completion Date	August 31, 2010			
Revised Target Completion Date	March 4, 2011			

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Window and Gym Bleacher Replacement in High School
 From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transferred from Capital Outlay	\$ 497,534.00	\$ (91,016.63)	\$ 406,517.37	\$ 406,517.37
State Sources	1,377,466.00	(179,793.60)	1,197,672.40	1,197,672.40
Total Revenues	1,875,000.00	(270,810.23)	1,604,189.77	1,604,189.77
Expenditures and Other Financing Uses:				
Other Purchased Professional-Technical Service	2,125.00		2,125.00	
General Supplies				
Land and Improvements				
Construction Services	1,502,000.00	100,064.77	1,602,064.77	
Other Costs				
Equipment Purchases			-	
Total Expenditures	1,504,125.00	100,064.77	1,604,189.77	1,604,189.77
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 370,875.00	\$ (370,875.00)	\$ -	\$ -

Additional Project Information:

Project Number	4070-050-09-2001
Grant Date	June 19, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,875,000.00
Additional Authorized Cost	(270,810.23)
Revised Authorized Cost	\$ 1,604,189.77
Percentage Decrease Under Original Authorized Cost	-14%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2010
Revised Target Completion Date	December 31, 2011

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Parking Lot Expansion at Paul Carleton Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transferred from Capital Outlay	\$ 33,029.00	\$ (857.00)	\$ 32,172.00	\$ 32,172.00
State Sources	91,971.00	(423.00)	91,548.00	91,548.00
Total Revenues	125,000.00	(1,280.00)	123,720.00	123,720.00
Expenditures and Other Financing Uses:				
Other Purchased Professional-Technical Service		31,000.00	31,000.00	
General Supplies				
Land and Improvements				
Construction Services		92,720.00	92,720.00	
Other Costs				
Equipment purchases				
Total Expenditures	-	123,720.00	123,720.00	123,720.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 125,000.00	\$ (125,000.00)	\$ -	\$ -

Additional Project Information:

Project Number	4070-080-10-1002
Grant Date	September 7, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 125,000.00
Additional Authorized Cost	(1,280.00)
Revised Authorized Cost	\$ 123,720.00
Percentage Decrease Under Original Authorized Cost	-1%
Percentage Completion	100%
Original Target Completion Date	October 31, 2011
Revised Target Completion Date	September 2, 2011

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Parking Lot Expansion and Driveway Entrance Improvements at Lafayette Pershing Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transferred from Capital Outlay	\$ 24,772.00	\$ (973.00)	\$ 23,799.00	\$ 23,799.00
State Sources	68,978.00	(647.00)	68,331.00	68,331.00
Total Revenues	93,750.00	(1,620.00)	92,130.00	92,130.00
Expenditures and Other Financing Uses:				
Other Purchased Professional-Technical Service		25,000.00	25,000.00	
General Supplies				
Land and Improvements				
Construction Services		67,130.00	67,130.00	
Other Costs				
Equipment purchases				
Total Expenditures	-	92,130.00	92,130.00	92,130.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 93,750.00	\$ (93,750.00)	\$ -	\$ -

Additional Project Information:

Project Number	4070-100-10-1003
Grant Date	September 7, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 93,750.00
Additional Authorized Cost	(1,620.00)
Revised Authorized Cost	\$ 92,130.00
Percentage Decrease Under Original Authorized Cost	-2%
Percentage Completion	100%
Original Target Completion Date	October 31, 2011
Revised Target Completion Date	September 2, 2011

PROPRIETARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Assets
June 30, 2012

	<u>Food Service</u>	<u>Academy Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 11,203.66		\$ 11,203.66
Accounts Receivable:			
State	529.12		529.12
Federal	100,441.26		100,441.26
Interfund Accounts Receivable	149,811.19		149,811.19
Inventories	22,659.60		22,659.60
Total Current Assets	284,644.83	\$ -	284,644.83
Noncurrent Assets:			
Furniture, Machinery and Equipment	671,234.58	30,118.20	701,352.78
Less: Accumulated Depreciation	(550,678.30)	(15,059.10)	(565,737.40)
Total Noncurrent Assets	120,556.28	15,059.10	135,615.38
Total Assets	405,201.11	15,059.10	420,260.21
LIABILITIES:			
Current Liabilities:			
Accounts Payable	11,258.34		11,258.34
Deferred Revenue	5,038.68		5,038.68
Total Current Liabilities	16,297.02		16,297.02
Noncurrent Liabilities:			
Compensated Absences	16,805.00		16,805.00
Total Liabilities	33,102.02		33,102.02
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	120,556.28	15,059.10	135,615.38
Unrestricted	251,542.81	-	251,542.81
Total Net Assets	\$ 372,099.09	\$ 15,059.10	\$ 387,158.19

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Academy Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 135,219.23		\$ 135,219.23
Daily Sales - Non-Reimbursable Programs	137,950.19		137,950.19
Other Sales	1,176.20		1,176.20
Special Functions	9,764.31		9,764.31
Academy Tuition		\$ 165,309.00	165,309.00
Total Operating Revenues	<u>284,109.93</u>	<u>165,309.00</u>	<u>449,418.93</u>
OPERATING EXPENSES:			
Salaries	521,635.49	137,340.44	658,975.93
Employee Benefits	76,260.76		76,260.76
Purchased Property Services	17,436.21		17,436.21
General Supplies		75.00	75.00
Depreciation	15,222.02	2,007.88	17,229.90
Transportation		33,997.38	33,997.38
Tuition		27,644.00	27,644.00
Miscellaneous	6,399.98		6,399.98
Cost of Sales	532,821.75		532,821.75
Total Operating Expenses	<u>1,169,776.21</u>	<u>201,064.70</u>	<u>1,370,840.91</u>
Operating Income / (Loss)	<u>(885,666.28)</u>	<u>(35,755.70)</u>	<u>(921,421.98)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
School Lunch Program	14,303.03		14,303.03
Federal Sources:			
National School Lunch Program	624,684.65		624,684.65
National School Breakfast Program	118,226.13		118,226.13
National Snack Program	10,153.60		10,153.60
Food Distribution Program	68,496.98		68,496.98
Interest and Investment Revenue	135.91		135.91
Total Nonoperating Revenues (Expenses)	<u>836,000.30</u>		<u>836,000.30</u>
Change in Net Assets	<u>(49,665.98)</u>	<u>(35,755.70)</u>	<u>(85,421.68)</u>
Net Assets -- July 1	<u>421,765.07</u>	<u>50,814.80</u>	<u>472,579.87</u>
Net Assets -- June 30	<u>\$ 372,099.09</u>	<u>\$ 15,059.10</u>	<u>\$ 387,158.19</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 284,109.93	\$ 165,309.00	\$ 449,418.93
Payments to Employees	(521,635.49)	(137,340.44)	(658,975.93)
Payments for Employee Benefits	(72,380.76)		(72,380.76)
Payments to Suppliers	(498,614.32)	(61,716.38)	(560,330.70)
Net Cash Provided by (used for) Operating Activities	<u>(808,520.64)</u>	<u>(33,747.82)</u>	<u>(842,268.46)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	14,792.56		14,792.56
Federal Sources	703,845.94		703,845.94
Operating Subsidies and Transfers to Other Funds	38,111.75	33,747.82	71,859.57
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>756,750.25</u>	<u>33,747.82</u>	<u>790,498.07</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earned on Investments	135.91		135.91
Net Cash Provided by (used for) Investing Activities	<u>135.91</u>		<u>135.91</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(51,634.48)		(51,634.48)
Cash and Cash Equivalents -- July 1	62,838.14		62,838.14
Cash and Equivalents -- June 30	<u>\$ 11,203.66</u>	<u>\$ -</u>	<u>\$ 11,203.66</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (885,666.28)	\$ (35,755.70)	\$ (921,421.98)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	15,222.02	2,007.88	17,229.90
Food Distribution Program	68,496.98		68,496.98
(Increase) Decrease in Inventories	1,841.29		1,841.29
Increase (Decrease) in Accounts Payable	(2,071.03)		(2,071.03)
Increase (Decrease) in Deferred Revenue	(10,223.62)		(10,223.62)
Increase (Decrease) in Compensated Absences	3,880.00		3,880.00
Total Adjustments	<u>77,145.64</u>	<u>2,007.88</u>	<u>79,153.52</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (808,520.64)</u>	<u>\$ (33,747.82)</u>	<u>\$ (842,268.46)</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Internal Service Fund
Statement of Net Assets
June 30, 2012

	<u>Food Service</u> <u>Director Services</u>
ASSETS:	
Current Assets:	
Accounts Receivable	\$ -
	<hr/>
Total Assets	-
	<hr/>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	-
	<hr/>
Total Liabilities	-
	<hr/>
NET ASSETS:	
Total Net Assets	\$ -
	<hr/> <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Internal Service Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u> <u>Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to other LEAs	
Food Service Director Services	\$ 7,500.00
Total Operating Revenues	<u>7,500.00</u>
OPERATING EXPENSES:	
Salaries	<u>7,500.00</u>
Total Operating Expenses	<u>7,500.00</u>
Operating Income (Loss)	<u>-</u>
Change in Net Assets	-
Net Assets -- July 1	<u>-</u>
Net Assets -- June 30	<u><u>\$ -</u></u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Internal Service Fund
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u> <u>Director Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	
Payments to Employees	
Payments for Employee Benefits	
Payments to Suppliers	
Net Cash Provided by (used for) Operating Activities	\$ -
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	
Federal Sources	
Operating Subsidies and Transfers to Other Funds	
Net Cash Provided by (used for) Non-Capital Financing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents -- July 1	-
Cash and Equivalents -- June 30	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	
(Increase) Decrease in Accounts Receivable, net	\$ (500.00)
(Increase) Decrease in Inventories	
(Increase) Decrease in Other Current Assets	
Increase (Decrease) in Interfund Payable	500.00
Increase (Decrease) in Accrued Salaries Benefits	
Total Adjustments	-
Net Cash Provided by (used for) Operating Activities	\$ -

FIDUCIARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2012

	Trust Funds		Agency Funds		
	School Uniform Trust	Unemployment Compensation Trust	Student Activity	Payroll	Total
ASSETS:					
Cash and Cash Equivalents	\$ 502.99	\$ 237,192.42	\$ 85,493.29	\$ 307,687.16	\$ 630,875.86
Interfund Receivable				1,000.00	1,000.00
Total Assets	\$ 502.99	\$ 237,192.42	\$ 85,493.29	\$ 308,687.16	\$ 631,875.86
LIABILITIES:					
Payable to Student Groups			\$ 85,493.29		\$ 85,493.29
Payroll Deductions and Withholdings				\$ 243,205.18	243,205.18
Employee Section 125 Plan				46,205.82	46,205.82
Interfund Payable	\$ 1,000.00			19,276.16	20,276.16
Total Liabilities	1,000.00	\$ -	\$ 85,493.29	\$ 308,687.16	395,180.45
NET ASSETS:					
Held in Trust for School Uniforms (Deficit)	(497.01)				(497.01)
Held in Trust for Unemployment Claims		237,192.42			237,192.42
Total Net Assets (Deficit)	\$ (497.01)	\$ 237,192.42			\$ 236,695.41

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2012

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions		\$ 41,727.15	\$ 41,727.15
Total Contributions	\$ -	41,727.15	41,727.15
Investment Earnings:			
Interest	1.02	622.01	623.03
Total Additions	1.02	42,349.16	42,350.18
DEDUCTIONS:			
Uniforms	199.69		199.69
Unemployment Claims		78,496.80	78,496.80
Total Deductions	199.69	78,496.80	78,696.49
Change in Net Assets	(198.67)	(36,147.64)	(36,346.31)
Net Assets -- July 1 (Deficit)	(298.34)	273,340.06	273,041.72
Net Assets -- June 30 (Deficit)	\$ (497.01)	\$ 237,192.42	\$ 236,695.41

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
CARLETON SCHOOL	\$ 3,452.54	\$ 9,833.90	\$ 11,927.63	\$ 1,358.81
Total Carleton School	<u>3,452.54</u>	<u>9,833.90</u>	<u>11,927.63</u>	<u>1,358.81</u>
MIDDLE SCHOOL:				
General Account	7,874.60	25,274.27	22,864.11	10,284.76
Petty Cash		500.26	500.24	0.02
Total Middle School	<u>7,874.60</u>	<u>25,774.53</u>	<u>23,364.35</u>	<u>10,284.78</u>
HIGH SCHOOLS:				
General Account	68,511.33	163,958.29	158,924.05	73,545.57
Future Farmers of America	124.60	5,955.35	5,775.84	304.11
Petty Cash	0.03	1,495.99	1,496.00	0.02
Total High School	<u>68,635.96</u>	<u>171,409.63</u>	<u>166,195.89</u>	<u>73,849.70</u>
Total All Schools	<u>\$ 79,963.10</u>	<u>\$ 207,018.06</u>	<u>\$ 201,487.87</u>	<u>\$ 85,493.29</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 327,670.25	\$ 24,389,056.09	\$ (24,409,039.18)	\$ 307,687.16
Interfund Receivable	1,000.00			1,000.00
Total Assets	\$ 328,670.25	\$ 24,389,056.09	\$ (24,409,039.18)	\$ 308,687.16
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 259,352.49	\$ 11,268,277.10	\$ (11,284,424.41)	\$ 243,205.18
Employee Sec 125 Plan	49,049.23	118,600.36	(121,443.77)	46,205.82
Interfund Payable	20,268.53	20,052.57	(21,044.94)	19,276.16
Intrafund Payable		1,040.72	(1,040.72)	-
Net Payroll		12,981,085.34	(12,981,085.34)	-
Total Liabilities	\$ 328,670.25	\$ 24,389,056.09	\$ (24,409,039.18)	\$ 308,687.16

LONG-TERM DEBT

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2012

<u>Number</u>	<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
				<u>Date</u>	<u>Amount</u>					
95-893	Refunding School Bonds, Series 2003	06/01/2003	\$ 4,465,000.00	12/15/2012	\$ 190,000.00	3.000%				
				12/15/2013	195,000.00	3.125%				
				12/15/2014	205,000.00	3.300%				
				12/15/2015	210,000.00	3.400%	\$ 985,000.00		\$ 185,000.00	\$ 800,000.00
N/A	Refunding School Bonds, Series 2005	03/22/2005	7,785,000.00	03/01/2013	630,000.00	3.500%				
				03/01/2014	650,000.00	3.750%				
				03/01/2015	670,000.00	3.750%				
				03/01/2016	695,000.00	3.750%				
				03/01/2017	720,000.00	3.875%				
				03/01/2018	745,000.00	3.900%				
				03/01/2019	770,000.00	4.000%				
				03/01/2020	780,000.00	4.000%	6,270,000.00		610,000.00	5,660,000.00
							<u>\$ 7,255,000.00</u>	<u>\$ -</u>	<u>\$ 795,000.00</u>	<u>\$ 6,460,000.00</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 552,912.00		\$ 552,912.00	\$ 552,912.00	
Total Local Sources	552,912.00		552,912.00	552,912.00	
Debt Service Aid Type II	508,479.00		508,479.00	508,479.00	
Total - State Sources	508,479.00		508,479.00	508,479.00	
Total Revenues	1,061,391.00		1,061,391.00	1,061,391.00	
EXPENDITURES:					
Regular Debt Service:					
Interest	266,391.00		266,391.00	266,391.00	-
Redemption of Principal	795,000.00		795,000.00	795,000.00	-
Total Regular Debt Service	1,061,391.00		1,061,391.00	1,061,391.00	-
Total Expenditures	1,061,391.00		1,061,391.00	1,061,391.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	
Fund Balance, July 1	0.54		0.54	0.54	\$ -
Fund Balance, June 30	\$ 0.54	\$ -	\$ 0.54	\$ 0.54	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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.

Penns Grove-Carneys Point Regional School District
 Net Assets by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 12,779,472.74	\$ 9,833,364.56	\$ 9,063,529.73	\$ 6,153,613.45	\$ 5,466,735.78	\$ 4,905,720.63	\$ 4,321,380.19	\$ 3,282,586.35	\$ 2,747,027.07	\$ 2,271,248.71
Restricted	2,241,157.94	2,953,546.18	3,745,437.22	3,549,365.31	1,766,609.99	770,294.22	991,288.26	1,187,359.73	432,146.93	221,584.89
Unrestricted	<u>(1,569,360.84)</u>	<u>(1,879,344.95)</u>	<u>(2,497,599.77)</u>	<u>(2,099,579.80)</u>	<u>(919,416.14)</u>	<u>(159,319.33)</u>	<u>(818,226.78)</u>	<u>(538,602.87)</u>	<u>(1,082,072.00)</u>	<u>(1,345,688.16)</u>
Total Governmental Activities Net Assets	<u>\$ 13,451,269.84</u>	<u>\$ 10,907,565.79</u>	<u>\$ 10,311,367.18</u>	<u>\$ 7,603,398.96</u>	<u>\$ 6,313,929.63</u>	<u>\$ 5,516,695.52</u>	<u>\$ 4,494,441.67</u>	<u>\$ 3,931,343.21</u>	<u>\$ 2,097,102.00</u>	<u>\$ 1,147,145.44</u>
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 135,615.38	\$ 122,865.28	\$ 139,845.18	\$ 128,735.11	\$ 120,763.90	\$ 146,908.43	\$ 160,409.21	\$ 174,744.52	\$ 173,894.22	\$ 75,824.83
Restricted										
Unrestricted	<u>251,542.81</u>	<u>349,714.59</u>	<u>394,748.76</u>	<u>363,561.73</u>	<u>390,583.92</u>	<u>239,940.77</u>	<u>216,731.38</u>	<u>199,721.99</u>	<u>257,796.46</u>	<u>100,824.11</u>
Total Business-type Activities Net Assets	<u>\$ 387,158.19</u>	<u>\$ 472,579.87</u>	<u>\$ 534,593.94</u>	<u>\$ 492,296.84</u>	<u>\$ 511,347.82</u>	<u>\$ 386,849.20</u>	<u>\$ 377,140.59</u>	<u>\$ 374,466.51</u>	<u>\$ 431,690.68</u>	<u>\$ 176,648.94</u>
District-wide										
Invested in Capital Assets, Net of Related Debt	\$ 12,915,088.12	\$ 9,956,229.84	\$ 9,203,374.91	\$ 6,282,348.56	\$ 5,587,499.68	\$ 5,052,629.06	\$ 4,481,789.40	\$ 3,457,330.87	\$ 2,920,921.29	\$ 2,347,073.54
Restricted	2,241,157.94	2,953,546.18	3,745,437.22	3,549,365.31	1,766,609.99	770,294.22	991,288.26	1,187,359.73	432,146.93	221,584.89
Unrestricted	<u>(1,317,818.03)</u>	<u>(1,529,630.36)</u>	<u>(2,102,851.01)</u>	<u>(1,736,018.07)</u>	<u>(528,832.22)</u>	<u>80,621.44</u>	<u>(601,495.40)</u>	<u>(338,880.88)</u>	<u>(824,275.54)</u>	<u>(1,244,864.05)</u>
Total District-wide Net Assets	<u>\$ 13,838,428.03</u>	<u>\$ 11,380,145.66</u>	<u>\$ 10,845,961.12</u>	<u>\$ 8,095,695.80</u>	<u>\$ 6,825,277.45</u>	<u>\$ 5,903,544.72</u>	<u>\$ 4,871,582.26</u>	<u>\$ 4,305,809.72</u>	<u>\$ 2,528,792.68</u>	<u>\$ 1,323,794.38</u>

Source: Exhibit A-1

Penns Grove-Carneys Point Regional School District
 Changes in Net Assets
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ (11,826,681.37)	\$ (11,790,075.93)	\$ (13,172,702.83)	\$ (11,697,895.36)	\$ (11,966,132.16)	\$ (11,075,905.39)	\$ (11,114,403.56)	\$ (10,758,901.56)	\$ (10,866,954.23)	\$ (10,789,089.00)
Special Education	(3,428,833.52)	(3,462,878.60)	(3,264,592.94)	(3,179,272.12)	(2,696,021.70)	(2,483,517.61)	(2,313,035.65)	(2,130,283.42)	(1,768,535.02)	(1,351,656.07)
Other Special Education	(1,191,432.43)	(1,239,243.77)	(1,153,039.50)	(886,130.32)	(300,043.26)	(445,261.09)	(472,060.33)	(292,127.09)	(189,432.02)	(155,053.91)
Other Instruction	(336,798.95)	(336,658.88)	(346,271.66)	(340,008.31)	(338,802.62)	(288,410.22)	(314,988.75)	(295,008.57)	(306,838.08)	(317,205.98)
Support Services:										
Tuition	(1,548,220.10)	(1,283,438.99)	(1,432,633.60)	(1,068,461.77)	(690,119.24)	(568,825.54)	(820,778.14)	(1,077,878.40)	(973,728.12)	(1,306,337.29)
Student & Instruction Related Services	(3,606,009.99)	(3,579,217.97)	(3,486,958.69)	(3,103,331.10)	(3,425,284.43)	(3,239,839.44)	(3,231,188.57)	(2,670,994.56)	(2,766,568.97)	(2,614,962.89)
School Administrative Services	(1,549,344.77)	(1,548,441.16)	(1,679,595.20)	(1,595,764.00)	(1,416,545.19)	(1,353,850.14)	(1,379,682.30)	(1,440,538.48)	(1,131,021.31)	(1,144,468.29)
Other Administrative Services	(1,473,381.41)	(1,438,908.75)	(1,417,392.79)	(1,468,983.46)	(1,383,040.38)	(1,362,479.87)	(1,335,396.65)	(1,220,917.24)	(1,024,356.64)	(881,211.61)
Plant Operations and Maintenance	(3,355,922.18)	(2,828,113.24)	(3,086,328.56)	(2,910,472.89)	(3,277,641.71)	(2,770,969.51)	(2,542,643.60)	(2,413,063.81)	(2,771,531.87)	(2,595,112.46)
Pupil Transportation	(1,854,255.09)	(1,809,753.35)	(1,678,099.20)	(1,530,291.89)	(1,483,885.85)	(1,365,055.90)	(1,199,946.65)	(1,016,967.55)	(1,026,687.51)	(1,130,490.44)
Unallocated Benefits	(8,082,764.53)	(7,941,614.40)	(6,900,907.33)	(7,295,473.77)	(8,227,428.43)	(7,800,478.11)	(6,282,929.55)	(6,008,760.94)	(5,317,854.69)	(4,897,117.85)
Amortization of Debt Issuance Costs	(71,108.55)	(77,394.15)	(83,407.20)	(85,052.80)	(87,321.72)	(90,202.02)	(88,777.78)	(20,149.93)	(49,156.37)	(7,486.94)
Capital Outlay							(11,359.13)			
Interest on Long-Term Debt	(259,043.08)	(284,532.93)	(308,407.41)	(338,092.51)	(373,967.92)	(413,012.93)	(445,617.50)	(548,305.24)	(642,066.80)	(596,514.19)
Special Schools										(25,535.64)
Total Governmental Activities Expenses	(38,583,795.97)	(37,620,272.12)	(38,010,336.91)	(35,499,230.30)	(35,666,234.61)	(33,257,807.77)	(31,552,808.16)	(29,893,896.79)	(28,834,731.63)	(27,812,242.56)
Business-type Activities:										
Food Service	(1,169,776.21)	(1,126,629.12)	(1,168,399.02)	(1,159,740.48)	(1,089,619.98)	(1,022,560.06)	(999,495.94)	(945,661.29)	(833,442.64)	(829,990.02)
Academy Program	(201,064.70)	(223,063.58)	(193,070.08)	(185,508.26)	(89,831.47)	(93,304.24)	(68,311.81)	(140,668.92)	(163,170.43)	
Internal Service Fund	(7,500.00)	(5,000.00)								
Latchkey Program						(476.60)	(488.43)	(1,010.67)	(97,493.89)	(163,563.83)
Total Business-type Activities Expense	(1,378,340.91)	(1,354,692.70)	(1,361,469.10)	(1,345,248.74)	(1,179,451.45)	(1,116,340.90)	(1,068,296.18)	(1,087,340.88)	(1,094,106.96)	(993,553.85)
Total District Expenses	\$ (39,962,136.88)	\$ (38,974,964.82)	\$ (39,371,806.01)	\$ (36,844,479.04)	\$ (36,845,686.06)	\$ (34,374,148.67)	\$ (32,621,104.34)	\$ (30,981,237.67)	\$ (29,928,838.59)	\$ (28,805,796.41)

(Continued)

Penns Grove-Carneys Point Regional School District
 Changes in Net Assets
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,252,643.35	\$ 1,706,604.53	\$ 1,581,229.16	\$ 1,213,440.00	\$ 1,618,302.49	\$ 1,529,493.76	\$ 1,254,699.86	\$ 1,452,075.61	\$ 924,005.10	\$ 1,195,062.47
Operating Grants and Contributions	6,238,795.77	6,002,989.92	7,485,267.52	6,335,059.15	9,821,626.69	9,191,247.05	8,490,848.17	7,973,635.00	7,699,438.25	6,565,557.43
Total Governmental Activities Program Revenues	7,491,439.12	7,709,594.45	9,066,496.68	7,548,499.15	11,439,929.18	10,720,740.81	9,745,548.03	9,425,710.61	8,623,443.35	7,760,619.90
Business-type activities:										
Charges for services:										
Food Service	284,109.93	299,594.08	319,767.92	354,253.18	384,566.25	359,652.00	366,511.92	365,117.92	369,524.39	374,542.78
Academy Program	165,309.00	171,035.00	175,135.00	136,750.00	153,375.00	90,158.00	81,763.36	92,355.00	192,812.00	
Internal Service Fund	7,500.00	5,000.00								
Latchkey Program									67,547.95	178,617.37
Operating Grants and Contributions	835,864.39	816,886.51	908,659.27	833,777.35	765,715.38	667,366.77	621,028.86	572,165.85	494,354.25	478,100.65
Total Business-type Activities Program Revenues	1,292,783.32	1,292,515.59	1,403,562.19	1,324,780.53	1,303,656.63	1,117,176.77	1,069,304.14	1,029,638.77	1,124,238.59	1,031,260.80
Total District Program Revenues	\$ 8,784,222.44	\$ 9,002,110.04	\$ 10,470,058.87	\$ 8,873,279.68	\$ 12,743,585.81	\$ 11,837,917.58	\$ 10,814,852.17	\$ 10,455,349.38	\$ 9,747,681.94	\$ 8,791,880.70
Net (Expense)/Revenue										
Governmental Activities	\$ (31,092,356.85)	\$ (29,910,677.67)	\$ (28,943,840.23)	\$ (27,950,731.15)	\$ (24,226,305.43)	\$ (22,537,066.96)	\$ (21,807,260.13)	\$ (20,468,186.18)	\$ (20,211,288.28)	\$ (20,051,622.66)
Business-type Activities	(85,557.59)	(62,177.11)	42,093.09	(20,468.21)	124,205.18	835.87	1,007.96	(57,702.11)	30,131.63	37,706.95
Total District-wide Net Expense	\$ (31,177,914.44)	\$ (29,972,854.78)	\$ (28,901,747.14)	\$ (27,971,199.36)	\$ (24,102,100.25)	\$ (22,536,231.09)	\$ (21,806,252.17)	\$ (20,525,888.29)	\$ (20,181,156.65)	\$ (20,013,915.71)

(Continued)

Penns Grove-Carneys Point Regional School District
 Changes in Net Assets
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,491,035.00	\$ 9,380,255.00	\$ 9,019,476.00	\$ 9,289,494.00	\$ 9,229,034.00	\$ 9,120,821.00	\$ 8,109,974.00	\$ 7,563,088.00	\$ 7,353,218.00	\$ 6,240,295.00
Taxes Levied for Debt Service	552,912.00	555,419.00	455,930.00	468,193.00	643,920.00	693,288.00	661,400.00	610,093.00	705,834.00	706,919.00
Federal and State Aid Unrestricted	23,807,980.94	20,471,742.76	22,121,687.77	19,355,414.09	14,417,410.45	13,579,628.00	13,567,282.00	13,559,502.60	12,987,381.00	12,751,362.00
Federal and State Aid Restricted								384,936.62	111,641.25	22,857.10
Federal and State Aid Restricted - Cancellation	(300,244.40)					(73,018.13)				
Loss on Disposal of Asset		(20,982.75)				(13,875.00)				
Miscellaneous Income	84,377.36	120,442.27	54,714.68	127,099.39	231,692.84	258,938.94	190,178.46	101,959.94	227,473.65	99,307.97
Lease Purchase Proceeds					500,000.00					
Transfers					1,482.25	(6,462.00)			(86,399.74)	
Refund of a Prior Year Expenditure							10,224.95			
Bonds Refunded (net)										(350,000.00)
Other Financing Uses								(85,853.59)		
Total Governmental Activities	33,636,060.90	30,506,876.28	31,651,808.45	29,240,200.48	25,023,539.54	23,559,320.81	22,539,059.41	22,133,726.57	21,299,148.16	19,470,741.07
Business-type Activities:										
Investment Earnings	135.91	163.04	204.01	1,417.23	1,775.69	2,410.74	1,666.12	477.94	607.05	751.30
Transfers					(1,482.25)	6,462.00			86,399.74	
Total Business-type Activities	135.91	163.04	204.01	1,417.23	293.44	8,872.74	1,666.12	477.94	87,006.79	751.30
Total District-wide	\$ 33,636,196.81	\$ 30,507,039.32	\$ 31,652,012.46	\$ 29,241,617.71	\$ 25,023,832.98	\$ 23,568,193.55	\$ 22,540,725.53	\$ 22,134,204.51	\$ 21,386,154.95	\$ 19,471,492.37
Change in Net Assets										
Governmental Activities	\$ 2,543,704.05	\$ 596,198.61	\$ 2,707,968.22	\$ 1,289,469.33	\$ 797,234.11	\$ 1,022,253.85	\$ 731,799.28	\$ 1,665,540.39	\$ 1,087,859.88	\$ (580,881.59)
Business-type Activities	(85,421.68)	(62,014.07)	42,297.10	(19,050.98)	124,498.62	9,708.61	2,674.08	(57,224.17)	117,138.42	38,458.25
Total District	\$ 2,458,282.37	\$ 534,184.54	\$ 2,750,265.32	\$ 1,270,418.35	\$ 921,732.73	\$ 1,031,962.46	\$ 734,473.36	\$ 1,608,316.22	\$ 1,204,998.30	\$ (542,423.34)

Source: Exhibit A-2

Penns Grove-Carneys Point Regional School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund										
Reserved			\$ 3,396,047.19	\$ 3,591,334.36	\$ 1,789,282.03	\$ 953,489.75	\$ 943,125.61	\$ 542,708.57	\$ 402,660.26	\$ 207,501.19
Unreserved (Deficit)			(1,317,082.09)	(810,362.10)	597,045.46	1,191,309.11	663,616.82	1,139,810.73	529,259.00	403,140.84
Restricted	\$ 1,498,816.50	\$ 2,069,613.39								
Assigned	1,144,454.58	916,404.92								
Unassigned (Deficit)	(1,217,031.75)	(1,266,587.97)								
Total General Fund	\$ 1,426,239.33	\$ 1,719,430.34	\$ 2,078,965.10	\$ 2,780,972.26	\$ 2,386,327.49	\$ 2,144,798.86	\$ 1,606,742.43	\$ 1,682,519.30	\$ 931,919.26	\$ 610,642.03
All Other Governmental Funds										
Reserved										
Unreserved, Reported in:										
Special Revenue Fund			\$ (74,412.00)	\$ (71,995.70)	\$ (168,929.60)	\$ (137,929.60)	\$ (137,929.60)	\$ (137,929.60)	\$ (125,996.00)	\$ (142,716.00)
Capital Projects Fund			451,964.75	42,975.94	72,058.44	26,214.84	138,591.93	732,179.94	40,089.21	136,659.54
Debt Service Fund			0.30	8,748.81	8,749.57	31,897.68	31,897.44	32,597.67	165,063.67	55,868.75
Restricted	\$ 535,195.72	\$ 626,407.76								
Unassigned (Deficit)	(78,660.00)	(74,232.00)								
Total All Other Governmental Funds	\$ 456,535.72	\$ 552,175.76	\$ 377,553.05	\$ (20,270.95)	\$ (88,121.59)	\$ (79,817.08)	\$ 32,559.77	\$ 626,848.01	\$ 79,156.88	\$ 49,812.29

Source: Exhibit B-1

Penns Grove-Carneys Point Regional School District
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Tax Levy	\$ 10,043,947.00	\$ 9,935,674.00	\$ 9,475,406.00	\$ 9,757,687.00	\$ 9,872,954.00	\$ 9,814,109.00	\$ 8,771,374.00	\$ 8,173,181.00	\$ 8,059,052.00	\$ 6,947,214.00
Tuition Charges	1,252,643.35	1,706,604.53	1,581,229.16	1,213,440.00	1,618,302.49	1,529,493.76	1,254,699.86	1,452,075.61	924,005.10	1,195,062.47
Miscellaneous	84,377.36	120,442.27	54,714.68	127,099.39	231,692.84	258,938.94	190,178.46	271,543.94	227,473.65	99,307.97
Lease Purchase Proceeds					500,000.00					
Local Sources				44.56	5,955.44					
State Sources	27,024,603.20	23,888,903.81	22,241,077.63	23,321,435.99	21,998,475.80	20,739,391.81	19,739,744.55	19,778,150.44	18,868,623.62	17,554,409.20
Federal Sources	3,022,173.51	2,585,828.87	7,365,877.66	2,368,992.69	2,234,605.90	2,031,483.24	2,318,385.62	2,139,923.78	1,929,836.88	1,785,367.33
Total Revenue	41,427,744.42	38,237,453.48	40,718,305.13	36,788,699.63	36,461,986.47	34,373,416.75	32,274,382.49	31,814,874.77	30,008,991.25	27,581,360.97
Expenditures										
Instruction:										
Regular Instruction	11,520,712.37	11,485,475.93	12,873,202.83	11,398,565.36	11,663,797.56	10,769,726.89	10,808,256.56	10,445,593.56	10,554,421.22	10,373,598.00
Special Education Instruction	3,428,833.52	3,462,878.60	3,264,592.94	3,179,272.12	2,696,021.70	2,483,517.61	2,313,035.65	2,130,283.42	1,768,535.02	1,351,656.07
Other Special Instruction	1,191,432.43	1,239,243.77	1,153,039.50	886,130.32	300,043.26	445,261.09	472,060.33	292,127.09	189,432.02	155,053.91
Other Instruction	336,798.95	336,658.88	346,271.66	340,008.31	338,802.62	288,410.22	314,988.75	295,008.57	306,838.08	317,205.98
Undistributed Expenditures										
Support Services:										
Tuition	1,548,220.10	1,283,438.99	1,432,633.60	1,068,461.77	690,119.24	568,825.54	820,778.14	1,077,878.40	973,728.12	1,306,337.29
Student & Instruction Related Services	3,606,009.99	3,579,217.97	3,486,958.69	3,103,331.10	3,425,284.43	3,239,839.44	3,231,188.57	2,670,994.56	2,766,568.97	2,614,962.89
School Administrative Services	1,533,969.77	1,533,066.16	1,664,220.20	1,580,389.00	1,401,170.19	1,338,475.14	1,364,307.30	1,373,374.48	1,056,530.31	1,052,280.00
Other Administrative Services	1,411,309.41	1,379,742.75	1,355,077.79	1,404,367.46	1,316,304.38	1,294,872.87	1,268,756.65	1,205,542.24	1,006,587.64	860,892.61
Plant Operations and Maintenance	3,102,427.18	2,987,832.24	3,055,617.55	2,836,767.08	2,647,059.93	2,650,060.51	2,440,558.72	2,310,153.38	2,678,876.87	2,506,425.46
Pupil Transportation	1,854,255.09	1,809,753.35	1,678,099.20	1,530,291.89	1,483,885.85	1,365,055.90	1,199,946.65	1,016,967.55	1,026,687.51	1,130,490.44
Unallocated Employee Benefits	8,094,577.53	7,606,953.84	6,901,727.33	7,345,783.77	8,220,737.43	7,803,551.11	6,479,499.55	5,953,611.94	5,438,632.69	4,720,735.85
Special Schools										25,535.64
Summer School										
Capital Outlay	2,826,393.73	651,899.29	2,746,224.49	579,957.28	496,882.00	73,486.96	514,177.63	239,050.64	220,286.06	230,620.80
Debt Service:										
Principal	795,000.00	775,000.00	750,000.00	725,000.00	1,165,000.00	1,125,000.00	1,115,000.00	985,000.00	940,000.00	820,000.00
Interest and Other Charges	266,391.00	291,203.76	314,822.51	347,878.76	383,653.76	422,173.76	443,417.23	603,845.00	644,844.08	745,216.89
Total Expenditures	41,516,331.07	38,422,365.53	41,022,488.29	36,326,204.22	36,228,762.35	33,868,257.04	32,785,971.73	30,599,430.83	29,571,968.59	28,211,011.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,586.65)	(184,912.05)	(304,183.16)	462,495.41	233,224.12	505,159.71	(511,589.24)	1,215,443.94	437,022.66	(629,650.86)
Other Financing Sources (Uses)										
Refunding Bond Proceeds							10,224.95			4,115,000.00
Bond Refunded										(4,115,000.00)
Transfers Out						(6,462.00)			(86,399.74)	
Cancellation of State Aid	(300,244.40)					(73,018.13)				
Cancellation of Prior Year Receivables								(28,835.59)		
Refund of Prior Year Revenue								(57,018.00)		
Total Other Financing Sources (Uses)	(300,244.40)	(300,244.40)	-	-	-	(79,480.13)	10,224.95	(85,853.59)	(86,399.74)	-
Net Change in Fund Balances	\$ (388,831.05)	\$ (485,156.45)	\$ (304,183.16)	\$ 462,495.41	\$ 233,224.12	\$ 425,679.58	\$ (501,364.29)	\$ 1,129,590.35	\$ 350,622.92	\$ (629,650.86)
Debt Service as a Percentage of Noncapital Expenditures	2.74%	2.82%	2.78%	3.00%	4.33%	4.58%	4.83%	5.23%	5.40%	5.59%

Source: Exhibit B-2

Penns Grove-Carneys Point Regional School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Refunds of Prior Year Expenses	\$ 839.34	\$ 62,608.75	\$ 9,053.94	\$ 54,970.62	\$ 14,551.91	\$ 2,835.81	\$ 9,312.65	\$ 18,306.25	\$ 384.41	\$ 11,499.43
Transportation Fees from Other LEA's	1,495.00	1,545.51	3,750.00		4,488.27					
Interest on Investments	9,573.40	9,831.37	14,673.04	45,458.05	190,063.90	185,008.35	130,633.52	60,745.86	19,760.13	22,732.23
Miscellaneous	25,355.62	22,282.45	13,022.70	10,320.28	644.76	27,070.78	3,606.76	5,220.62	5,306.11	11,364.04
Penns Grove BPPT Aid Payment									27,896.00	29,122.00
Academy Program Revenue									114,360.23	
Sale of Obsolete Equipment						250.00	1,275.00			
Athletic Department Ticket Sales	10,264.00	10,774.19		9,350.44	10,334.00	9,274.00	8,838.25	6,568.00	7,903.00	7,796.00
Facility Use		8,150.00	9,715.00	3,000.00	2,000.00	17,000.00				
Building Rentals	36,850.00	5,250.00	4,500.00	4,000.00	9,610.00	17,500.00	12,473.44	11,114.21	49,217.45	13,476.08
	<u>\$ 84,377.36</u>	<u>\$ 120,442.27</u>	<u>\$ 54,714.68</u>	<u>\$ 127,099.39</u>	<u>\$ 231,692.84</u>	<u>\$ 258,938.94</u>	<u>\$ 166,139.62</u>	<u>\$ 101,954.94</u>	<u>\$ 224,827.33</u>	<u>\$ 95,989.78</u>

Source: District Records

Revenue Capacity Information

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

Penns Grove-Carneys Point Regional School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Borough of Penns Grove

Year Ended Dec. 31.	Assessed Value							Total Assessed	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated (County Value	Total Direct School Tax Rate (2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2012	\$ 3,495,400	\$ 135,711,800			\$ 34,581,200		\$ 3,682,500	\$ 177,470,900	\$ 1,728,950	\$ 179,199,850	\$ 62,111,700	\$ 177,669,170	1.189
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181
2010	3,486,700	135,709,400			34,895,900		3,682,500	177,774,500	1,789,417	179,563,917	62,908,800	177,774,500	1.149
2009 (3)	3,526,900	135,673,300			34,852,200		3,682,500	177,734,900	1,742,997	179,477,897	62,957,500	183,762,449	1.187
2008	2,494,200	71,006,200			15,073,100		2,173,300	90,746,800	1,032,879	91,779,679	30,060,500	170,937,269	2.364
2007	2,520,300	70,678,900			15,001,100		2,173,300	90,373,600	1,136,915	91,510,515	30,201,600	150,733,841	2.335
2006	2,518,900	69,661,500			14,337,300		2,173,300	88,691,000	1,248,456	89,939,456	30,413,000	133,753,659	2.219
2005								88,674,300	1,439,532	90,113,832	30,480,400	124,453,295	2.194
2004								88,489,800	1,569,458	90,059,258	30,623,100	114,886,196	2.133
2003				NOT AVAILABLE				91,476,500	1,546,487	93,022,987	27,667,000	121,382,244	1.838

Township of Carneys Point

Year Ended Dec. 31.	Assessed Value							Total Assessed	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated (County Value	Total Direct School Tax Rate (2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2012	\$ 27,705,700	\$ 427,796,400	\$ 13,147,000	\$ 2,056,400	\$ 123,439,900	\$ 103,110,600	\$ 26,206,500	\$ 723,462,500	\$ 1,112,173	\$ 724,574,673	\$ 121,122,900	\$ 694,349,524	1.127
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089
2010	28,240,000	421,999,000	13,490,000	2,035,800	124,644,500	103,067,900	26,206,500	719,725,899	1,412,193	721,138,092	121,648,100	719,683,700	1.060
2009 (3)	28,552,500	421,710,900	14,021,100	2,033,400	126,309,400	89,083,800	26,206,500	707,917,600	1,411,270	709,328,870	137,691,600	704,186,993	1.064
2008	11,406,300	208,526,550	6,850,700	1,926,820	67,754,400	42,911,200	13,550,900	352,926,870	753,563	353,680,433	83,484,528	627,267,537	2.177
2007	9,919,400	202,364,425			64,767,810		15,198,000	344,805,305	804,024	345,609,329	80,062,628	527,728,400	2.215
2006	10,209,000	198,070,025			64,917,810		15,198,000	341,895,005	848,453	342,743,458	79,961,528	491,908,623	1.977
2005								336,298,705	1,017,856	337,316,561	79,986,686	433,141,198	1.837
2004								329,850,985	1,175,424	331,026,409	67,732,786	383,184,209	1.854
2003				NOT AVAILABLE				323,205,635	1,179,906	324,385,541	65,441,536	394,788,818	1.615

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

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

(3) Revaluation of Real Property

Source: Municipal Tax Assessor

Penns Grove-Carneys Point Regional School District
 Direct and Overlapping Property Tax Rates
 Last Ten (Fiscal) Years
 (rate per \$100 of assessed value)
 Unaudited

Borough of Penns Grove

Year Ended Dec. 31,	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	County of Salem	
2012	1.124	0.065	1.189	1.450	0.940	3.579
2011	1.115	0.066	1.181	1.420	0.920	3.521
2010	1.095	0.054	1.149	1.340	0.870	3.359
2009	1.130	0.057	1.187	1.130	0.900	3.217
2008	2.210	0.154	2.364	2.120	1.730	6.214
2007	2.170	0.165	2.335	1.800	1.550	5.685
2006	2.052	0.167	2.219	1.620	1.470	5.309
2005	2.030	0.164	2.194	1.520	1.390	5.104
2004	1.946	0.187	2.133	1.390	1.270	4.793
2003	1.651	0.187	1.838	1.290	1.290	4.418

Township of Carneys Point

Year Ended Dec. 31,	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Carneys Point	County of Salem	
2012	1.067	0.060	1.127	0.380	0.920	2.427
2011	1.029	0.060	1.089	0.380	0.860	2.329
2010	1.010	0.050	1.060	0.356	0.817	2.233
2009	1.012	0.052	1.064	0.356	0.880	2.300
2008	2.035	0.142	2.177	0.660	1.640	4.477
2007	2.058	0.157	2.215	0.570	1.460	4.245
2006	1.828	0.149	1.977	0.520	1.420	3.917
2005	1.700	0.137	1.837	0.530	1.290	3.657
2004	1.692	0.162	1.854	0.520	1.150	3.524
2003	1.451	0.164	1.615	0.440	1.210	3.265

Source: Municipal Tax Collector

Penns Grove-Carneys Point Regional School District
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	Borough of Penns Grove					
	2012			2003		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Seaboard Landing LLC	\$ 3,363,100.00	1	1.88%			
Incollingo's Penns Grove Properties	2,609,000.00	2	1.46%	\$ 1,641,300.00	2	1.76%
NJEC Associates & Walgreens	2,313,500.00	3	1.29%			
Rite Aid of New Jersey	2,100,000.00	4	1.17%	625,000.00	6	0.67%
New Jersey Bell Telephone	1,728,950.00	5	0.96%	1,546,487.00	3	1.66%
Cole AA Penns Grove LLC	1,618,600.00	6	0.90%			
Family Dollar Store	1,271,800.00	7	0.71%	487,000.00	8	0.52%
Qunjian, Richard et als.	1,165,800.00	8	0.65%	586,300.00	7	0.63%
Bell Atlantic	863,500.00	9	0.48%	915,300.00	4	0.98%
C D Gardens, Inc.	676,600.00	10	0.38%			
Penns Grove Gardens				2,750,000.00	1	2.94%
NJEC Assoc. c/o R. Briskin Feil Org.				770,700.00	5	0.83%
Moyers, Harold I				384,300.00	9	0.41%
Troy R. Spencer Enterprises, Inc.				320,400.00	10	0.34%
Total	\$ 17,710,850.00		9.88%	\$ 10,026,787.00		10.74%

<u>Taxpayer</u>	Township of Carneys Point					
	2012			2003		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Chambers Cogeneration Ltd. Partnership	\$ 52,000,000.00	1	7.19%	\$ 26,000,000.00	1	8.06%
El DuPont de Nemours & Co. Inc	28,707,700.00	2	3.97%	13,246,700.00	3	4.10%
Conectiv Real Estate	19,028,600.00	3	2.63%			
McLane New Jersey	18,442,700.00	4	2.55%			
Delaware River & Bay Authorites	15,206,400.00	5	2.10%	13,612,000.00	2	4.22%
Penns Grove Associates	10,368,600.00	6	1.43%	4,800,000.00	5	1.49%
CFJ Properties	9,500,000.00	7	1.31%	6,778,000.00	4	2.10%
Country Gardens Ltd.	8,108,200.00	8	1.12%	4,037,500.00	6	1.25%
Southgate Health Care Center	7,126,000.00	9	0.98%	3,621,600.00	7	1.12%
Moors Landing Assoc.	5,253,900.00	10	0.73%	2,500,000.00	10	0.77%
H.W. of Parkview LLC				2,812,000.00	8	0.87%
Prime Accounting Dept.				2,800,000.00	9	0.87%
Total	\$ 173,742,100.00		24.01%	\$ 80,207,800.00		24.85%

Source: Municipal Tax Assessor

Penns Grove-Carneys Point Regional School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Borough of Penns Grove

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 2,114,023.06	\$ 1,624,776.26	76.86%	\$ 489,246.80
2011	2,111,316.60	1,644,097.69	77.87%	467,218.91
2010	2,013,928.46	1,794,056.25	89.08%	219,872.21
2009	2,130,566.71	1,621,523.87	76.11%	509,042.84
2008	2,170,348.97	1,343,863.32	61.92%	826,485.65
2007	2,137,024.23	1,637,693.02	76.63%	499,331.21
2006	1,995,822.37	1,616,917.50	81.02%	378,904.87
2005	1,977,030.27	1,667,694.04	84.35%	309,336.23
2004	1,920,993.99	1,843,730.99	95.98%	77,263.00
2003	1,709,391.07	1,709,391.07	100.00%	

Township of Carneys Point

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 7,929,923.94	\$ 7,929,923.94	100.00%	
2011	7,824,357.40	7,824,357.40	100.00%	
2010	7,461,477.54	7,461,477.54	100.00%	
2009	7,627,120.29	7,627,120.29	100.00%	
2008	7,702,605.03	7,702,602.04	100.00%	\$ 2.99
2007	7,677,084.77	7,677,081.78	100.00%	2.99
2006	6,775,551.63	6,775,548.64	100.00%	2.99
2005	6,196,150.73	6,196,150.73	100.00%	
2004	6,138,058.01	6,138,058.01	100.00%	
2003	5,237,822.93	5,237,822.93	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.

Penns Grove-Carneys Point Regional School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 6,460,000.00	N/A		N/A	N/A	\$ 6,460,000.00	0.61%	39,704
2011	7,255,000.00	N/A		N/A	N/A	7,255,000.00	0.55%	39,704
2010	8,030,000.00	N/A	\$ 325,000.00	N/A	N/A	8,355,000.00	0.48%	39,704
2009	8,780,000.00	N/A	422,504.99	N/A	N/A	9,202,504.99	0.42%	38,549
2008	9,505,000.00	N/A	505,250.18	N/A	N/A	10,010,250.18	0.39%	39,186
2007	10,670,000.00	N/A	13,948.40	N/A	N/A	10,683,948.40	0.34%	36,433
2006	11,795,000.00	N/A	13,603.40	N/A	N/A	11,808,603.40	0.29%	34,710
2005	12,910,000.00	N/A	20,780.52	N/A	N/A	12,930,780.52	0.26%	33,010
2004	13,130,000.00	N/A		N/A	N/A	13,130,000.00	0.25%	32,522
2003	14,070,000.00	N/A		N/A	N/A	14,070,000.00	0.22%	30,919

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

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 Census Bureau midyear population estimates, revised April 2012.

Penns Grove-Carneys Point Regional School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions			
2012	\$ 6,460,000.00		\$ 6,460,000.00	0.71%	\$ 490.88
2011	7,255,000.00		7,255,000.00	0.80%	551.29
2010	8,030,000.00		8,030,000.00	0.89%	609.30
2009	8,780,000.00		8,780,000.00	0.99%	693.14
2008	9,505,000.00		9,505,000.00	2.13%	750.85
2007	10,670,000.00		10,670,000.00	2.44%	845.75
2006	11,795,000.00		11,795,000.00	2.73%	932.85
2005	12,910,000.00		12,910,000.00	3.02%	1,025.01
2004	13,130,000.00		13,130,000.00	3.12%	1,047.72
2003	14,070,000.00		14,070,000.00	3.37%	1,139.55

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

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(2) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

Penns Grove-Carneys Point Regional School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2011 (June 30, 2012)
 Unaudited

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
Municipal Debt: (1)			
Penns Grove-Carneys Point Regional School District	\$ 7,070,000.00	\$ 7,070,000.00	
Borough of Penns Grove	1,239,423.57	18,792.19	\$ 1,220,631.38
Township of Carneys Point	4,856,018.22	52,310.00	4,803,708.22
	<u>13,165,441.79</u>	<u>7,141,102.19</u>	<u>6,024,339.60</u>
Overlapping Debt Apportioned to the Municipality:			
County of Salem: (2)			
Borough of Penns Grove (4)	2,372,637.40	884,966.83	1,487,670.57
Township of Carneys Point (4)	9,017,730.77	3,363,511.25	5,654,219.52
Salem County Improvement Authority / Utilities Authority: (2)			
Borough of Penns Grove (4)	823,671.63	823,671.63	
Township of Carneys Point (4)	3,130,545.36	3,130,545.36	
	<u>15,344,585.16</u>	<u>8,202,695.07</u>	<u>7,141,890.09</u>
	<u>\$ 28,510,026.95</u>	<u>\$ 15,343,797.26</u>	<u>\$ 13,166,229.69</u>

Sources:

- (1) 2011 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements.
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2011 Equalized Value, which is 12.16% and 3.20%, respectively. The source for this computation was the 2011 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

Penns Grove-Carneys Point Regional School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 34,238,462.60	\$ 33,907,190.17	\$ 32,688,613.44	\$ 30,414,680.03	\$ 27,233,333.59	\$ 24,119,919.00	\$ 21,612,258.00	\$ 20,225,053.00	\$ 19,445,288.00	\$ 19,286,700.12
Total net debt applicable to limit	<u>6,460,000.00</u>	<u>7,255,000.00</u>	<u>8,030,000.00</u>	<u>8,780,000.00</u>	<u>9,505,000.00</u>	<u>10,670,000.00</u>	<u>11,795,000.00</u>	<u>12,910,000.00</u>	<u>13,130,000.00</u>	<u>14,070,000.00</u>
Legal debt margin	<u>\$ 27,778,462.60</u>	<u>\$ 26,652,190.17</u>	<u>\$ 24,658,613.44</u>	<u>\$ 21,634,680.03</u>	<u>\$ 17,728,333.59</u>	<u>\$ 13,449,919.00</u>	<u>\$ 9,817,258.00</u>	<u>\$ 7,315,053.00</u>	<u>\$ 6,315,288.00</u>	<u>\$ 5,216,700.12</u>
Total net debt applicable to the limit as a percentage of debt limit	18.87%	21.40%	24.57%	28.87%	34.90%	44.24%	54.58%	63.83%	67.52%	72.95%

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.

Penns Grove-Carneys Point Regional School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate	
				Borough of Penns Grove	Township of Carneys Point
2012	13,160	\$ 522,504,640.00	\$ 39,704.00	25.80	14.60
2011	13,160	522,504,640.00	39,704.00	26.90	15.40
2010	13,179	523,259,016.00	39,704.00	25.60	14.50
2009	12,667	488,300,183.00	38,549.00	16.10	8.70
2008	12,659	496,055,574.00	39,186.00	13.00	5.40
2007	12,616	459,638,728.00	36,433.00	13.00	5.40
2006	12,644	438,873,240.00	34,710.00	13.10	6.90
2005	12,595	415,760,950.00	33,010.00	12.70	6.90
2004	12,532	407,565,704.00	32,522.00	11.90	6.40
2003	12,347	381,756,893.00	30,919.00	14.70	8.00

Source:

- (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 personal income presented
- (3) Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised April 2012.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Penns Grove-Carneys Point Regional School District
Principal Employers
Current Year and Nine Years Ago
Unaudited

Borough of Penns Grove

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
	-	1		-		
	-	2		-		
	-	3		-		
	-	4		-		
	UNAVAILABLE	5		-	UNAVAILABLE	
	-	6		-		
	-	7		-		
	-	8		-		
	-	9		-		
	-	10		-		
	-			-		
	-			-		

Township of Carneys Point

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
	-	1		-		
	-	2		-		
	-	3		-		
	-	4		-		
	UNAVAILABLE	5		-	UNAVAILABLE	
	-	6		-		
	-	7		-		
	-	8		-		
	-	9		-		
	-	10		-		
	-			-		
	-			-		

Source: Local Chamber of Commerce

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.

Penns Grove-Carneys Point Regional School District
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction										
Regular	155	144	150	163	165	168	167	-	-	-
Special education	46	48	42	46	45	43	42	-	-	-
Other special education	30	6	6	6	6	7	7	-	-	-
Other instruction	33	80	80	58	58	51	49	-	-	-
Support Services:									UNAVAILABLE	
Student & instruction related services	26	15	16	16	16	16	16	-	-	-
General administrative services	9	15	16	16	16	16	16	-	-	-
School administrative services	22	16	16	16	15	15	15	-	-	-
Business administrative services	5	5	5	5	5	5	5	-	-	-
Plant operations and maintenance	33	32	31	32	32	34	34	-	-	-
Pupil transportation	1	1	-	1	1	1	1	-	-	-
Food Service	31	31	33	36	36	37	36	-	-	-
Total	<u>391</u>	<u>393</u>	<u>395</u>	<u>395</u>	<u>395</u>	<u>393</u>	<u>388</u>	-	-	-

Source: District Personnel Records

Penns Grove-Carneys Point Regional School District
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	Senior High School				
2012	2,237	\$ 34,645,217.28	\$ 15,487.36	9.80%	228	8.3	11.0	10.8	9.1	9.0	2,258.7	2,120.7	-4.02%	93.89%
2011	2,372	33,456,847.73	14,104.91	5.56%	238	8.3	11.0	10.8	9.1	9.0	2,375.4	2,209.6	-3.22%	93.02%
2010	2,436	32,549,621.96	13,361.91	5.71%	229	13.6	10.8	11.1	8.6	9.4	2,449.8	2,283.0	-0.91%	93.19%
2009	2,465	31,156,615.73	12,639.60	9.53%	231	15.0	11.6	11.6	8.8	9.8	2,496.4	2,304.0	-1.47%	92.29%
2008	2,478	28,594,859.44	11,539.49	-0.07%	222	14.6	12.8	9.4	9.5	10.9	2,496.4	2,338.4	3.40%	93.10%
2007	2,353	27,170,201.08	11,547.05	5.35%	213	15.7	11.3	9.4	9.8	9.5	2,428.8	2,261.5	3.33%	93.10%
2006	2,314	25,363,273.04	10,960.79	-12.34%	223	16.7	11.5	9.8	9.9	9.5	2,353.1	2,188.6	2.87%	93.00%
2005	2,302	28,785,119.12	12,504.40	2.77%	193	17.8	12.6	9.0	10.3	9.4	2,282.7	2,127.5	1.81%	93.20%
2004	2,282	27,766,838.45	12,167.76	4.12%	228	13.3	10.6	11.1	9.3	8.8	2,250.6	2,089.7	-0.59%	92.85%
2003	2,259	26,400,014.93	11,686.59	4.20%	226	13.9	10.9	11.5	9.3	10.3	2,240.3	2,102.0	-2.20%	93.83%

Sources: District records, ASSA and Schedules B-2, J-4, J-16

Note: Enrollment based on annual October district count.

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

Penns Grove-Carneys Point Regional School District

School Building Information

Last Ten Fiscal Years

Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
District Building										
Elementary										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	370	369	353	359	387	337	333	319	346	306
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	66,481	66,481	66,481	66,481	66,481
Capacity (students)	489	489	489	489	489	506	506	506	506	506
Enrollment	511	556	551	559	538	531	529	492	491	487
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	55,515	55,515	55,515	55,515	55,515
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	334	334	356	371	345	326	324	301	328	355
Middle School										
Pennsgrove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	499	519	510	492	498	508	512	534	503	578
High School										
Pennsgrove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	546	594	665	684	687	656	585	571	558	499
Other										
Administration Building (2000)										
Square Feet	7,850	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580
Number of Schools at June 30, 2012										
Elementary = 3										
Middle School = 1										
High School = 1										
Other = 2										

Source: District records, ASSA

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

Penns Grove-Carneys Point Regional School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
High School	N/A	\$ 122,078.07	\$ 116,261.74	\$ 192,056.52	\$ 79,002.00	\$ 100,741.00	\$ 93,596.00	\$ 33,083.72	\$ 85,932.45	\$ 92,772.11	\$ 72,510.77
Middle School	N/A	76,144.21	23,043.50	50,562.00	39,135.00	33,030.00	64,017.00	49,791.18	31,280.00	47,902.24	36,665.35
Paul W. Carleton School	N/A	53,584.57	46,116.39	27,386.00	22,294.00	27,077.00	17,645.00	22,925.11	23,831.00	22,381.33	22,268.28
Field Street School	N/A	55,352.77	31,817.46	49,570.00	29,694.00	39,120.00	37,791.00	34,106.63	39,105.00	62,885.72	50,372.33
Lafayette-Pershing School	N/A	46,137.74	20,149.24	45,298.00	21,382.00	19,963.00	30,331.00	39,762.43	30,184.00	39,666.26	48,186.62
Total School Facilities		<u>353,297.36</u>	<u>237,388.33</u>	<u>364,872.52</u>	<u>191,507.00</u>	<u>219,931.00</u>	<u>243,380.00</u>	<u>179,669.07</u>	<u>210,332.45</u>	<u>265,607.66</u>	<u>230,003.35</u>
Other Facilities											
Administrative Building	N/A	7,352.00	4,460.15	10,330.00	4,876.00	4,217.00	41,018.00	30,168.00			
Grand Total		<u>\$ 360,649.36</u>	<u>\$ 241,848.48</u>	<u>\$ 375,202.52</u>	<u>\$ 196,383.00</u>	<u>\$ 224,148.00</u>	<u>\$ 284,398.00</u>	<u>\$ 209,837.07</u>	<u>\$ 210,332.45</u>	<u>\$ 265,607.66</u>	<u>\$ 230,003.35</u>

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

Source: District Records

Penns Grove-Carneys Point Regional School District
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine and Automobile Physical Damages		
Limit of Liability	\$150,000,000 Per Occurrence	
GCSSDJIF Self Insured Retention	\$250,000 Per Occurrence	
Member District Deductible	\$500 Per Occurrence	
Perils Included	"All Risk"	
Property Valuation		
Buildings and Contents	Replacement Costs	
Contractors Equipment	Actual Cash Value	
Automobiles	Actual Cash Value	
Boiler and Machinery		
Limit of Liability	\$125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		\$1,000
Crime		
Limits of Liability	\$500,000	
GCSSDJIF Self Insured Retention	\$250,000	
Member District Deductible		\$500
General and Automobile Liability		
Limits of Liability	\$10,000,000	
GCSSDJIF Self Insured Retention (SIR)	\$250,000	
Member District Deduction		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	\$250,000	
Member District Deductible		None
School Board Legal Liability		
Limits of Liability	\$10,000,000	
GCSSDJIF Self Insured Retention	\$100,000	
Member District Deductible		None
Pollution Legal Liability		
Limits of Liability	\$3,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		\$25,000

Source: District Records

SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB

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

Compliance

We have audited the Penns Grove-Carneys Point Regional School District's compliance with the types of compliance requirements described in the OMB Circular A-133 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-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 Penns Grove-Carneys Point Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Penns Grove-Carneys Point Regional School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Penns Grove-Carneys Point Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
November 29, 2012

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover / (Walkover) Amount
				From	To		
General Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
Education Jobs Fund	84.410	N/A	\$ 736,241.00	7/1/11	6/30/12		
U.S. Department of Health and Human Services Medical Assistance Program	93.778	N/A	99,138.18	7/1/11	6/30/12		
Total General Fund						\$ -	\$ -
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
N.C.L.B.:							
Title I - Part A	84.010	NCLB407012	1,432,389.00	9/1/11	8/31/12		
Title I - Part A	84.010	NCLB407011	1,381,755.00	9/1/10	8/31/11	(421,770.79)	(50,142.00)
Title I - Part A	84.010	NCLB407010	1,476,289.00	9/1/09	8/31/10	(43,825.84)	50,142.00
Title I - Part A, Carryover	84.010	NCLB407008	78,411.27	9/1/08	8/31/09	94.16	
Title I - School Improvement	84.377	NCLB407011	48,808.00	9/1/10	8/31/11	14.00	
Title I - School Improvement, Part G	84.377	NCLB407009	100,000.00	9/1/08	8/31/09	(13,100.00)	
Title II A	84.367	NCLB407012	167,114.00	9/1/11	8/31/12		
Title II A	84.367	NCLB407011	189,177.00	9/1/10	8/31/11	(45,736.18)	\$ (3,153.00)
Title II A	84.367	NCLB407010	189,242.00	9/1/09	8/31/10	(3,153.00)	3,153.00
Title II A, Carryover	84.367	NCLB407007	5,241.47	9/1/07	8/31/08	577.00	
Title II D	84.318	NCLB407011	2,855.00	9/1/11	8/31/12		
Title II D	84.318	NCLB407011	8,321.00	9/1/10	8/31/11		
Title II D	84.318	NCLB407010	14,015.00	9/1/09	8/31/10	(591.39)	
Title II D	84.318	NCLB407009	10,940.00	9/1/08	8/31/09	543.00	
Title III	84.365	NCLB407012	50,814.00	9/1/11	8/31/12		
Title III	84.365	NCLB407011	49,060.00	9/1/10	8/31/11	(6,619.92)	(155.00)
Title III	84.365	NCLB407010	33,864.00	9/1/09	8/31/10	(155.00)	155.00
Title III - Immigrant, Carryover	84.365	NCLB407008	196.00	9/1/08	8/31/09	196.00	
Title IV	84.186	NCLB407010	19,412.00	9/1/09	8/31/10	(8,045.00)	
Title IV, Carryover	84.186	NCLB407007	2,786.96	9/1/07	8/31/08	96.96	
Title V, Carryover	84.298	NCLB407008	59.95	9/1/08	8/31/09	59.95	
I.D.E.A. Part B:							
ARRA - I.D.E.A. Part B, Basic Regular	84.391	IDEA407010	661,055.00	7/1/09	8/31/11	7,484.51	
I.D.E.A. Part B, Basic Regular	84.027	IDEA407012	555,453.00	9/1/11	8/31/12		
I.D.E.A. Part B, Basic Regular	84.027	IDEA407011	564,199.00	9/1/10	8/31/11	(48,390.35)	
I.D.E.A. Part B, Basic Regular, Carryover	84.027	IDEA407008	26,642.82	9/1/08	8/31/09	193.36	
I.D.E.A. Preschool Incentive	84.173	IDEA407012	21,686.00	9/1/11	8/31/12		
I.D.E.A. Preschool Incentive	84.173	IDEA407011	24,189.00	9/1/10	8/31/11	(24,189.00)	
I.D.E.A. Preschool Incentive, Carryover	84.173	IDEA407009	21,412.00	9/1/09	8/31/10	(3,555.23)	3,555.23
I.D.E.A. Preschool Incentive, Carryover	84.173	IDEA407008	22,512.00	9/1/08	8/31/09	16,752.96	(3,555.23)
I.D.E.A. Preschool Incentive, Carryover	84.173	IDEA407007	22,569.00	9/1/07	8/31/08	10,575.79	
Carl D. Perkins	84.243	PERK407012	16,805.00	7/1/11	6/30/12		
Carl D. Perkins	84.243	PERK407011	20,291.00	7/1/10	6/30/11	(8,168.00)	
Total U.S. Department of Education						(590,712.01)	
Total Special Revenue Fund						(590,712.01)	-
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
Cash Assistance:							
National School Lunch Program -- (Federal Share)	10.555	Unavailable	624,684.65	7/1/11	6/30/12		
National School Lunch Program -- (Federal Share)	10.555	Unavailable	606,916.94	7/1/10	6/30/11	(42,266.90)	
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	118,226.13	7/1/11	6/30/12		
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	115,574.98	7/1/10	6/30/11	(8,303.24)	
National School Snack Program -- (Federal Share)	10.555	Unavailable	10,153.60	7/1/11	6/30/12		
National School Snack Program -- (Federal Share)	10.555	Unavailable	10,610.86	7/1/10	6/30/11	(652.68)	
Non-Cash Assistance (Food Distribution):							
National School Lunch Program	10.555	Unavailable	58,273.36	7/1/11	6/30/12		
National School Lunch Program	10.555	Unavailable	62,374.08	7/1/10	6/30/11	15,262.30	
Total U.S. Department of Agriculture						(35,960.52)	-
Total Enterprise Fund						(35,960.52)	-
Total Federal Financial Assistance						\$ (626,672.53)	\$ -

(A) - Difference in Liquidation of Prior Year Accounts Payable

(B) - Rounding

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	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2012		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor
\$ 736,241.00	\$ (736,241.00)					
82,778.53	(99,138.18)			\$ (16,359.65)		
819,019.53	(835,379.18)	\$ -	\$ -	\$ (16,359.65)	\$ -	\$ -
954,776.00	(1,302,170.18)			(347,394.18)		
473,353.00	(14,760.73) (6,316.16)	\$ 13,320.52 (A)		0.00		94.16
5,727.00	(19,954.00)			(14,213.00)		
13,100.00						
132,020.00	(166,762.00)			(34,742.00)		
48,645.00				(244.18)		
	(2,646.43)			(2,646.43)		577.00
591.39						
46,323.00	(49,210.13)			(2,887.13)		543.00
7,223.00	(2,058.54)	1,610.46 (A)				
						196.00
8,045.00						96.96
						59.95
	(7,484.51)	214.89 (A)			214.89	
555,453.00	(555,453.00)					
68,881.00	(21,255.65)	765.00 (A) (0.06) (B)				193.30
21,686.00	(21,686.00)					
24,189.00						
						13,197.73
13,349.00	(16,805.00)			(3,456.00)		10,575.79
8,168.00	(232.00)	232.00 (A)				
2,381,529.39	(2,186,794.33)	16,142.81		(405,582.92)	214.89	25,533.89
2,381,529.39	(2,186,794.33)	16,142.81	-	(405,582.92)	214.89	25,533.89
528,975.59	(624,684.65)			(95,709.06)		
42,266.90						
113,662.65	(118,226.13)			(4,563.48)		
8,303.24						
9,984.88	(10,153.60)			(168.72)		
652.68						
58,273.36	(53,234.68) (15,262.52)				5,038.68	
762,119.30	(821,561.58)	-	-	(100,441.26)	5,038.68	-
762,119.30	(821,561.58)	-	-	(100,441.26)	5,038.68	-
\$ 3,962,668.22	\$ (3,843,735.09)	\$ 16,142.81	\$ -	\$ (522,383.83)	\$ 5,253.57	\$ 25,533.89

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2012

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2011</u>	<u>Cash Received</u>
			<u>From</u>	<u>To</u>		
General Fund:						
Current Expense:						
Special Education Categorical Aid	495-034-5120-089	\$ 1,107,306.00	7/1/11	6/30/12		\$ 1,000,493.79
Special Education Categorical Aid	495-034-5120-089	1,107,306.00	7/1/10	6/30/11	\$ (107,494.32)	107,494.32
Equalization Aid	495-034-5120-078	19,267,361.00	7/1/11	6/30/12		17,408,805.70
Equalization Aid	495-034-5120-078	18,779,446.00	7/1/10	6/30/11	(1,823,058.68)	1,823,058.68
Security Aid	495-034-5120-084	174,448.00	7/1/11	6/30/12		157,620.51
Extraordinary Special Education Aid	495-034-5120-473	255,925.00	7/1/11	6/30/12		
Extraordinary Special Education Aid	495-034-5120-473	132,196.00	7/1/10	6/30/11	(132,196.00)	132,196.00
T.P.A.F. Social Security Aid	495-034-5095-002	1,204,714.47	7/1/11	6/30/12		1,145,209.10
T.P.A.F. Social Security Aid	495-034-5095-002	1,205,558.17	7/1/10	6/30/11	(58,321.35)	58,321.35
Total General Fund					(2,121,070.35)	21,833,199.45
Special Revenue Fund:						
Preschool Education Aid	495-034-5120-086	786,546.00	7/1/11	6/30/12		707,886.00
Preschool Education Aid	495-034-5120-086	744,030.00	7/1/10	6/30/11	(74,232.00)	74,232.00
N.J. Nonpublic Aid:						
Textbook Aid	100-034-5120-064	9,374.00	7/1/09	6/30/10	17.50	
Auxiliary Services:						
Compensatory Education	100-034-5120-067	135,317.00	7/1/09	6/30/10	47,222.00	
Transportation	100-034-5120-067	24,431.00	7/1/09	6/30/10	6,728.40	
Handicapped Services:						
Supplemental Instruction	100-034-5120-066	9,557.00	7/1/09	6/30/10	3,891.20	
Examination and Classification	100-034-5120-066	12,432.00	7/1/09	6/30/10	8,165.20	
Corrective Speech	100-034-5120-066	33,178.00	7/1/09	6/30/10	7,823.20	
Department of Agriculture						
Curriculum in Agricultural Science Education (CASE)	Not Available	10,000.00	4/18/12	8/31/12		9,998.83
Rebel Anti-Tobacco Program	Not Available	2,000.00	7/1/10	6/30/11		
Total Special Revenue Fund					(384.50)	792,116.83
Capital Projects Fund:						
New Jersey Schools Development Authority:						
Educational Facilities Construction and Financing Act Section 15 Grants	4070-xxx-xx-xxxx	4,388,543.00	Project Completion		(938,418.60)	478,295.20
Debt Service Fund:						
Debt Service Aid, Type 2	495-034-5120-075	508,479.00	7/1/11	6/30/12	-	508,479.00
Enterprise Fund:						
National School Lunch Program--(State Share)	100-010-3350-023	14,303.03	7/1/11	6/30/12		13,773.91
National School Lunch Program--(State Share)	100-010-3350-023	13,628.41	7/1/10	6/30/11	(1,018.65)	1,018.65
Total Enterprise Fund					(1,018.65)	14,792.56
Total State Financial Assistance					\$ (3,060,892.10)	\$ 23,626,883.04

(A) - Rounding adjustments per State Certificate of Debit and Credit.

(B) - New Project Approval & Project Budget Revisions

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.

Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2012			MEMO	
			(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
\$ (1,107,306.00)			\$ (106,812.21)			\$ (106,812.21)	\$ (1,107,306.00)
(19,267,361.00)			(1,858,555.30)			(1,858,555.30)	(1,107,306.00)
(174,448.00)			(16,827.49)			(16,827.49)	(19,267,361.00)
(255,925.00)			(255,925.00)				(18,779,446.00)
(1,204,714.47)			(59,505.37)				(174,448.00)
							(255,925.00)
							(132,196.00)
							(1,204,714.47)
							(1,205,558.17)
(22,009,754.47)			(2,297,625.37)			(1,982,195.00)	(43,234,260.64)
(786,546.00)			(78,660.00)			(78,660.00)	(786,546.00)
	\$ (1.50) (A)	\$ (16.00)					(744,030.00)
		(47,222.00)					(4,804.62)
		(6,728.40)					(110,365.50)
		(3,891.20)					(24,430.20)
		(8,165.20)					(7,164.00)
		(7,823.20)					(11,698.00)
(9,988.73)				\$ 10.10			(9,867.00)
							(9,988.73)
(796,534.73)	(1.50)	(73,846.00)	(78,660.00)	10.10	-	(78,660.00)	(9,988.73)
	(1,907,065.60) (B)		(2,367,189.00)				(1,708,894.05)
(508,479.00)							(2,021,354.00)
(14,303.03)			(529.12)				(508,479.00)
(14,303.03)			(529.12)				(14,303.03)
							(13,628.41)
							(14,303.03)
							(27,931.44)
\$ (23,329,071.23)	\$ (1,907,067.10)	\$ (73,846.00)	\$ (4,744,003.49)	\$ 10.10	\$ -	\$ (2,060,855.00)	\$ (47,500,919.13)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$51,642.00) for the general fund and (\$4,428.00) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$0.00 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.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 835,379.18	\$ 23,516,707.47	\$ 24,352,086.65
Special Revenue	2,186,794.33	792,106.73	2,978,901.06
Capital Projects		2,207,310.00	2,207,310.00
Debt Service		508,479.00	508,479.00
Food Service	821,561.36	14,303.03	835,864.39
Total Awards and Financial Assistance	<u>\$ 3,843,734.87</u>	<u>\$ 27,038,906.23</u>	<u>\$ 30,882,641.10</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" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2010-2011, capital projects approvals and budget revisions and rounding differences.

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. 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 ended June 30, 2012.

Note 7: MAJOR PROGRAMS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes X no

Were significant deficiencies identified that were not considered to be a material weakness? _____ yes X none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5095-002	Reimbursed T.P.A.F. Social Security Contributions
495-034-5120-086	Preschool Education Aid

Dollar threshold used to determine Type A programs \$ 699,872.00

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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 OMB Circular A-133.

None

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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 OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

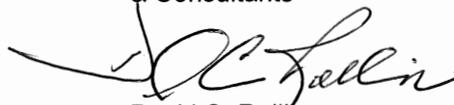
25400

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "D. C. Rollison", written in a cursive style.

David C. Rollison
Public School Accountant
No. CS00346

