

**SCHOOL DISTRICT
OF
PENNSVILLE TOWNSHIP**

**Pennsville Township Board of Education
Pennsville, New Jersey**

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013***

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***Comprehensive Annual
Financial Report***

of the

Pennsville Township Board of Education

Pennsville, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

***John J. Recchinti
Business Administrator/Board Secretary***

Introductory Section



PENNSVILLE PUBLIC SCHOOL DISTRICT

Business Administration
30 Church Street
Pennsville, NJ 08070-2199

JOHN J. RECCHINTI
Business Administrator

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FAX (856) 678-7565
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December 3, 2013

Honorable President and
Members of the Board of Education
Pennsville Township School District
County of Salem
Pennsville, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Pennsville Township School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of 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 state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and Its Services

Pennsville Township School District is an independent entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Pennsville Township Board of Education and all its schools constitute the District's reporting entity.

1. Reporting Entity and Its Services (Concluded)

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an enrollment of 1,912 students, which is a decrease from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	1,912	(2.09%)
2011-12	1,953	4.83%
2010-11	1,863	0.03%
2009-10	1,812	(4.03%)
2008-09	1,888	(3.23%)

2. Major Initiatives

The results of the Scholastic Aptitude Test for the Pennsville Memorial High School senior class of 2012-13 were: Critical Reading 480, Writing 465, and Math 490.

On the state mandated High School Proficiency Assessment for eleventh grade, administered during the school year 2012-13, 91.2% of the students were at or above the state standards in language arts and 74.0% in mathematics.

3. 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either 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, 2013.

5. 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.

6. Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in connection with it. The District's MD & A can be found immediately following the report of the independent auditors.

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.

8. Risk Management

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

9. Other Information

A. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ball, Buckley and Seher, 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 of 1984 as amended in 1996 and the related OMB Circular A-133 and New Jersey OMB's Letter 04-04. The auditor's report on the basic financial statements and the 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.

10. Acknowledgments

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

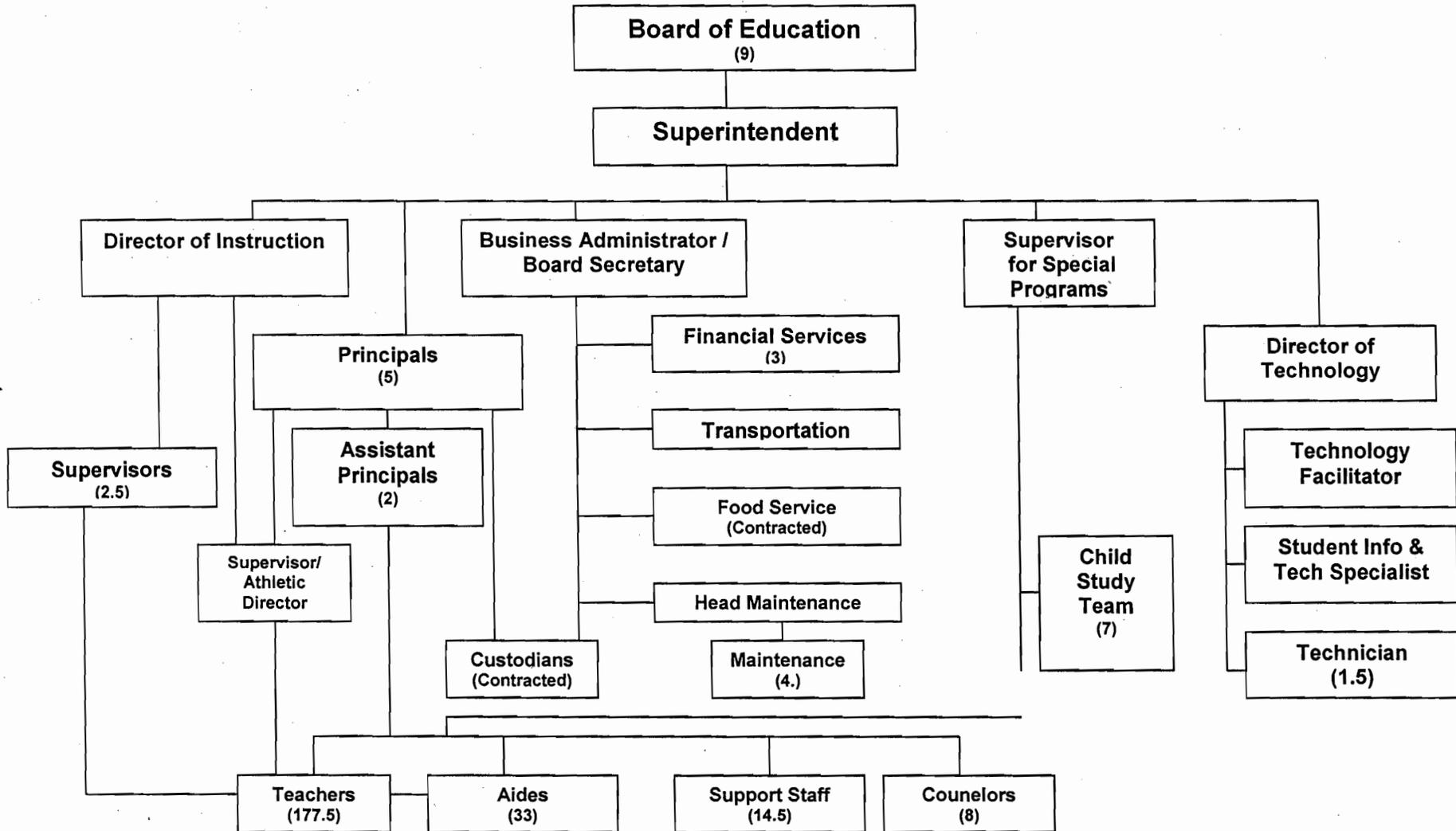
Respectfully submitted,

Dr. Michael Brodzik
Superintendent of School

John J. Recchinti
Business Administrator/Board Secretary

**PENNSVILLE TOWNSHIP BOARD OF EDUCATION
PENNSVILLE, NEW JERSEY**

**ORGANIZATIONAL CHART
JUNE 30, 2013**



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**PENNSVILLE TOWNSHIP BOARD OF EDUCATION
PENNSVILLE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

	<u>Term Expires</u>
Members of the Board of Education	
Katherine Bodine, President	2013
Jack Nugent, Vice President	2015
Lisa Ascali	2013
Margo Myers	2013
Greg Action	2014
Jeffrey Elwell	2014
Michael Manahan	2014
Amy Patrick	2015
Nancy Phillips	2015
 Other Officials	
Michael Brodzik, Ed. D., Superintendent of Schools	
John J. Recchinti, Business Administrator/Board Secretary	
John Willadsen, Treasurer of School Moneys	
Mark Toscano, Solicitor	

**PENNSVILLE TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors**

Engineer

Remington & Vernick
232 Kings Highway
Haddonfield, New Jersey 08033

Audit Firm

Ball, Buckley and Seher, LLP
1301 North Broad Street
Woodbury, New Jersey 08096

Attorney

Mark Toscano
Comegno Law Group
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

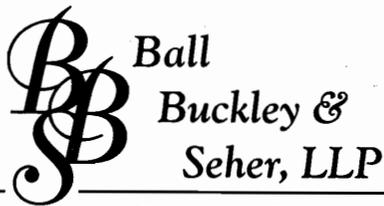
Official Depository

Pennsville National Bank
170 South Broadway
Post Office Box 345
Pennsville, New Jersey 08070

Insurance Agent

Arthur J. Gallagher
Risk Management Services, Inc.
525 Lincoln Drive West
Five Greentree Centre
4th Floor, Suite 410
Marlton, New Jersey 08053

Financial Section



CERTIFIED PUBLIC ACCOUNTANTS



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED
BY REQUIRED SUPPLEMENTARY INFORMATION AND SUPPLEMENTARY
SCHEDULE OF FEDERAL AND STATE AWARDS AND OTHER
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Township of Pennsville School District
County of Salem
Pennsville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Pennsville School District, County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Pennsville School District as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 21 and 57 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Township of Pennsville School District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

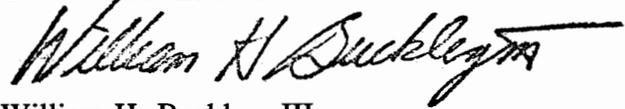
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013 on our consideration of the Board of Education of the Township of Pennsville 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 the 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.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

December 3, 2013

Required Supplementary Information - Part I

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2013**

This section of the Pennsville Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2012-13) and the prior year (2011-12) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2012-13 fiscal year include the following:

- Net position for governmental and business-type activities were \$3,022,772.45 and \$64,506.73, respectively.
- Net position for governmental activities increased by \$1,412,004.95 and net position for business-type activities decreased by \$25,448.56 from July 1, 2012 to June 30, 2013.
- The general fund, fund balance as of June 30, 2013 was \$1,361,821.78, an increase of \$97,132.84 when compared with the beginning balance as of July 1, 2012 of \$1,264,688.94.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**Table 1
Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position Statement of cash flows	Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and liabilities - are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Program and Child Care Program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE.

Net Position. The District's net position for the fiscal years ended June 30, 2012 and 2013 are reflected in Table 2.

**Table 2
Net Position**

	2013			2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 2,181,731.32	\$ 24,632.77	\$ 2,206,364.09	\$ 2,885,200.93	\$ 54,968.80	\$ 2,940,169.73
Capital assets, net	3,543,787.64	39,873.96	3,583,661.60	2,879,135.39	34,986.49	2,914,121.88
Total assets	5,725,518.96	64,506.73	5,790,025.69	5,764,336.32	89,955.29	5,854,291.61
Liabilities:						
Current and other liabilities	213,588.47	0.00	213,588.47	1,055,736.77	0.00	1,055,736.77
Long-term liabilities:						
Due within one year	577,250.82	0.00	577,250.82	386,744.97	0.00	386,744.97
Due in more than one year	1,911,907.22	0.00	1,911,907.22	2,711,087.08	0.00	2,711,087.08
Total liabilities	2,702,746.51	0.00	2,702,746.51	4,153,568.82	0.00	4,153,568.82
Net position:						
Net investment in capital assets	2,417,555.29	39,873.96	2,457,429.25	1,239,386.10	34,986.49	1,274,372.59
Restricted for:						
Debt service	2.07	0.00	2.07	1.66	0.00	1.66
Capital projects	374,186.66	0.00	374,186.66	401,972.32	0.00	401,972.32
Permanent endowment:						
Nonexpendable	88,717.42	0.00	88,717.42	88,751.54	0.00	88,751.54
Other purposes	1,723,334.02	0.00	1,723,334.02	1,515,760.51	0.00	1,515,760.51
Unrestricted	(1,581,023.01)	24,632.77	(1,556,390.24)	(1,635,104.63)	54,968.80	(1,580,135.83)
Total net position	\$ 3,022,772.45	\$ 64,506.73	\$ 3,087,279.18	\$ 1,610,767.50	\$ 89,955.29	\$ 1,700,722.79

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$4,962,888.09 (operating grants and contributions - \$3,949,335.84 and charges for services \$1,013,552.25).
- General revenues, special items, extraordinary items, and transfers amounted to \$28,300,483.37.
- Net expenditures were \$26,913,926.98.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$3,087,279.18 as of June 30, 2013.
- Revenues (\$28,300,483.37) plus beginning position (\$1,700,722.79) less net expenditures (\$26,913,926.98) equals net position of \$3,087,279.18.

Change in Net Position. Net position for governmental type activities increased and business-type activities decreased from June 30, 2012 to June 30, 2013 as reflected in Table 3.

**Table 3
Changes in Net Position**

	2013			2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program revenues:						
Charges for services	\$ 644,753.00	\$ 368,799.25	\$ 1,013,552.25	\$ 673,440.00	\$ 410,108.72	\$ 1,083,548.72
Operating grants and contributions	3,684,432.60	264,903.24	3,949,335.84	3,134,512.85	278,725.05	3,413,237.90
General revenues:						
Property taxes	18,232,034.00	0.00	18,232,034.00	17,874,543.00	0.00	17,874,543.00
Grants and entitlements	8,625,508.70	0.00	8,625,508.70	9,267,468.10	0.00	9,267,468.10
Debt service	208,838.00	0.00	208,838.00	210,678.00	0.00	210,678.00
Other	1,234,102.67	0.00	1,234,102.67	(1,282,665.17)	6,672.94	(1,275,992.23)
Total revenues	32,629,668.97	633,702.49	33,263,371.46	29,877,976.78	695,506.71	30,573,483.49
Program expenses:						
Instruction	12,282,662.63	0.00	12,282,662.63	12,811,206.76	0.00	12,811,206.76
Tuition	1,225,451.90	0.00	1,225,451.90	859,808.15	0.00	859,808.15
Student and instruction related services	3,322,246.16	0.00	3,322,246.16	3,303,485.63	0.00	3,303,485.63
General administration	681,586.12	0.00	681,586.12	680,987.28	0.00	680,987.28
School administrative services	1,327,618.38	0.00	1,327,618.38	1,295,935.16	0.00	1,295,935.16
Central services	381,668.99	0.00	381,668.99	365,580.58	0.00	365,580.58
Administrative information technology	310,434.34	0.00	310,434.34	331,289.80	0.00	331,289.80
Plant operations and maintenance	2,843,146.72	0.00	2,843,146.72	2,529,822.43	0.00	2,529,822.43
Pupil transportation	1,261,716.27	0.00	1,261,716.27	1,300,477.48	0.00	1,300,477.48
Unallocated benefits	7,308,902.66	0.00	7,308,902.66	6,428,461.82	0.00	6,428,461.82
Debt service	12,213.59	0.00	12,213.59	25,206.54	0.00	25,206.54
Unallocated depreciation	260,016.26	0.00	260,016.26	247,999.74	0.00	247,999.74
Enterprise operation	0.00	659,151.05	659,151.05	0.00	648,243.41	648,243.41
Total expenses	31,217,664.02	659,151.05	31,876,815.07	30,180,261.37	648,243.41	30,828,504.78
Increase (decrease) in net position	\$ 1,412,004.95	\$ (25,448.56)	\$ 1,386,556.39	\$ (302,284.59)	\$ 47,263.30	\$ (255,021.29)

Total revenues for the District were \$33,263,371.46. Government funding was the source of 37.80% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$18,440,872.00 provided 55.44% of revenues.

Other miscellaneous revenues of \$1,234,102.67 represent 3.71% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, transportation fees and fixed assets/construction contract adjustments.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$13,508,114.53 (43.27%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$4,583,962.43 (14.68%) of total expenditures. Total expenditures exceeded revenues for governmental activities, decreasing net position \$1,412,004.95 from the beginning balance at July 1, 2012.

Activity Descriptions

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School administrative and general and business administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$1,823,610.99. At June 30, 2012 the fund balance was \$1,754,307.52.

All governmental funds had total revenues of \$31,338,044.50 and total expenditures of \$31,268,741.03.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The General Fund includes the primary operations of the District in providing educational services to students from K through grade 12 including pupil transportation activities and capital outlay projects.

Table 4 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Table 4
Comparison of Revenues**

	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local sources:				
Local tax levy	\$ 18,440,872.00	\$ 18,085,221.00	\$ 355,651.00	1.97%
Tuition	161,613.58	152,887.83	8,725.75	5.71%
Transportation	59,014.25	57,801.25		
Miscellaneous	379,565.37	403,137.89	(23,572.52)	-5.85%
Government sources:				
State sources	11,394,253.19	11,146,578.41	247,674.78	2.22%
Federal sources	902,726.11	1,255,402.54	(352,676.43)	-28.09%
Total	\$ 31,338,044.50	\$ 31,101,028.92	\$ 235,802.58	0.76%

One of the primary sources of funding for the District is received from local property taxes and accounted for 58.84% of total revenues. State aid accounted for 36.36% of total revenues.

Total governmental fund revenues increased by \$235,802.58, or .76% from the previous year. The major components of this increase were the increase in state aid. Property taxes also increased by \$355,651.00 over the prior fiscal year.

Table 5 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table 5
Comparison of Expenditures

	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction:				
Regular	\$ 8,548,429.23	\$ 9,021,795.20	\$ (473,365.97)	-5.25%
Special education	2,569,675.44	2,484,988.12	84,687.32	3.41%
Other special instruction	227,488.54	215,568.00	11,920.54	5.53%
Other instruction	468,408.27	438,537.96	29,870.31	6.81%
Support services:				
Tuition	1,225,451.90	859,808.15	365,643.75	42.53%
Student and instruction related services	3,209,515.30	3,303,485.63	(93,970.33)	-2.84%
General administration	681,586.12	680,987.28	598.84	0.09%
School administration	1,327,618.38	1,295,935.16	31,683.22	2.44%
Central services	381,668.99	365,580.58	16,088.41	4.40%
Administrative information technology	310,434.34	331,289.80	(20,855.46)	-6.30%
Plant operations and maintenance	2,843,146.72	2,529,822.43	313,324.29	12.39%
Pupil transportation	1,261,716.27	1,300,477.48	(38,761.21)	-2.98%
Employee benefits	4,636,488.03	4,317,434.98	319,053.05	7.39%
TPAF and FICA reimbursements	2,672,414.63	2,111,026.84	561,387.79	26.59%
Capital outlay	625,047.28	2,002,277.59	(1,377,230.31)	-68.78%
Debt service	279,651.59	282,115.40	(2,463.81)	-0.87%
Total	\$ 31,268,741.03	\$ 31,541,130.60	\$ (272,389.57)	-0.86%

Total governmental fund expenditures decreased \$272,389.57 or .86% from the previous year. This increase was primarily due to the increase of capital projects in the current year.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2013 the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$279,651.59, of which \$208,838.00 in funding was provided by the local tax levy and \$70,814.00 was provided by a state debt service grant.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund had net position of \$64,506.73 as of June 30, 2013. This reflects a decrease of \$25,448.56 from June 30, 2012. This decrease is largely due to a decrease in revenue from the sale of lunches.

INTERNAL SERVICE FUNDS

The Internal Services Fund had net position of \$223,040.03 as of June 30, 2013. This reflects an increase of \$47,407.88 from June 30, 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are individual items purchased at a cost exceeding \$2,000.00, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2013, the District had capital assets allocated to governmental activities with a book value of \$11,241,215.89. This consists of a broad range of capital assets, including land, site and site improvements, and machinery and equipment. Total depreciation expense for the year was \$260,016.26.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
At June 30, 2013 and 2012

	2013			2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, site and site improvements	\$ 1,446,827.40	\$ 0.00	\$ 1,446,827.40	\$ 1,357,647.03	\$ 0.00	\$ 1,357,647.03
Building and improvements	1,573,805.54	0.00	1,573,805.54	1,007,593.16	0.00	1,007,593.16
Machinery and equipment	495,359.04	39,873.96	535,233.00	513,895.20	34,986.49	548,881.69
Construction in progress	27,795.66	0.00	27,795.66	0.00	0.00	0.00
Total	\$ 3,543,787.64	\$ 39,873.96	\$ 3,583,661.60	\$ 2,879,135.39	\$ 34,986.49	\$ 2,914,121.88

Long-Term Obligations

At year-end, the District had \$270,990.69 in general obligation bonds outstanding, a decrease of \$261,423.77 from last year - as shown below. The District does not anticipate incurring any new long-term debt at this time.

The District also had a \$1,362,925.69 liability for compensated absences allocated to governmental activities. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes long-term obligations.

**Table 7
Long-Term Obligations
At June 30, 2013 and 2012**

	2013			2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Construction renovation to existing school bonds 91-93	\$ 270,990.69	\$ 0.00	\$ 270,990.69	\$ 532,414.46	\$ 0.00	\$ 532,414.46
Obligations under capital lease	855,241.66	0.00	855,241.66	1,107,334.83	0.00	1,107,334.83
Compensated absences	1,362,925.69	0.00	1,362,925.69	1,458,082.76	0.00	1,458,082.76
Total	\$ 2,489,158.04	\$ 0.00	\$ 2,489,158.04	\$ 3,097,832.05	\$ 0.00	\$ 3,097,832.05

For The Future

A major concern for the Pennsville Township School District is the passing of a bond referendum, which will allow the District to make renovations to its aging facilities. One of the District's major source of revenue is State Aid which in the past few years has slightly increased. These two factors have created financial challenges for the District.

Contacting The School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact John J. Recchinti, School Business Administrator at Pennsville Township School District, 30 Church Street, Pennsville, NJ 08070.

Basic Financial Statements

District-Wide Financial Statements

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 1,075,664.28	\$ 509.59	\$ 1,076,173.87
Receivables, net	1,182,485.03	13,724.18	1,196,209.21
Inventory	0.00	10,399.00	10,399.00
Restricted assets:			
Cash and cash equivalents	(76,418.99)	0.00	(76,418.99)
Capital reserve account - cash	1.00	0.00	1.00
Depreciable capital assets, net	3,543,787.64	39,873.96	3,583,661.60
Total assets	5,725,518.96	64,506.73	5,790,025.69
LIABILITIES:			
Accrued interest	5,646.90	0.00	5,646.90
Accounts payable	107,822.96	0.00	107,822.96
Contracts payable	24,586.46	0.00	24,586.46
Retained percentage due contractors	7,685.98	0.00	7,685.98
Payable to state government	41,675.66	0.00	41,675.66
Payable to federal government	3,685.39	0.00	3,685.39
Unearned revenue	22,485.12	0.00	22,485.12
Noncurrent liabilities:			
Due within one year	577,250.82	0.00	577,250.82
Due beyond one year	1,911,907.22	0.00	1,911,907.22
Total liabilities	2,702,746.51	0.00	2,702,746.51
NET POSITION:			
Net investment in capital assets	2,417,555.29	39,873.96	2,457,429.25
Restricted for:			
Capital projects	374,186.66	0.00	374,186.66
Debt service	2.07	0.00	2.07
Permanent endowment - nonexpendable	88,717.42	0.00	88,717.42
Other purposes	1,723,334.02	0.00	1,723,334.02
Unrestricted	(1,581,023.01)	24,632.77	(1,556,390.24)
Total net position	\$ 3,022,772.45	\$ 64,506.73	\$ 3,087,279.18

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 8,548,429.23	\$ 0.00	\$ 308,667.06	\$ 0.00	\$ (8,239,762.17)	\$ 0.00	\$ (8,239,762.17)
Special education	2,569,675.44	0.00	0.00	0.00	(2,569,675.44)	0.00	(2,569,675.44)
Other special instruction	227,488.54	0.00	0.00	0.00	(227,488.54)	0.00	(227,488.54)
Other instruction	937,069.42	644,753.00	0.00	0.00	(292,316.42)	0.00	(292,316.42)
Support services:							
Tuition	1,225,451.90	0.00	441,622.69	0.00	(783,829.21)	0.00	(783,829.21)
Student and instruction related services	3,322,246.16	0.00	152,751.22	0.00	(3,169,494.94)	0.00	(3,169,494.94)
General administration	681,586.12	0.00	0.00	0.00	(681,586.12)	0.00	(681,586.12)
School administrative services	1,327,618.38	0.00	0.00	0.00	(1,327,618.38)	0.00	(1,327,618.38)
Central services	381,668.99	0.00	0.00	0.00	(381,668.99)	0.00	(381,668.99)
Administrative information technology	310,434.34	0.00	0.00	0.00	(310,434.34)	0.00	(310,434.34)
Plant operations and maintenance	2,843,146.72	0.00	0.00	0.00	(2,843,146.72)	0.00	(2,843,146.72)
Pupil transportation	1,261,716.27	0.00	0.00	0.00	(1,261,716.27)	0.00	(1,261,716.27)
Employee benefits	7,308,902.66	0.00	2,710,577.63	0.00	(4,598,325.03)	0.00	(4,598,325.03)
Interest on long-term debt	12,213.59	0.00	70,814.00	0.00	58,600.41	0.00	58,600.41
Unallocated depreciation	260,016.26	0.00	0.00	0.00	(260,016.26)	0.00	(260,016.26)
Total governmental activities	31,217,664.02	644,753.00	3,684,432.60	0.00	(26,888,478.42)	0.00	(26,888,478.42)
Business-type activities:							
Food service	659,151.05	368,799.25	264,903.24	0.00	0.00	(25,448.56)	(25,448.56)
Total business-type activities	659,151.05	368,799.25	264,903.24	0.00	0.00	(25,448.56)	(25,448.56)
Total primary government	\$ 31,876,815.07	\$ 1,013,552.25	\$ 3,949,335.84	\$ 0.00	(26,888,478.42)	(25,448.56)	(26,913,926.98)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					18,232,034.00	0.00	18,232,034.00
Taxes levied for debt service					208,838.00	0.00	208,838.00
Federal and state aid not restricted					8,625,508.70	0.00	8,625,508.70
Tuition					161,613.58	0.00	161,613.58
Transportation fees from individuals					59,014.25	0.00	59,014.25
Investment earnings					5,569.44	0.00	5,569.44
Miscellaneous income					353,233.93	0.00	353,233.93
Fixed asset additions, disposals and prior period adjustments					559,514.40	0.00	559,514.40
Compensated absences reduction					95,157.07	0.00	95,157.07
					<u>28,300,483.37</u>	<u>0.00</u>	<u>28,300,483.37</u>
Change in net position					1,412,004.95	(25,448.56)	1,386,556.39
Net position - beginning					1,610,767.50	89,955.29	1,700,722.79
Net position - ending					\$ 3,022,772.45	\$ 64,506.73	\$ 3,087,279.18

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 989,960.82	\$ 0.00	\$ 0.00	\$ 2.07	\$ 88,717.42	\$ 1,078,680.31
Interfund accounts receivable	350,958.93	0.00	0.00	0.00	0.00	350,958.93
Receivables from other governments	79,748.74	391,520.80	589,340.00	0.00	0.00	1,060,609.54
Other	56,101.14	1,290.95	0.00	0.00	0.00	57,392.09
Restricted cash and cash equivalents	1.00	0.00	0.00	0.00	0.00	1.00
Total assets	\$ 1,476,770.63	\$ 392,811.75	\$ 589,340.00	\$ 2.07	\$ 88,717.42	\$ 2,547,641.87
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Cash deficit	\$ 0.00	\$ 0.00	\$ 165,138.48	\$ 0.00	\$ 0.00	\$ 165,138.48
Accounts payable	98,129.60	9,693.36	0.00	0.00	0.00	107,822.96
Due to other funds	0.00	332,091.47	18,859.36	0.00	0.00	350,950.83
Retained percentage due contractors	0.00	0.00	7,685.98	0.00	0.00	7,685.98
Construction contracts payable	0.00	0.00	24,586.46	0.00	0.00	24,586.46
Payable to state government	0.00	41,675.66	0.00	0.00	0.00	41,675.66
Payable to federal government	0.00	3,685.39	0.00	0.00	0.00	3,685.39
Unearned revenue	16,819.25	5,665.87	0.00	0.00	0.00	22,485.12
Total liabilities	114,948.85	392,811.75	216,270.28	0.00	0.00	724,030.88
Fund balances:						
Nonspendable:						
Permanent fund principal	0.00	0.00	0.00	0.00	88,706.56	88,706.56
Restricted for:						
Capital reserve account	1,116.94	0.00	0.00	0.00	0.00	1,116.94
Excess surplus - current year	76,523.29	0.00	0.00	0.00	0.00	76,523.29
Excess surplus - prior year - designated for subsequent year's expenditures	1,448.68	0.00	0.00	0.00	0.00	1,448.68
Capital projects fund	0.00	0.00	373,069.72	0.00	0.00	373,069.72
Assigned:						
Designated by the BOE for subsequent year's expenditures	695,717.32	0.00	0.00	0.00	0.00	695,717.32
Other purposes	799,465.97	0.00	0.00	0.00	10.86	799,476.83
Unassigned:						
General fund	(212,450.42)	0.00	0.00	0.00	0.00	(212,450.42)
Debt service fund	0.00	0.00	0.00	2.07	0.00	2.07
Total fund balances	1,361,821.78	0.00	373,069.72	2.07	88,717.42	1,823,610.99
Total liabilities and fund balances	\$ 1,476,770.63	\$ 392,811.75	\$ 589,340.00	\$ 2.07	\$ 88,717.42	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,241,215.89 and the accumulated depreciation is \$7,697,428.25.	3,543,787.64
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see footnote)	(2,489,158.04)
Interest on long-term debt in the statement of activities is accrued, regardless of when due	(5,646.90)
Internal service fund is added in since the academic activities with other LEA's are governmental in nature	150,178.76
Net position of governmental activities	\$ 3,022,772.45

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 18,232,034.00	\$ 0.00	\$ 0.00	\$ 208,838.00	\$ 0.00	\$ 18,440,872.00
Tuition	161,613.58	0.00	0.00	0.00	0.00	161,613.58
Transportation fees from individuals	59,014.25	0.00	0.00	0.00	0.00	59,014.25
Interest earned on capital reserve funds	10.00	0.00	0.00	0.00	0.00	10.00
Miscellaneous	358,752.49	20,762.00	0.00	0.00	40.88	379,555.37
Total local sources	18,811,424.32	20,762.00	0.00	208,838.00	40.88	19,041,065.20
State sources	11,268,504.21	54,934.98	0.00	70,814.00	0.00	11,394,253.19
Federal sources	29,419.12	873,306.99	0.00	0.00	0.00	902,726.11
Total revenues	30,109,347.65	949,003.97	0.00	279,652.00	40.88	31,338,044.50
EXPENDITURES:						
Current:						
Regular instruction	8,239,762.17	308,667.06	0.00	0.00	0.00	8,548,429.23
Special education instruction	2,569,675.44	0.00	0.00	0.00	0.00	2,569,675.44
Other special instruction	227,488.54	0.00	0.00	0.00	0.00	227,488.54
Other instruction	468,408.27	0.00	0.00	0.00	0.00	468,408.27
Support services and undistributed costs:						
Tuition	783,829.21	441,622.69	0.00	0.00	0.00	1,225,451.90
Student and instruction related services	3,056,689.08	152,751.22	0.00	0.00	75.00	3,209,515.30
General administration	681,586.12	0.00	0.00	0.00	0.00	681,586.12
School administrative services	1,327,618.38	0.00	0.00	0.00	0.00	1,327,618.38
Central services	381,668.99	0.00	0.00	0.00	0.00	381,668.99
Administrative information technology	310,434.34	0.00	0.00	0.00	0.00	310,434.34
Plant operations and maintenance	2,843,146.72	0.00	0.00	0.00	0.00	2,843,146.72
Pupil transportation	1,261,716.27	0.00	0.00	0.00	0.00	1,261,716.27
Employee benefits	7,270,739.66	38,163.00	0.00	0.00	0.00	7,308,902.66
Debt service:						
Principal	0.00	0.00	0.00	261,423.77	0.00	261,423.77
Interest and other charges	0.00	0.00	0.00	18,227.82	0.00	18,227.82
Capital outlay	589,451.62	7,800.00	27,795.66	0.00	0.00	625,047.28
Total expenditures	30,012,214.81	949,003.97	27,795.66	279,651.59	75.00	31,268,741.03
Excess (deficiency) of revenues over (under) expenditures	97,132.84	0.00	(27,795.66)	0.41	(34.12)	69,303.47
Net change in fund balances	97,132.84	0.00	(27,795.66)	0.41	(34.12)	69,303.47
Fund balance - July 1	1,264,688.94	0.00	400,865.38	1.66	88,751.54	1,754,307.52
Fund balance - June 30	\$ 1,361,821.78	\$ 0.00	\$ 373,069.72	\$ 2.07	\$ 88,717.42	\$ 1,823,610.99

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2013

Total net change in fund balances - governmental funds (from B-2)	\$	69,303.47
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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	\$ (260,016.26)		
Capital projects fund	27,795.66		
Capital outlays	<u>576,030.35</u>		343,809.75

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed and any adjustments.

Disposals	(19,323.60)		
Adjustments	<u>340,166.10</u>		320,842.50

Expenditures net of charges for services in the statement of activities which do not provide current financial resources and are not reported as expenditures in the funds.			63,360.99
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond principal			261,423.77
Capital lease			252,093.17

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 (+).

			95,157.07
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The accompanying notes to financial statements are an integral part of this statement.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2013**

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.

\$ 6,014.23

Change in net position of governmental activities

\$ 1,412,004.95

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business -Type Activities - Enterprise Funds Food Service	Governmental Activities Internal Service Fund
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 509.59	\$ 85,703.46
Accounts receivable	13,724.18	64,475.30
Inventories	10,399.00	0.00
Total current assets	24,632.77	150,178.76
Noncurrent assets:		
Furniture, machinery, and equipment	429,252.49	193,478.66
Less: accumulated depreciation	(389,378.53)	(120,617.39)
Total noncurrent assets	39,873.96	72,861.27
Total assets	\$ 64,506.73	\$ 223,040.03
NET POSITION:		
Net investment in capital assets	39,873.96	72,861.27
Unrestricted	24,632.77	150,178.76
Total net position	\$ 64,506.73	\$ 223,040.03

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
June 30, 2013

	Business -Type Activities - Enterprise Funds Food Service	Governmental Activities Internal Service Fund
OPERATING REVENUES:		
Charges for services:		
Daily sales-reimbursable programs:		
School lunch program	\$ 140,689.60	\$ 0.00
School breakfast program	2,789.40	0.00
Daily sales non-reimbursable programs	219,266.74	0.00
Special functions and miscellaneous	6,053.51	0.00
Program fees	0.00	644,753.00
Total operating revenues	368,799.25	644,753.00
OPERATING EXPENSES:		
Cost of sales	285,459.50	0.00
Salaries and employee benefits	302,598.81	468,661.15
Other purchased services	0.00	96,080.48
General supplies	22,570.17	16,600.38
Depreciation	5,052.69	15,953.11
Miscellaneous	43,469.88	50.00
Total operating expenses	659,151.05	597,345.12
Operating income (loss)	(290,351.80)	47,407.88
NONOPERATING REVENUES (Expenses):		
State sources:		
State school lunch program	5,617.13	0.00
Federal sources:		
National school lunch program	205,495.46	0.00
National school breakfast program	16,675.62	0.00
Food distribution program	37,115.03	0.00
Total nonoperating revenues (expenses)	264,903.24	0.00
Change in net position	(25,448.56)	47,407.88
Total net position - beginning	89,955.29	175,632.15
Total net position - ending	\$ 64,506.73	\$ 223,040.03

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
June 30, 2013

	Business -Type Activities - Enterprise Funds Food Service	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 368,799.25	\$ 580,277.70
Payments to employees and employee benefits	(302,598.81)	(468,661.15)
Payments to suppliers	(289,295.00)	(112,730.86)
Net cash provided by (used for) operating activities	(223,094.56)	(1,114.31)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State sources	5,467.87	0.00
Federal sources	215,546.43	0.00
Net cash provided by (used for) noncapital financing activities	221,014.30	0.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(9,940.16)	0.00
Net cash provided by (used for) capital and related financing activities	(9,940.16)	0.00
Net increase (decrease) in cash and cash equivalents	(12,020.42)	(1,114.31)
Balances - beginning of year	12,530.01	86,817.77
Balances - end of year	\$ 509.59	\$ 85,703.46
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (290,351.80)	\$ 47,407.88
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	5,052.69	15,953.11
Food distribution program	37,115.03	0.00
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable	0.00	(64,475.30)
(Increase)/decrease in inventories	25,089.52	0.00
Total adjustments	67,257.24	(48,522.19)
Net cash provided by (used for) operating activities	\$ (223,094.56)	\$ (1,114.31)

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 18,909.69	\$ 356,894.84
	<u>18,909.69</u>	<u>356,894.84</u>
Total assets	<u>18,909.69</u>	<u>\$ 356,894.84</u>
LIABILITIES:		
Interfund accounts payable	\$ 0.00	\$ 8.10
Payroll deductions and withholdings	3,765.47	44,217.92
Accrued salaries and wages	0.00	153,971.51
Due to student groups	0.00	158,697.31
	<u>3,765.47</u>	<u>158,697.31</u>
Total liabilities	<u>3,765.47</u>	<u>\$ 356,894.84</u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	\$ 15,144.22	
	<u>15,144.22</u>	

The accompanying notes to financial statements are an integral part of this statement.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust Fund	Total
OPERATING REVENUES:		
Deduction from employees' salaries	\$ 37,746.41	\$ 37,746.41
Interest earned	21.10	21.10
Total operating revenues	37,767.51	37,767.51
OPERATING EXPENSES:		
Quarterly contributions reports	11,101.26	11,101.26
Unemployment claims	22,610.91	22,610.91
Total operating expenses	33,712.17	33,712.17
Operating income (loss)	4,055.34	4,055.34
Net position - beginning of year	11,088.88	11,088.88
Net position - end of year	\$ 15,144.22	\$ 15,144.22

The accompanying notes to financial statements are an integral part of this statement.

Notes To The Financial Statements

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Pennsville Township School District (District) have been prepared in conformity with generally accepted accounting principles (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 more significant of the Board's accounting policies are described below.

A. Reporting Entity/Component Units

The Pennsville Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2013 of 1,912 students.

The primary criterion for including activities within the 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 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 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 District is not includable in any other reporting entity on the basis of such criteria.

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 District has determined that there are no component units.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the 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 noninstructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that the 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 that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government (other than major capital projects, debt service, or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

Permanent Fund - The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Concluded)

Proprietary Funds

The focus of proprietary fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

Enterprise Funds - The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the 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 District's enterprise funds are comprised of the food service fund.

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 total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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:

Food service fund:
Machinery and equipment - 15 years

Internal Service Fund - The Internal Service Fund has been established to account for the county wide programs administrator fees for the school to careers and school to work programs that are funded by every high school district that participates in the county.

Fiduciary Funds

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include the unemployment compensation insurance fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 District are included on the statement of net position.

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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

E. 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 District, available means expected to be received within sixty days after fiscal year end.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Concluded)

Revenue resulting from non-exchange transactions, which are defined as transactions in which the 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 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 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

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

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval 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, except for the special revenue fund as described later. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets/Budgetary Control (Concluded)

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

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

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

G. 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 for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents 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 at 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that 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.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash, Cash Equivalents, and Investments (Concluded)

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks 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 full amount of their deposits to the governmental units.

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2012-13 and 2011-12 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories

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

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

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

L. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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.

M. Short-Term Interfund Receivables/Payables

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The 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:

- Land and improvements - 10-20 years (governmental activities)
- Buildings and improvements - 20-50 years (governmental activities)
- Machinery and equipment - 5-15 years (governmental and business-type activities)

O. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$153,971.51.

P. 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 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 District and its employees, are recorded 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.

Q. Unearned Revenue

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Accrued Liabilities and Long-Term Obligations

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

S. Net Position

Net position represent the difference between assets and liabilities. Net investment 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 position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

T. Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance (Concluded)

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 District's highest level of decision-making authority, which, for the 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 District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by 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 District to spend restricted fund balance 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 District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

U. 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 District, these revenues are tuition for the school age child care program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

V. 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.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. Recent Accounting Pronouncements Not Yet Effective

In April 2012, GASB issued Statement No. 66 "Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In June 2012, GASB issued Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the District's financial reporting.

In June 2012, GASB issued Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the District's financial reporting.

In January 2013, GASB issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In April 2013, GASB issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the District's financial statements.

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 District's deposits might not be recovered. Although the 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 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 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, 2013, the District's bank balances of \$2,067,321.67 were exposed to custodial credit risk as follows:

Insurance	\$ 250,000.00
Uninsured and collateralized with securities held by pledging financial institutions	<u>1,817,321.67</u>
	<u>\$ 2,067,321.67</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education prior to 2001 and included in the capital outlay budget, which was certified for taxes and 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 its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a 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 year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess approval of the voters has been obtained either by 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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$ 1,106.94
Interest earnings	<u>10.00</u>
Ending balance, June 30, 2013	<u>\$ 1,116.94</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is \$90,509,937.00.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013 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 the fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Total
State	\$ 78,975.74	\$ 0.00	\$ 589,340.00	\$ 339.96	\$ 668,655.70
Federal	773.00	391,520.80	0.00	13,384.22	405,678.02
Other	56,101.14	1,290.95	0.00	0.00	57,392.09
Total	\$ 135,849.88	\$ 392,811.75	\$ 589,340.00	\$ 13,724.18	\$ 1,131,725.81

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance as of June 30, 2012	Additions	Disposals	Adjustments	Balance as of June 30, 2013
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Construction in progress	0.00	27,795.66	0.00	0.00	27,795.66
Total capital assets, not being depreciated	<u>0.00</u>	<u>27,795.66</u>	<u>0.00</u>	<u>0.00</u>	<u>27,795.66</u>
Capital assets, being depreciated:					
Site and site improvements	1,663,245.24	26,979.00	0.00	153,497.13	1,843,721.37
Buildings and building improvements	6,987,456.37	511,390.00	0.00	153,073.58	7,651,919.95
Machinery and equipment	1,675,079.50	37,661.35	19,323.60	24,361.66	1,717,778.91
Total at historical cost	<u>10,325,781.11</u>	<u>576,030.35</u>	<u>19,323.60</u>	<u>330,932.37</u>	<u>11,213,420.23</u>
Less accumulated depreciation:					
Site and site improvements	(305,598.21)	(91,295.76)	0.00	0.00	(396,893.97)
Buildings and building improvements	(5,979,863.21)	(90,597.52)	0.00	(7,653.68)	(6,078,114.41)
Machinery and equipment	(1,161,184.30)	(78,122.98)	0.00	16,887.41	(1,222,419.87)
Total accumulated depreciation	<u>(7,446,645.72)</u>	<u>(260,016.26)</u>	<u>0.00</u>	<u>9,233.73</u>	<u>(7,697,428.25)</u>
Total capital assets, being depreciated, net	<u>2,879,135.39</u>	<u>316,014.09</u>	<u>19,323.60</u>	<u>340,166.10</u>	<u>3,515,991.98</u>
Governmental activities capital assets, net	<u>\$ 2,879,135.39</u>	<u>\$ 343,809.75</u>	<u>\$ 19,323.60</u>	<u>\$ 340,166.10</u>	<u>\$ 3,543,787.64</u>
Business-type activities:					
Capital assets, being depreciated:					
Machinery and equipment	\$ 428,012.33	\$ 9,940.16	\$ 8,700.00	\$ 0.00	\$ 429,252.49
Less accumulated depreciation	(393,025.84)	(5,052.69)	(8,700.00)	0.00	(389,378.53)
Business-type activities capital assets, net	<u>\$ 34,986.49</u>	<u>\$ 4,887.47</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 39,873.96</u>

Depreciation expense in the amount of \$260,016.26 was charged to governmental functions as follows:

Unallocated	<u>\$ 260,016.26</u>
Total depreciation expense	<u>\$ 260,016.26</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the general long-term debt account group:

	Principal Outstanding June 30, 2012	Additions	Reductions	Principal Outstanding June 30, 2013	Amounts Due Within One Year
Small project loan	\$ 426,317.62	\$ 0.00	\$ 208,375.38	\$ 217,942.24	\$ 217,942.24
Safe program	106,096.84	0.00	53,048.39	53,048.45	53,048.45
Obligation under capital lease	1,107,334.83	0.00	252,093.17	855,241.66	258,266.80
Compensated absences payable	1,458,082.76	205,878.21	301,035.28	1,362,925.69	47,993.33
Total	\$ 3,097,832.05	\$ 205,878.21	\$ 814,552.22	\$ 2,489,158.04	\$ 577,250.82

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable

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

On August 18, 1993, the District issued \$3,023,759.00 in general obligation bonds at 5.288% for a small project. The final maturity of the bonds is 2013. Also on August 18, 1993, the District issued \$1,007,920.00 in general obligation bonds at 1.5% for a safe program. The final maturity of the bonds is 2013.

Principal and interest due on serial bonds outstanding is as follows:

	Principal	Interest	Total
Year ending June 30, 2014	\$ 270,990.69	\$ 6,160.26	\$ 277,150.95
	<u>\$ 270,990.69</u>	<u>\$ 6,160.26</u>	<u>\$ 277,150.95</u>

At June 30, 2013, bonds payable consisted of the following individual issues:

Purpose	Maturities	Interest Rate	Balance
Small project loan	7/15/10-7/15/13	5.288%	\$ 217,942.24
Safe program	7/15/10-7/15/13	1.500%	<u>53,048.45</u>
			<u>\$ 270,990.69</u>

B. Bonds Authorized But Not Issued

As of June 30, 2013, the District had no authorized but not issued bonds.

C. Capital Leases

At June 30, 2013, the District had capital lease obligations as follows:

Lease #1 - Acquisition of computer smart boards, LCD projectors, and an energy efficient boiler in the amount of \$581,550.00. The lease is for a term of four years and bears interest at 2.47%.

Lease #2 - Purchase of science lab equipment and renovation of the high school science lab in the amount of \$750,764.00. The lease is for a term of four years and bears interest at 2.38%.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - GENERAL LONG-TERM DEBT (Concluded)

C. Capital Leases (Concluded)

The following is a schedule of the minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2013.

	Principal	Interest	Total
Year ending June 30,			
2014	\$ 258,266.80	\$ 19,168.44	\$ 277,435.24
2015	264,554.73	12,880.51	277,435.24
2016	270,995.73	6,439.44	277,435.17
2017	61,424.40	756.51	62,180.91
	\$ 855,241.66	\$ 39,244.90	\$ 894,486.56

D. Temporary Notes Payable

As of June 30, 2013, the District had no temporary notes payable.

E. Interest Expense

No interest expense was capitalized during the fiscal year ending June 30, 2013. Interest expense totaling \$18,227.82 was paid by the debt service fund for the fiscal year ending June 30, 2013.

F. Compensated Absences

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

NOTE 7 - PENSION PLANS

Description of Plans

Substantially all of the District's employees participate in one of the following pension plans which have been established by state statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 - PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on 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. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. 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 District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain 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 PERS 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, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. 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 District is billed annually for its normal contribution plus any accrued liability.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 - PENSION PLANS (Concluded)

The District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non- Contributory Life</u>
2013	\$ 62,548.00	\$ 149,555.00	\$ 12,624.00
2012	100,368.00	200,737.00	-
2011	146,416.00	194,912.00	-
	<u>Total Liability</u>	<u>Paid By District</u>	
2013	\$ 224,727.00	\$ 224,727.00	
2012	301,105.00	301,105.00	
2011	341,328.00	341,328.00	

Public Employees' Retirement System (PERS) Payment Deferral

On March 17, 2009, P.L. 2009, c. 19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a pay off amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

The District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$97,567.00. The following is the 2013-14 payment of the PERS deferral, based on the billing received to date. N.J.S.A. 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n).

	<u>Deferral Payment</u>	<u>Interest</u>	<u>Total Projected Payment</u>
Year ending June 30,			
2013	\$ 4,246.00	\$ 9,699.00	\$ 13,945.00
2012	4,246.00	9,699.00	13,945.00
2011	4,246.00	9,699.00	13,945.00

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 8 - POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving post-retirement 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 member of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

NOTE 9- ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the 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 \$819,557.00 and \$926,711.00, respectively.

NOTE 10 - COMPENSATED ABSENCES

The 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.

District employees are granted vacation and sick leave in varying amounts under the District's personnel polices. In the event of termination, an employee is reimbursed for accumulated vacation at their current rate of pay. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the District. Accumulated sick days are paid at one day's salary for every four days of accumulated sick days up to a total of \$30,000.00 and \$20,000.00 maximum for certified employees and non-certified employees, respectively.

In the district-wide Statement of Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the proprietary fund types.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 11 - DEFERRED COMPENSATION

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

The Legend Group Financial Services
MetLife
Lincoln Investments
Putnam Investments
Equitable
Valic

NOTE 12 - RISK MANAGEMENT

The 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 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.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2013 for the joint insurance pool. As of December 31, 2013, the fund had a projected surplus of \$1,541,547.00 of which the District has a share in the amount of \$144,295.00.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ -	\$ 37,746.41	\$ 22,610.91	\$ 15,144.22
2011-2012	\$ -	\$ 37,151.36	\$ 18,003.48	\$ 11,088.88
2010-2011	\$ 446.32	\$ 36,731.70	\$ 280,951.62	\$ 2,856.55

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balances at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
General fund:		
Special revenue fund	\$ 332,091.47	\$ -
Capital project fund	18,859.36	-
Agency fund	8.10	-
Special revenue fund:		
General fund	-	332,091.47
Capital project fund:		
General fund	-	18,859.36
Agency fund:		
General fund	-	8.10
	<u>\$ 350,958.93</u>	<u>\$ 350,958.93</u>

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as 2013's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 14 - FUND BALANCE APPROPRIATED

The District has classified its fund balances with the following hierarchy:

Nonspendable

As of June 30, 2013, the balance in the permanent fund account is \$88,706.56.

Spendable

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

Restricted

Capital reserve - As of June 30, 2013, the balance in the capital reserve account is \$1,116.94 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Excess surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance as of June 30, 2013 is \$77,971.97. Of this, \$1,448.68 of excess fund balance, which was generated during 2011-12, has been restricted and designated for utilization in the 2013-14 budget.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 14 - FUND BALANCE APPROPRIATED (Concluded)

Capital project fund - On August 23, 2010, the District's Board adopted a resolution authorizing the roof replacement of Penn Beach School. As of June 30, 2013, the restricted fund balance amount was \$1,280.51. On June 21, 2011, the District's Board adopted a resolution authorizing the boiler replacement at the middle school and the purchase of computer equipment. As of June 30, 2013, the restricted fund balance amount was \$11,883.00. On February 27, 2012, the District adopted a resolution for the renovation of the science lab at the high school. As of June 30, 2013, the restricted fund balance amount was \$359,906.21.

Other purposes - The spendable portion of the permanent fund was \$10.86 as of June 30, 2013.

Assigned

Designated by the Board of Education for subsequent year's expenditures - The District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014 \$695,717.32 of general fund balance at June 30, 2013.

Other purposes - As of June 30, 2013, the District had \$799,465.97 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

This is the remainder of the District's equity in the governmental fund types. The total balance is (\$212,448.35) as of June 30, 2013. This is comprised of (\$212,450.42) in the general fund and \$2.07 in the debt service fund.

NOTE 15 - DEFICIT FUND BALANCES

The District has a deficit fund balance of \$212,450.42 in the General Fund as of June 30, 2013 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, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing differences 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 unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment 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 District's deficit in the GAAP funds statements of (\$212,450.42) is equal to the last two state aid payments.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 16 - CONTINGENT LIABILITIES

The Board is not involved in any claims or lawsuits incidental to its operations that will, in the opinion of the administration and legal counsel, have a material adverse effect on the financial position of the District.

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 3, 2013, the date which the financial statements were available to be issued.

Required Supplementary Information - Part II

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 18,232,034.00	\$ 0.00	\$ 18,232,034.00	\$ 18,232,034.00	\$ 0.00
Tuition	10,000.00	0.00	10,000.00	161,613.58	151,613.58
Transportation fees from individuals	50,000.00	0.00	50,000.00	59,014.25	9,014.25
Interest earned on capital reserve funds	10.00	0.00	10.00	10.00	0.00
Miscellaneous	198,049.00	0.00	198,049.00	358,752.49	160,703.49
Total local sources	18,490,093.00	0.00	18,490,093.00	18,811,424.32	321,331.32
State sources:					
Equalization aid	7,458,901.00	0.00	7,458,901.00	7,458,901.00	0.00
Categorical special education aid	980,111.00	0.00	980,111.00	980,111.00	0.00
Categorical security aid	48,615.00	0.00	48,615.00	48,615.00	0.00
Categorical transportation aid	101,243.00	0.00	101,243.00	101,243.00	0.00
Extraordinary aid	0.00	0.00	0.00	29,222.00	29,222.00
Other state aid	0.00	0.00	0.00	4,430.58	4,430.58
On-behalf T.P.A.F. post retirement medical contributions (non-budgeted)	0.00	0.00	0.00	926,711.00	926,711.00
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	819,557.00	819,557.00
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	926,146.63	926,146.63
Total state sources	8,588,870.00	0.00	8,588,870.00	11,294,937.21	2,706,067.21
Federal sources:					
Educational jobs fund (ARRA)	0.00	773.00	773.00	773.00	0.00
Medical reimbursement	36,941.00	0.00	36,941.00	28,646.12	(8,294.88)
Total federal sources	36,941.00	773.00	37,714.00	29,419.12	(8,294.88)
Total revenues	27,115,904.00	773.00	27,116,677.00	30,135,780.65	3,019,103.65

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 437,380.00	\$ (21,231.29)	\$ 416,148.71	\$ 415,375.71	\$ 773.00
Grades 1-5	2,382,050.00	(53,533.69)	2,328,516.31	2,264,723.62	63,792.69
Grades 6-8	1,869,478.00	(68,148.46)	1,801,329.54	1,801,329.54	0.00
Grades 9-12	2,633,129.00	116,041.05	2,749,170.05	2,749,170.05	0.00
Home instruction:					
Salaries of teachers	15,000.00	1,768.25	16,768.25	16,735.70	32.55
Regular programs - undistributed instruction:					
Purchased professional/educational services	29,266.00	(25,561.09)	3,704.91	1,641.02	2,063.89
Other purchased services	145,124.00	(20,974.05)	124,149.95	110,069.50	14,080.45
General supplies	812,992.00	63,529.95	876,521.95	800,396.96	76,124.99
Textbooks	110,077.00	(17,064.71)	93,012.29	68,556.07	24,456.22
Other objects	11,587.00	5,165.00	16,752.00	11,764.00	4,988.00
Total regular programs	<u>8,446,083.00</u>	<u>(20,009.04)</u>	<u>8,426,073.96</u>	<u>8,239,762.17</u>	<u>186,311.79</u>
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	144,693.00	43,586.00	188,279.00	188,279.00	0.00
Other salaries for instruction	156,956.00	17,574.83	174,530.83	174,477.71	53.12
Other purchased services	0.00	644.52	644.52	644.52	0.00
General supplies	8,075.00	(689.92)	7,385.08	3,573.73	3,811.35
Textbooks	4,500.00	0.00	4,500.00	2,643.72	1,856.28
Total learning and/or language disabilities	<u>314,224.00</u>	<u>61,115.43</u>	<u>375,339.43</u>	<u>369,618.68</u>	<u>5,720.75</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Behavioral disabilities:					
Salaries of teachers	\$ 71,401.00	\$ 1,320.00	\$ 72,721.00	\$ 72,721.00	\$ 0.00
Other salaries for instruction	0.00	19,355.00	19,355.00	19,355.00	0.00
General supplies	2,550.00	(1,320.00)	1,230.00	0.00	1,230.00
Textbooks	500.00	0.00	500.00	0.00	500.00
Total resource room - instruction	<u>74,451.00</u>	<u>19,355.00</u>	<u>93,806.00</u>	<u>92,076.00</u>	<u>1,730.00</u>
Multiple disabilities:					
Salaries of teachers	84,872.00	0.00	84,872.00	80,570.00	4,302.00
Other salaries for instruction	0.00	48,000.50	48,000.50	48,000.50	0.00
General supplies	7,975.00	(359.58)	7,615.42	4,509.95	3,105.47
Total multiple disabilities	<u>92,847.00</u>	<u>47,640.92</u>	<u>140,487.92</u>	<u>133,080.45</u>	<u>7,407.47</u>
Resource room - instruction:					
Salaries of teachers	1,539,747.00	(114,015.52)	1,425,731.48	1,425,731.48	0.00
Other salaries for instruction	352,446.00	(3,066.28)	349,379.72	346,748.41	2,631.31
General supplies	25,096.00	(1,525.00)	23,571.00	22,925.95	645.05
Textbooks	19,225.00	(1,190.00)	18,035.00	14,766.87	3,268.13
Total resource room - instruction	<u>1,936,514.00</u>	<u>(119,796.80)</u>	<u>1,816,717.20</u>	<u>1,810,172.71</u>	<u>6,544.49</u>
Preschool disabilities - part-time:					
Salaries of teachers	102,400.00	(8,000.00)	94,400.00	94,329.38	70.62
Other salaries for instruction	65,230.00	(7,952.19)	57,277.81	51,246.33	6,031.48
General supplies	18,700.00	452.19	19,152.19	19,151.89	0.30
Total preschool disabilities - part-time	<u>186,330.00</u>	<u>(15,500.00)</u>	<u>170,830.00</u>	<u>164,727.60</u>	<u>6,102.40</u>
Total special education	<u>2,604,366.00</u>	<u>(7,185.45)</u>	<u>2,597,180.55</u>	<u>2,569,675.44</u>	<u>27,505.11</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 185,119.00	\$ (15,424.00)	\$ 169,695.00	\$ 164,479.08	\$ 5,215.92
Other purchased services	1,600.00	(1,070.85)	529.15	71.00	458.15
General supplies	26,240.00	(446.80)	25,793.20	14,193.61	11,599.59
Other objects	0.00	446.80	446.80	416.00	30.80
Total basic skills/remedial - instruction	<u>212,959.00</u>	<u>(16,494.85)</u>	<u>196,464.15</u>	<u>179,159.69</u>	<u>17,304.46</u>
Bilingual education - instruction:					
Salaries of teachers	45,853.00	2,103.85	47,956.85	47,956.85	0.00
General supplies	1,026.00	(1,026.00)	0.00	0.00	0.00
Textbooks	294.00	(294.00)	0.00	0.00	0.00
Other objects	85.00	287.00	372.00	372.00	0.00
Total bilingual education - instruction	<u>47,258.00</u>	<u>1,070.85</u>	<u>48,328.85</u>	<u>48,328.85</u>	<u>0.00</u>
School sponsored cocurricular/extra-curricular activities - instruction:					
Salaries	62,735.00	5,237.00	67,972.00	67,972.00	0.00
Transfers to cover deficit in agency funds	22,685.00	(5,237.00)	17,448.00	15,532.05	1,915.95
Total school sponsored cocurricular/extra- curricular activities - instruction	<u>85,420.00</u>	<u>0.00</u>	<u>85,420.00</u>	<u>83,504.05</u>	<u>1,915.95</u>
School sponsored athletics - instruction:					
Salaries	240,740.00	(2,281.13)	238,458.87	233,855.00	4,603.87
Purchased services	72,262.00	(7,734.31)	64,527.69	62,526.80	2,000.89
Supplies and materials	65,250.00	1,989.42	67,239.42	67,239.42	0.00
Other objects	23,025.00	0.00	23,025.00	21,283.00	1,742.00
Total school sponsored athletics	<u>401,277.00</u>	<u>(8,026.02)</u>	<u>393,250.98</u>	<u>384,904.22</u>	<u>8,346.76</u>
Total instruction	<u>11,797,363.00</u>	<u>(50,644.51)</u>	<u>11,746,718.49</u>	<u>11,505,334.42</u>	<u>241,384.07</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state - regular	\$ 229,794.00	\$ 186,104.38	\$ 415,898.38	\$ 415,898.38	\$ 0.00
Tuition to other LEA's within the state - special	0.00	44,593.96	44,593.96	40,411.02	4,182.94
Tuition to county special services and regional day schools	86,224.00	(34,413.81)	51,810.19	41,249.91	10,560.28
Tuition to private schools for the disabled - special within the state	422,126.00	(159,276.10)	262,849.90	217,389.90	45,460.00
Tuition to state facilities	200,000.00	(130,820.62)	69,179.38	68,880.00	299.38
Total instruction	<u>938,144.00</u>	<u>(93,812.19)</u>	<u>844,331.81</u>	<u>783,829.21</u>	<u>60,502.60</u>
Attendance and social work services:					
Salaries	54,167.00	(2,431.42)	51,735.58	48,959.04	2,776.54
Total attendance and social work services	<u>54,167.00</u>	<u>(2,431.42)</u>	<u>51,735.58</u>	<u>48,959.04</u>	<u>2,776.54</u>
Health services:					
Salaries	403,053.00	(28,275.50)	374,777.50	373,379.88	1,397.62
Purchased professional and technical services	16,000.00	712.00	16,712.00	16,712.00	0.00
Supplies and materials	8,396.00	4,641.63	13,037.63	10,081.95	2,955.68
Other objects	600.00	(400.21)	199.79	178.50	21.29
Total health services	<u>428,049.00</u>	<u>(23,322.08)</u>	<u>404,726.92</u>	<u>400,352.33</u>	<u>4,374.59</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Speech, OT, PT and related services:					
Salaries	\$ 355,836.00	\$ 2,729.13	\$ 358,565.13	\$ 358,149.07	\$ 416.06
Purchased professional educational services	205,900.00	(7,665.05)	198,234.95	198,234.95	0.00
Total speech, OT, PT and related services	<u>561,736.00</u>	<u>(4,935.92)</u>	<u>556,800.08</u>	<u>556,384.02</u>	<u>416.06</u>
Special education - extraordinary services:					
Salaries	80,115.00	(79,608.00)	507.00	223.52	283.48
Purchased professional educational services	152,350.00	34,263.40	186,613.40	186,613.40	0.00
Total special education - extraordinary services	<u>232,465.00</u>	<u>(45,344.60)</u>	<u>187,120.40</u>	<u>186,836.92</u>	<u>283.48</u>
Guidance:					
Salaries of other professional staff	477,347.00	(16,987.09)	460,359.91	458,149.60	2,210.31
Salaries of secretarial and clerical assistants	58,102.00	(1,100.00)	57,002.00	56,970.96	31.04
Other purchased professional and technical services	590.00	(590.00)	0.00	0.00	0.00
Other purchased services	400.00	(278.26)	121.74	121.74	0.00
Supplies and materials	8,378.00	16,632.92	25,010.92	25,010.92	0.00
Other objects	1,130.00	(220.00)	910.00	910.00	0.00
Total guidance	<u>545,947.00</u>	<u>(2,542.43)</u>	<u>543,404.57</u>	<u>541,163.22</u>	<u>2,241.35</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Child study teams:					
Salaries of other professional staff	\$ 442,072.00	\$ (7,925.85)	\$ 434,146.15	\$ 429,906.70	\$ 4,239.45
Salaries of secretarial and clerical assistants	93,051.00	3,156.72	96,207.72	96,207.72	0.00
Other salaries	28,000.00	(660.68)	27,339.32	27,079.06	260.26
Other purchased professional and technical services	5,000.00	(2,447.00)	2,553.00	2,553.00	0.00
Miscellaneous purchased services	3,800.00	4,360.77	8,160.77	8,160.77	0.00
Supplies and materials	23,375.00	(1,399.99)	21,975.01	16,483.83	5,491.18
Other objects	2,350.00	0.00	2,350.00	85.00	2,265.00
Total child study teams	<u>597,648.00</u>	<u>(4,916.03)</u>	<u>592,731.97</u>	<u>580,476.08</u>	<u>12,255.89</u>
Improvement of instruction services:					
Salaries of supervisors of instruction	123,675.00	(3,633.19)	120,041.81	117,570.00	2,471.81
Salaries of other professional staff	286,630.00	(43,126.48)	243,503.52	237,304.50	6,199.02
Salaries of secretarial and clerical assistants	70,045.00	0.00	70,045.00	69,615.58	429.42
Other purchased professional and technical services	47,500.00	250.00	47,750.00	28,627.92	19,122.08
Other purchased services	4,000.00	(331.09)	3,668.91	0.00	3,668.91
Supplies and materials	9,955.00	1,045.48	11,000.48	4,061.20	6,939.28
Other objects	5,801.00	0.00	5,801.00	4,220.00	1,581.00
Total improvement of instruction services	<u>547,606.00</u>	<u>(45,795.28)</u>	<u>501,810.72</u>	<u>461,399.20</u>	<u>40,411.52</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Educational media services/school library:					
Salaries	\$ 251,174.00	\$ 3,641.01	\$ 254,815.01	\$ 254,815.00	\$ 0.01
Other purchased services	9,925.00	979.42	10,904.42	10,895.46	8.96
Supplies and materials	13,224.00	3,493.47	16,717.47	15,407.81	1,309.66
Other objects	75.00	(20.95)	54.05	0.00	54.05
Total educational media services/school library	274,398.00	8,092.95	282,490.95	281,118.27	1,372.68
Support services - general administration:					
Salaries	234,850.00	3,718.13	238,568.13	238,568.13	0.00
Legal services	85,000.00	(26,093.62)	58,906.38	58,906.38	0.00
Audit fees	20,500.00	(1,300.00)	19,200.00	19,200.00	0.00
Other purchased professional services	53,000.00	78,287.98	131,287.98	126,287.98	5,000.00
Communications/telephone	121,100.00	(7,232.34)	113,867.66	113,867.66	0.00
BOE other purchased services	1,000.00	(1,000.00)	0.00	0.00	0.00
Miscellaneous purchased services	112,585.00	(18,550.68)	94,034.32	93,736.32	298.00
General supplies	13,302.00	(4,149.57)	9,152.43	9,152.43	0.00
BOE in-house training/meeting supplies	9,125.00	(3,870.18)	5,254.82	5,254.82	0.00
Miscellaneous expenditures	4,125.00	(1,322.60)	2,802.40	2,598.00	204.40
BOE membership dues/fees	15,000.00	(985.60)	14,014.40	14,014.40	0.00
Total support services - general administration	669,587.00	17,501.52	687,088.52	681,586.12	5,502.40

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 620,804.00	\$ 28,424.08	\$ 649,228.08	\$ 649,228.08	\$ 0.00
Salaries of other professional staff	178,318.00	0.00	178,318.00	177,717.00	601.00
Salaries of secretarial and clerical assistants	432,948.00	41,476.12	474,424.12	474,424.12	0.00
Other purchased services	4,500.00	(3,934.01)	565.99	565.99	0.00
Supplies and materials	21,397.00	3,624.49	25,021.49	24,760.19	261.30
Other objects	1,927.00	(1,004.00)	923.00	923.00	0.00
Total support services - school administration	<u>1,259,894.00</u>	<u>68,586.68</u>	<u>1,328,480.68</u>	<u>1,327,618.38</u>	<u>862.30</u>
Central services:					
Salaries	336,711.00	11,155.08	347,866.08	347,866.08	0.00
Purchased technical services	2,000.00	(2,000.00)	0.00	0.00	0.00
Miscellaneous purchased services	44,000.00	(18,170.37)	25,829.63	25,702.77	126.86
Supplies and materials	7,650.00	(1,906.78)	5,743.22	5,743.22	0.00
Miscellaneous expenditures	1,592.00	764.92	2,356.92	2,356.92	0.00
Total central services	<u>391,953.00</u>	<u>(10,157.15)</u>	<u>381,795.85</u>	<u>381,668.99</u>	<u>126.86</u>
Administrative information technology:					
Salaries	298,247.00	12,187.34	310,434.34	310,434.34	0.00
Total administrative information technology	<u>298,247.00</u>	<u>12,187.34</u>	<u>310,434.34</u>	<u>310,434.34</u>	<u>0.00</u>
Required maintenance for school facilities:					
Cleaning, repair, and maintenance services	137,408.00	78,325.04	215,733.04	93,134.97	122,598.07
General supplies	45,802.00	499,531.04	545,333.04	296,738.78	248,594.26
Total required maintenance for school facilities	<u>183,210.00</u>	<u>577,856.08</u>	<u>761,066.08</u>	<u>389,873.75</u>	<u>371,192.33</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Custodial services:					
Salaries	\$ 313,859.00	\$ (1,698.05)	\$ 312,160.95	\$ 312,160.95	\$ 0.00
Salaries of non-instructional aides	41,335.00	(6,676.55)	34,658.45	34,658.45	0.00
Purchased professional and technical services	1,042,715.00	6,522.84	1,049,237.84	1,049,237.84	0.00
Cleaning, repair, and maintenance services	141,200.00	(316.20)	140,883.80	140,883.80	0.00
Other purchased property services	64,000.00	(11,047.64)	52,952.36	52,952.36	0.00
Insurance	124,900.00	(16,238.00)	108,662.00	108,662.00	0.00
Miscellaneous purchased services	5,250.00	(3,427.00)	1,823.00	1,823.00	0.00
General supplies	128,250.00	48,060.68	176,310.68	176,310.68	0.00
Energy (natural gas)	357,600.00	(176,132.52)	181,467.48	181,467.48	0.00
Energy (electricity)	217,600.00	143,909.00	361,509.00	361,509.00	0.00
Energy (oil)	18,900.00	(457.04)	18,442.96	18,442.96	0.00
Total custodial services	<u>2,455,609.00</u>	<u>(17,500.48)</u>	<u>2,438,108.52</u>	<u>2,438,108.52</u>	<u>0.00</u>
Security:					
Salaries	8,436.00	7,043.45	15,479.45	15,164.45	315.00
Total security	<u>8,436.00</u>	<u>7,043.45</u>	<u>15,479.45</u>	<u>15,164.45</u>	<u>315.00</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Student transportation services:					
Aid in lieu- nonpublic	\$ 45,000.00	\$ (21,829.34)	\$ 23,170.66	\$ 23,170.66	\$ 0.00
Contracted services (between home and school) - vendors	803,853.00	32,171.81	836,024.81	836,024.81	0.00
Contracted services (other than between home and school) - vendors	91,050.00	2,952.76	94,002.76	94,002.76	0.00
Contracted services - (regular students) joint agreements	0.00	19,181.44	19,181.44	17,849.92	1,331.52
Contracted services - (regular students) ESC's and CTSA's	100,000.00	(35,566.59)	64,433.41	64,433.41	0.00
Contracted services - (special education) ESC's and CTSA's	310,000.00	(83,765.29)	226,234.71	226,234.71	0.00
Total student transportation services	<u>1,349,903.00</u>	<u>(86,855.21)</u>	<u>1,263,047.79</u>	<u>1,261,716.27</u>	<u>1,331.52</u>
Unallocated benefits:					
Social security contributions	239,267.00	30,773.70	270,040.70	270,040.70	0.00
Other retirement contributions - regular	259,790.00	(16,626.33)	243,163.67	238,854.00	4,309.67
Unemployment compensation	95,515.00	(34,185.28)	61,329.72	58,725.39	2,604.33
Workmen's compensation	160,000.00	2,875.00	162,875.00	162,875.00	0.00
Health benefits	3,957,605.00	(116,900.85)	3,840,704.15	3,749,786.46	90,917.69
Tuition reimbursement	40,000.00	12,500.04	52,500.04	52,500.04	0.00
Other employee benefits	20,750.00	44,793.44	65,543.44	65,543.44	0.00
Total unallocated benefits	<u>4,772,927.00</u>	<u>(76,770.28)</u>	<u>4,696,156.72</u>	<u>4,598,325.03</u>	<u>97,831.69</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
On-behalf T.P.A.F. pension contributions (non-budgeted)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 819,557.00	\$ (819,557.00)
On-behalf T.P.A.F. post retirement medical contributions (non-budgeted)	0.00	0.00	0.00	926,711.00	(926,711.00)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	926,146.63	(926,146.63)
Total undistributed expenditures	15,569,926.00	276,884.95	15,846,810.95	17,917,428.77	(2,070,617.82)
Total expenditures - current expense	27,367,289.00	226,240.44	27,593,529.44	29,422,763.19	(1,829,233.75)
CAPITAL OUTLAY:					
Interest deposit to capital reserve	10.00	0.00	10.00	0.00	10.00
Total interest deposit to capital reserve	10.00	0.00	10.00	0.00	10.00
Instruction:					
School-sponsored and other instructional programs	0.00	5,900.00	5,900.00	5,900.00	0.00
Undistributed expenditures:					
Instruction	0.00	19,000.00	19,000.00	19,000.00	0.00
Special schools (all programs)	0.00	138,567.21	138,567.21	138,567.21	0.00
Total facilities acquisition and construction services	0.00	163,467.21	163,467.21	163,467.21	0.00
Facilities acquisition and construction services:					
Construction services	714,683.00	69,467.41	784,150.41	422,970.41	361,180.00
Assessment for debt service on SDA funding	3,014.00	0.00	3,014.00	3,014.00	0.00
Total facilities acquisition and construction services	717,697.00	69,467.41	787,164.41	425,984.41	361,180.00

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Total capital outlay	\$ 717,707.00	\$ 232,934.62	\$ 950,641.62	\$ 589,451.62	\$ 361,190.00
Total expenditures	28,084,996.00	459,175.06	28,544,171.06	30,012,214.81	(1,468,043.75)
Excess (deficiency) of revenues over (under) expenditures	(969,092.00)	(458,402.06)	(1,427,494.06)	123,565.84	1,551,059.90
Fund balances - July 1	2,031,154.94	0.00	2,031,154.94	2,031,154.94	0.00
Fund balances - June 30	\$ 1,062,062.94	\$ (458,402.06)	\$ 603,660.88	\$ 2,154,720.78	\$ 1,551,059.90
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 1,116.94	
Excess surplus - designated for subsequent year's expenditures				1,448.68	
Excess surplus				76,523.29	
Assigned fund balance:					
Designated for subsequent year's expenditures				695,717.32	
Year-end encumbrances				799,465.97	
Unassigned fund balance				580,448.58	
				<u>2,154,720.78</u>	
Reconciliation to governmental funds statements (GAAP):					
Last two state aid payment not recognized on GAAP basis				(792,899.00)	
				<u>\$ 1,361,821.78</u>	
					Fund balance per governmental funds (GAAP)

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

Table with 5 columns: Original Budget, Budget Transfers, Final Budget, Actual (Budgetary Basis), and Variance Final To Actual. Rows include REVENUES (State, Federal, Local sources) and EXPENDITURES (Instruction: Salaries, Textbooks, Tuition; Support services: Salaries, Employee benefits, etc.).

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Final To Actual</u>
Capital outlay:					
Instructional equipment	\$ 0.00	\$ 7,800.00	\$ 7,800.00	\$ 7,800.00	\$ 0.00
Total capital outlay	<u>0.00</u>	<u>7,800.00</u>	<u>7,800.00</u>	<u>7,800.00</u>	<u>0.00</u>
Total expenditures	<u>767,831.00</u>	<u>363,710.68</u>	<u>1,131,541.68</u>	<u>951,043.97</u>	<u>180,497.71</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Notes To The Required Supplementary Information

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note To Required Supplementary Information
For the Fiscal Year Ended June 30, 2013

Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 30,135,780.65	\$ 951,043.97
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	0.00	(2,040.00)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements:		
2011-12	766,466.00	0.00
2012-13	(792,899.00)	0.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 30,109,347.65	\$ 949,003.97
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 30,012,214.81	\$ 951,043.97
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	0.00	(2,040.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 30,012,214.81	\$ 949,003.97

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Education Jobs Fund Supplementary Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES:					
Federal sources:					
Education jobs fund	\$ 0.00	\$ 773.00	\$ 773.00	\$ 773.00	\$ 0.00
Total federal sources	<u>0.00</u>	<u>773.00</u>	<u>773.00</u>	<u>773.00</u>	<u>0.00</u>
 Total revenues	<u>0.00</u>	<u>773.00</u>	<u>773.00</u>	<u>773.00</u>	<u>0.00</u>
 EXPENDITURES:					
Education jobs fund:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	0.00	773.00	773.00	773.00	0.00
Total education jobs fund	<u>0.00</u>	<u>773.00</u>	<u>773.00</u>	<u>773.00</u>	<u>0.00</u>
 Total expenditures	<u>0.00</u>	<u>773.00</u>	<u>773.00</u>	<u>773.00</u>	<u>0.00</u>
 Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	0.00	0.00
 Fund balances - July 1	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
 Fund balances - June 30	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Other Supplementary Information

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Federal	State	Local	Total
REVENUES:				
State sources	\$ 0.00	\$ 54,934.98	\$ 0.00	\$ 54,934.98
Federal sources	875,346.99	0.00	0.00	875,346.99
Local sources	0.00	0.00	20,762.00	20,762.00
Total revenues	875,346.99	54,934.98	20,762.00	951,043.97
EXPENDITURES:				
Instruction:				
Salaries of teachers	211,331.00	0.00	0.00	211,331.00
Other instructional salaries	19,595.00	0.00	0.00	19,595.00
Textbooks	0.00	7,487.31	0.00	7,487.31
General supplies	69,413.81	2,879.94	0.00	72,293.75
Tuition	441,622.69	0.00	0.00	441,622.69
Total instruction	741,962.50	10,367.25	0.00	752,329.75
Support services:				
Salaries	73,090.61	0.00	0.00	73,090.61
Employee benefits	38,163.00	0.00	0.00	38,163.00
Purchased educational services	0.00	38,322.73	0.00	38,322.73
Purchased technical services	14,330.88	0.00	1,250.00	15,580.88
Contracted transportation services	0.00	6,245.00	0.00	6,245.00
Supplies	0.00	0.00	19,512.00	19,512.00
Total support services	125,584.49	44,567.73	20,762.00	190,914.22
Capital outlay:				
Instructional equipment	7,800.00	0.00	0.00	7,800.00
Total capital outlay	7,800.00	0.00	0.00	7,800.00
Total expenditures	875,346.99	54,934.98	20,762.00	951,043.97
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Federal
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Title I	Title I Carryover	Title II Part A	Title II Part A Carryover	Title II Part D Carryover	I.D.E.A. - Part B Basic	I.D.E.A. - Part B Carryover	I.D.E.A. - Part B Preschool	Total
REVENUES:									
Federal sources	\$ 220,674.83	\$ 136,132.09	\$ 43,965.38	\$ 11,492.00	\$ 366.00	\$ 420,342.00	\$ 21,280.69	\$ 21,094.00	\$ 875,346.99
Total revenues	220,674.83	136,132.09	43,965.38	11,492.00	366.00	420,342.00	21,280.69	21,094.00	875,346.99
EXPENDITURES:									
Instruction:									
Salaries of teachers	146,056.23	31,944.77	33,330.00	0.00	0.00	0.00	0.00	0.00	211,331.00
Salaries - other instruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,595.00	19,595.00
General supplies	13,339.49	56,074.32	0.00	0.00	0.00	0.00	0.00	0.00	69,413.81
Tuition	0.00	0.00	0.00	0.00	0.00	420,342.00	21,280.69	0.00	441,622.69
Total instruction	159,395.72	88,019.09	33,330.00	0.00	0.00	420,342.00	21,280.69	19,595.00	741,962.50
Support services:									
Salaries	27,902.86	37,021.75	0.00	7,800.00	366.00	0.00	0.00	0.00	73,090.61
Employee benefits	32,779.00	0.00	3,885.00	0.00	0.00	0.00	0.00	1,499.00	38,163.00
Purchased professional technical services	597.25	3,291.25	6,750.38	3,692.00	0.00	0.00	0.00	0.00	14,330.88
Total support services	61,279.11	40,313.00	10,635.38	11,492.00	366.00	0.00	0.00	1,499.00	125,584.49
Capital outlay:									
Instructional equipment	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00	7,800.00
Total capital outlay	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00	7,800.00
Total expenditures	220,674.83	136,132.09	43,965.38	11,492.00	366.00	420,342.00	21,280.69	21,094.00	875,346.99
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - State
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Auxiliary Services		Handicapped Services					Nonpublic Technology	Total
	Basic Skills	Transportation	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbooks	Nonpublic Nursing		
REVENUES:									
State sources	\$ 23,523.73	\$ 6,245.00	\$ 1,665.12	\$ 405.00	\$ 1,874.88	\$ 7,487.31	\$ 10,854.00	\$ 2,879.94	\$ 54,934.98
Total revenues	<u>23,523.73</u>	<u>6,245.00</u>	<u>1,665.12</u>	<u>405.00</u>	<u>1,874.88</u>	<u>7,487.31</u>	<u>10,854.00</u>	<u>2,879.94</u>	<u>54,934.98</u>
EXPENDITURES:									
Instruction:									
Textbooks	0.00	0.00	0.00	0.00	0.00	7,487.31	0.00	0.00	7,487.31
General supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,879.94	2,879.94
Total instruction	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,487.31</u>	<u>0.00</u>	<u>2,879.94</u>	<u>10,367.25</u>
Support services:									
Purchased educational services	23,523.73	0.00	1,665.12	405.00	1,874.88	0.00	10,854.00	0.00	38,322.73
Contracted transportation services	0.00	6,245.00	0.00	0.00	0.00	0.00	0.00	0.00	6,245.00
Total support services	<u>23,523.73</u>	<u>6,245.00</u>	<u>1,665.12</u>	<u>405.00</u>	<u>1,874.88</u>	<u>0.00</u>	<u>10,854.00</u>	<u>0.00</u>	<u>44,567.73</u>
Total expenditures	<u>23,523.73</u>	<u>6,245.00</u>	<u>1,665.12</u>	<u>405.00</u>	<u>1,874.88</u>	<u>7,487.31</u>	<u>10,854.00</u>	<u>2,879.94</u>	<u>54,934.98</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Local
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	RTTT Grant
REVENUES:	
Local sources	\$ 20,762.00
Total revenues	20,762.00
EXPENDITURES:	
Support services:	
Purchased professional technical services	1,250.00
General supplies	19,512.00
Total support services	20,762.00
Total expenditures	20,762.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2013

Project Title	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures To Date		Unexpended Appropriations June 30, 2013
			Prior Year	Current Year	
Roof replacement of Penn Beach School	08/23/11	\$ 581,042.00	\$ 579,761.49	\$ 0.00	\$ 1,280.51
Boiler replacement Pennsville Middle School and purchase of computer equipment	06/22/11	665,006.68	653,123.68	0.00	11,883.00
Renovation of science lab Pennsville Memorial High School	02/27/12	1,340,104.00	952,402.13	27,795.66	359,906.21
		<u>\$ 2,586,152.68</u>	<u>\$ 2,185,287.30</u>	<u>\$ 27,795.66</u>	<u>\$ 373,069.72</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

REVENUES AND OTHER FINANCING SOURCES:

State sources - SDA grant	\$ 0.00
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Total revenues and other financing sources	<u>0.00</u>
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EXPENDITURES AND OTHER FINANCING USES:

Purchased professional and technical services	28,967.18
Construction services	<u>(1,171.52)</u>

Total expenditures and other financing uses	<u>27,795.66</u>
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Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (27,795.66)</u></u>
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Replacement of Penn Beach School
From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 255,526.00	\$ 0.00	\$ 255,526.00	\$ 255,526.00
Transfers	325,516.00	0.00	325,516.00	325,516.00
Total revenues and other financing sources	<u>581,042.00</u>	<u>0.00</u>	<u>581,042.00</u>	<u>581,042.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	15,874.76	0.00	15,874.76	15,874.76
Construction services	563,886.73	0.00	563,886.73	565,167.24
Total expenditures and other financing uses	<u>579,761.49</u>	<u>0.00</u>	<u>579,761.49</u>	<u>581,042.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,280.51</u>	<u>\$ 0.00</u>	<u>\$ 1,280.51</u>	<u>\$ 0.00</u>
ADDITIONAL GRANT PROJECT INFORMATION:				
Project number	DOE-4075-078-10-1002 SDA-4075-078-10-GONT			
Grant date	06/17/11			
Original authorized cost	\$ 581,042.00			
Additional authorized cost	\$ 0.00			
Revised authorized cost	\$ 581,042.00			
Percentage increase over original authorized cost	0.00%			
Percentage of completion	100.00%			
Original target completion date	09/01/11			
Revised target completion date	01/01/12			

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement Pennsville Middle School and Acquisition of Computer Equipment
From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
Insurance claim	\$ 83,456.68	\$ 0.00	\$ 83,456.68	\$ 83,456.68
Proceeds of capital lease	581,550.00	0.00	581,550.00	581,550.00
Total revenues and other financing sources	<u>665,006.68</u>	<u>0.00</u>	<u>665,006.68</u>	<u>665,006.68</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	13,767.50	0.00	13,767.50	13,767.50
Equipment - instruction	66,667.91	0.00	66,667.91	78,550.91
Construction services	572,688.27	0.00	572,688.27	572,688.27
Total expenditures and other financing uses	<u>653,123.68</u>	<u>0.00</u>	<u>653,123.68</u>	<u>665,006.68</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,883.00</u>	<u>\$ 0.00</u>	<u>\$ 11,883.00</u>	<u>\$ 0.00</u>
ADDITIONAL GRANT PROJECT INFORMATION:				
Project number	N/A			
Grant date	06/22/11			
Original authorized cost	\$ 594,426.00			
Additional authorized cost	\$ 70,580.88			
Revised authorized cost	\$ 665,006.88			
Percentage increase over original authorized cost	11.87%			
Percentage of completion	100.00%			
Original target completion date	10/15/11			
Revised target completion date	08/31/12			

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Renovation of Science Lab Pennsville Memorial High School
From Inception and for the Fiscal Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 589,340.00	\$ 0.00	\$ 589,340.00	\$ 589,340.00
Proceeds of capital lease	750,764.00	0.00	750,764.00	750,764.00
Total revenues and other financing sources	<u>1,340,104.00</u>	<u>0.00</u>	<u>1,340,104.00</u>	<u>1,340,104.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	82,388.18	28,967.18	111,355.36	111,822.00
Construction services	870,013.95	(1,171.52)	868,842.43	1,228,282.00
Total expenditures and other financing uses	<u>952,402.13</u>	<u>27,795.66</u>	<u>980,197.79</u>	<u>1,340,104.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 387,701.87</u>	<u>\$ (27,795.66)</u>	<u>\$ 359,906.21</u>	<u>\$ 0.00</u>
ADDITIONAL GRANT PROJECT INFORMATION:				
Project number	DOE-4075-050-10-1001			
	SDA-4075-050-10-GONS			
Grant date	05/02/12			
Original authorized cost	\$ 1,340,104.00			
Additional authorized cost	\$ 0.00			
Revised authorized cost	\$ 1,340,104.00			
Percentage increase over original authorized cost	0.00%			
Percentage of completion	75.00%			
Original target completion date	09/01/12			
Revised target completion date	10/15/13			

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Net Position
June 30, 2013

ASSETS:

Current assets:		
Cash	\$	509.59
Accounts receivable:		
Federal		13,384.22
State		339.96
Inventories		<u>10,399.00</u>
Total current assets		<u>24,632.77</u>
Fixed assets:		
Equipment		429,252.49
Accumulated depreciation		<u>(389,378.53)</u>
Total fixed assets		<u>39,873.96</u>
Total assets	\$	<u><u>64,506.73</u></u>
NET POSITION:		
Net position:		
Unreserved	\$	<u>64,506.73</u>
Total net position	\$	<u><u>64,506.73</u></u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

OPERATING REVENUES:

Local sources:

Daily sales-reimbursable programs:

School lunch program	\$ 140,689.60
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School breakfast program	2,789.40
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Daily sales non-reimbursable programs	219,266.74
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Special functions and miscellaneous	6,053.51
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Total operating revenues	368,799.25
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OPERATING EXPENSES:

Salaries and benefits	302,598.81
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Supplies and materials	22,570.17
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Cost of sales	285,459.50
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Depreciation	5,052.69
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Miscellaneous	43,469.88
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Total operating expenses	659,151.05
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Operating loss	(290,351.80)
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Nonoperating revenues (expenses):

State sources:

State school lunch program	5,617.13
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Federal sources:

National school lunch program	205,495.46
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National school breakfast program	16,675.62
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Food distribution program	37,115.03
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Total nonoperating revenues	264,903.24
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Net income (loss) before contributions and transfers	(25,448.56)
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Change in net position	(25,448.56)
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Net position - July 1	89,955.29
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Net position - June 30	\$ 64,506.73
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

Cash flows from operating activities:	
Receipts from customers	\$ 368,799.25
Payments to employees and employee benefits	(302,598.81)
Payments to suppliers	(289,295.00)
Net cash provided by (used for) operating activities	<u>(223,094.56)</u>
 Cash flows from noncapital financing activities:	
State sources	5,467.87
Federal sources	215,546.43
Net cash provided by (used for) noncapital financing activities	<u>221,014.30</u>
 Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(9,940.16)</u>
Net cash provided by (used for) capital and related financing activities	<u>(9,940.16)</u>
 Net increase (decrease) in cash and cash equivalents	(12,020.42)
 Cash and cash equivalents - July 1	<u>12,530.01</u>
 Cash and cash equivalents - June 30	<u>\$ 509.59</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (290,351.80)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	5,052.69
Food distribution program	37,115.03
Change in assets and liabilities:	
(Increase)/decrease in inventory	<u>25,089.52</u>
 Net cash used by operating activities	<u>\$ (223,094.56)</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Net Position
June 30, 2013

ASSETS:

Current assets:		
Cash		\$ 85,703.46
Accounts receivable		<u>64,475.30</u>
Total current assets		<u>150,178.76</u>
Fixed assets:		
Equipment		193,478.66
Accumulated depreciation		<u>(120,617.39)</u>
Total fixed assets		<u>72,861.27</u>
Total assets		<u><u>\$ 223,040.03</u></u>
NET POSITION:		
Net position		
Net investment in capital assets		\$ 72,861.27
Unrestricted		<u>150,178.76</u>
Total net position		<u><u>\$ 223,040.03</u></u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	School To Work Continuation	Graphic Arts Academy	Creative Arts Academy	Total
OPERATING REVENUES:				
Program fees	\$ 0.00	\$ 312,320.00	\$ 332,433.00	\$ 644,753.00
Total operating revenues	<u>0.00</u>	<u>312,320.00</u>	<u>332,433.00</u>	<u>644,753.00</u>
OPERATING EXPENSES:				
Salaries	0.00	193,573.01	197,299.14	390,872.15
Employee benefits	0.00	36,462.00	41,327.00	77,789.00
Other purchased services	0.00	49,975.17	46,105.31	96,080.48
Supplies and materials	0.00	11,028.35	5,572.03	16,600.38
Depreciation	0.00	12,658.24	3,294.87	15,953.11
Other objects	0.00	50.00	0.00	50.00
Total operating expenses	<u>0.00</u>	<u>303,746.77</u>	<u>293,598.35</u>	<u>597,345.12</u>
Operating income (loss)	0.00	8,573.23	38,834.65	47,407.88
Retained earnings - July 1	<u>8,538.11</u>	<u>173,842.75</u>	<u>(6,748.71)</u>	<u>175,632.15</u>
Retained earnings - June 30	<u>\$ 8,538.11</u>	<u>\$ 182,415.98</u>	<u>\$ 32,085.94</u>	<u>\$ 223,040.03</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

Cash flows from operating activities:	
Receipts from customers	\$ 580,277.70
Payments to employees and employee benefits	(468,661.15)
Payments to suppliers	<u>(112,730.86)</u>
Net cash provided by (used for) operating activities	<u>(1,114.31)</u>
Net increase (decrease) in cash and cash equivalents	(1,114.31)
Cash and cash equivalents - July 1	<u>86,817.77</u>
Cash and cash equivalents - June 30	<u><u>\$ 85,703.46</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 47,407.88
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	15,953.11
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	<u>(64,475.30)</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,114.31)</u></u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2013

	Expendable Trust	Agency		Total
	Unemployment Compensation Insurance Trust	Student Activity	Payroll	
ASSETS:				
Cash and cash equivalents	\$ 18,909.69	\$ 158,697.31	\$ 198,197.53	\$ 375,804.53
Total assets	<u>\$ 18,909.69</u>	<u>\$ 158,697.31</u>	<u>\$ 198,197.53</u>	<u>\$ 375,804.53</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Accrued salaries and wages	\$ 0.00	\$ 0.00	\$ 153,971.51	\$ 153,971.51
Interfund accounts payable	0.00	0.00	8.10	8.10
Payroll deductions and withholdings	3,765.47	0.00	44,217.92	47,983.39
Due to student groups	0.00	158,697.31	0.00	158,697.31
Total liabilities	<u>3,765.47</u>	<u>158,697.31</u>	<u>198,197.53</u>	<u>360,660.31</u>
Net position:				
Held in trust for unemployment claims and other purposes	<u>15,144.22</u>	<u>0.00</u>	<u>0.00</u>	<u>15,144.22</u>
Total net position	<u>15,144.22</u>	<u>0.00</u>	<u>0.00</u>	<u>15,144.22</u>
Total liabilities and net position	<u>\$ 18,909.69</u>	<u>\$ 158,697.31</u>	<u>\$ 198,197.53</u>	<u>\$ 375,804.53</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

OPERATING REVENUES:

Deduction from employees' salaries	\$ 37,746.41
Interest earned	21.10

Total operating revenues	37,767.51
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OPERATING EXPENSES:

Claims	22,610.91
Quarterly reports	11,101.26

Total operating expenses	33,712.17
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Operating income (loss)	4,055.34
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Net position - July 1	11,088.88
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Net position - June 30	\$ 15,144.22
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PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
Elementary schools:				
Central Park	\$ 2,370.62	\$ 503.67	\$ 1,104.65	\$ 1,769.64
Penn Beach	2,858.04	951.66	651.00	3,158.70
Valley Park	2,456.85	638.26	-	3,095.11
Total elementary schools	<u>7,685.51</u>	<u>2,093.59</u>	<u>1,755.65</u>	<u>8,023.45</u>
Junior high school:				
Pennsville Middle School	18,975.66	3,640.66	3,904.99	18,711.33
Total junior high school	<u>18,975.66</u>	<u>3,640.66</u>	<u>3,904.99</u>	<u>18,711.33</u>
Senior high school:				
Pennsville Memorial High School	126,194.94	268,413.81	262,646.22	131,962.53
Pennsville athletic fund	0.56	26,007.58	26,008.14	0.00
Total senior high school	<u>126,195.50</u>	<u>294,421.39</u>	<u>288,654.36</u>	<u>131,962.53</u>
Total all schools	<u>\$ 152,856.67</u>	<u>\$ 300,155.64</u>	<u>\$ 294,315.00</u>	<u>\$ 158,697.31</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursement
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and cash equivalents	\$ 174,595.30	\$ 21,954,395.94	\$ 21,930,793.71	\$ 198,197.53
Total assets	<u>\$ 174,595.30</u>	<u>\$ 21,954,395.94</u>	<u>\$ 21,930,793.71</u>	<u>\$ 198,197.53</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 42,480.44	\$ 12,316,565.11	\$ 12,314,827.63	\$ 44,217.92
Net payroll	0.00	9,319,612.61	9,319,612.61	0.00
Interfund accounts payable	13.16	599.04	604.10	8.10
Accrued salaries and wages	<u>132,101.70</u>	<u>317,619.18</u>	<u>295,749.37</u>	<u>153,971.51</u>
Total liabilities	<u>\$ 174,595.30</u>	<u>\$ 21,954,395.94</u>	<u>\$ 21,930,793.71</u>	<u>\$ 198,197.53</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2013**

Issue	Date Of Issue	Amount Of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance
			Date	Amount		July 1, 2012		June 30, 2013
Small project loan	8/18/93	\$ 3,023,759.00	7/15/13	\$ 217,942.24	5.288%	\$ 426,317.62	\$ 208,375.38	\$ 217,942.24
Safe program	8/18/93	1,007,920.00	7/11/13	53,048.39	1.5%	106,096.84	53,048.39	53,048.45
						<u>\$ 532,414.46</u>	<u>\$ 261,423.77</u>	<u>\$ 270,990.69</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Schedule of Obligations Under Capital Leases
June 30, 2013

Series	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate Payable	Amount Outstanding	Retired	Amount Outstanding
			Principal	Interest		June 30, 2012		June 30, 2013
Acquisition of computers, smart boards, LCD projectors, and energy efficient boilers	08/02/11	5 years	\$ 581,550.00	\$ 40,259.73	2.47%	\$ 526,570.83	\$ 112,013.53	\$ 414,557.30
Purchase of science lab equipment and renovation of high school science lab	05/01/12	5 years	750,764.00	31,529.05	2.38%	580,764.00	140,079.64	440,684.36
						<u>\$ 1,107,334.83</u>	<u>\$ 252,093.17</u>	<u>\$ 855,241.66</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Budget
REVENUES:					
Local sources:					
Local tax levy	\$ 208,838.00	\$ 0.00	\$ 208,838.00	\$ 208,838.00	\$ 0.00
State sources:					
Debt service aid type II	70,814.00	0.00	70,814.00	70,814.00	0.00
Total state sources	70,814.00	0.00	70,814.00	70,814.00	0.00
Total revenues	279,652.00	0.00	279,652.00	279,652.00	0.00
EXPENDITURES:					
Regular debt service:					
Interest	18,228.00	0.00	18,228.00	18,227.82	0.18
Redemption of principal	261,424.00	0.00	261,424.00	261,423.77	0.23
Total regular debt service	279,652.00	0.00	279,652.00	279,651.59	0.41
Total expenditures	279,652.00	0.00	279,652.00	279,651.59	0.41
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	0.41	(0.41)
Fund balance - July 1	1.66	0.00	1.66	1.66	0.00
Fund balance - June 30	\$ 1.66	\$ 0.00	\$ 1.66	\$ 2.07	\$ (0.41)

Statistical Section

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
Accrual Basis of Accounting

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 2,417,555.29	\$ 1,239,386.10	\$ 2,531,921.08	\$ 1,222,733.48	\$ (236,380.39)	\$ (698,426.44)	\$ (442,017.93)	\$ (121,623.65)	\$ (699,174.99)	\$ (1,119,863.47)
Restricted	2,186,240.17	2,006,486.03	1,111,144.37	1,052,483.31	920,920.00	961,827.85	978,705.80	869,376.52	576,024.81	132,202.29
Unrestricted	(1,581,023.01)	(1,635,104.63)	(1,730,013.36)	(1,217,991.41)	(1,709,425.62)	(1,455,525.56)	(1,418,314.54)	(1,486,091.99)	(1,515,405.10)	(1,688,392.31)
Total governmental activities net position	\$ 3,022,772.45	\$ 1,610,767.50	\$ 1,913,052.09	\$ 1,057,225.38	\$ (1,024,886.01)	\$ (1,192,124.15)	\$ (881,626.67)	\$ (738,339.12)	\$ (1,638,555.28)	\$ (2,676,053.49)
Business-type activities:										
Net investment in capital assets	\$ 39,873.96	\$ 34,986.49	\$ 25,826.12	\$ 16,139.03	\$ 20,857.01	\$ 24,753.20	\$ 28,517.76	\$ 21,095.21	\$ 10,858.91	\$ 14,923.01
Restricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted	24,632.77	54,968.80	16,865.87	40,125.77	(4,948.20)	(7,409.77)	(78,092.12)	(160,412.75)	(196,568.71)	(213,364.60)
Total business-type activities net position	\$ 64,506.73	\$ 89,955.29	\$ 42,691.99	\$ 56,264.80	\$ 15,908.81	\$ 17,343.43	\$ (49,574.36)	\$ (139,317.54)	\$ (185,709.80)	\$ (198,441.59)
District-wide activities:										
Net investment in capital assets	\$ 2,457,429.25	\$ 1,274,372.59	\$ 2,557,747.20	\$ 1,238,872.51	\$ (215,523.38)	\$ (673,673.24)	\$ (413,500.17)	\$ (100,528.44)	\$ (688,316.08)	\$ (1,104,940.46)
Restricted	2,186,240.17	2,006,486.03	1,111,144.37	1,052,483.31	920,920.00	961,827.85	978,705.80	869,376.52	576,024.81	132,202.29
Unrestricted	(1,556,390.24)	(1,580,135.83)	(1,713,147.49)	(1,177,865.64)	(1,714,373.82)	(1,462,935.33)	(1,496,406.66)	(1,646,504.74)	(1,711,973.81)	(1,901,756.91)
Total district-wide activities net position	\$ 3,087,279.18	\$ 1,700,722.79	\$ 1,955,744.08	\$ 1,113,490.18	\$ (1,008,977.20)	\$ (1,174,780.72)	\$ (931,201.03)	\$ (877,656.66)	\$ (1,824,265.08)	\$ (2,874,495.08)

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 8,548,429.23	\$ 9,021,795.20	\$ 9,174,353.22	\$ 8,912,458.29	\$ 9,095,101.70	\$ 8,859,611.78	\$ 8,447,005.18	\$ 8,235,759.22	\$ 8,373,021.29	\$ 7,947,931.88
Special education	2,569,675.44	2,484,988.12	2,447,377.91	2,474,231.95	2,535,102.45	2,300,123.55	2,017,643.43	1,883,131.63	1,732,925.97	1,648,002.19
Other special education	227,488.54	215,568.00	193,616.78	180,672.93	234,364.32	201,016.40	159,276.32	112,374.66	108,784.84	150,989.84
Other instruction	937,069.42	1,088,855.44	1,227,483.84	1,184,051.22	1,025,925.79	950,046.08	942,483.20	832,075.23	852,474.36	823,555.72
Support services:										
Tuition	1,225,451.90	859,808.15	894,823.20	1,344,917.39	1,579,610.18	1,747,629.41	1,898,565.69	1,641,403.34	1,524,114.61	1,399,273.31
Student and instruction related services	3,322,246.16	3,303,485.63	3,084,588.31	3,444,366.50	3,178,782.45	3,236,707.99	3,164,736.66	2,987,446.36	2,534,944.94	2,455,437.84
General and business administration	681,586.12	680,987.28	1,262,408.88	1,226,055.57	1,211,246.66	1,094,114.73	940,111.63	919,939.82	871,336.69	823,611.43
School administration	1,327,618.38	930,354.58	920,638.79	872,656.32	899,368.31	899,048.05	891,166.13	1,032,282.00	966,097.83	1,245,508.09
Central services	381,668.99	365,580.58	358,837.56	349,523.48	340,325.62	331,562.26	304,127.08	290,401.28	280,527.14	0.00
Administrative information technology	310,434.34	331,289.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant operations and maintenance	2,843,146.72	2,895,403.01	2,732,052.39	2,567,790.08	2,527,592.32	2,732,083.05	2,672,417.85	2,523,316.97	2,572,314.93	2,454,684.37
Pupil transportation	1,261,716.27	1,300,477.48	1,194,498.27	1,197,183.28	1,358,886.62	1,419,502.13	1,522,700.68	1,425,531.06	1,319,304.83	1,226,473.83
Other support services	7,308,902.66	6,428,461.82	6,198,514.16	6,174,498.70	5,827,637.92	7,063,273.66	6,522,156.72	5,563,450.38	5,086,538.61	4,905,854.20
Special schools	0.00	0.00	2,307.87	108,749.55	72,681.78	101,361.46	109,509.04	111,123.28	103,412.93	104,764.89
Interest on long-term debt	12,213.59	25,206.54	39,698.57	62,212.72	57,232.43	67,280.77	76,940.84	86,234.08	41,260.47	103,794.76
Unallocated depreciation	260,016.26	247,999.74	213,586.05	201,482.65	183,794.98	198,903.14	204,952.03	215,701.18	225,122.25	279,491.25
Total governmental activities expenses	31,217,664.02	30,180,261.37	29,944,785.80	30,300,850.63	30,127,653.53	31,202,264.46	29,873,792.48	27,860,170.49	26,592,181.69	25,569,373.60
Business-type activities:										
Food services	659,151.05	648,243.41	611,521.29	583,526.69	582,919.03	585,604.27	563,305.10	565,653.73	554,519.89	494,650.58
Total business-type activities expenses	659,151.05	648,243.41	611,521.29	583,526.69	582,919.03	585,604.27	563,305.10	565,653.73	554,519.89	494,650.58
Total district expenses	\$ 31,876,815.07	\$ 30,828,504.78	\$ 30,556,307.09	\$ 30,884,377.32	\$ 30,710,572.56	\$ 31,787,868.73	\$ 30,437,097.58	\$ 28,425,824.22	\$ 27,146,701.58	\$ 26,064,024.18
Revenues:										
Governmental activities:										
Charges for services:										
Instruction	\$ 644,753.00	\$ 673,440.00	\$ 761,468.89	\$ 748,760.62	\$ 640,371.50	\$ 488,186.50	\$ 514,254.75	\$ 496,539.50	\$ 461,045.91	\$ 480,333.81
Operating grants and contributions	3,684,432.60	3,134,512.85	3,028,881.43	3,999,931.54	3,410,593.44	4,676,135.18	4,541,688.47	3,738,010.08	3,057,593.69	3,112,921.25
Total governmental activities revenues	4,329,185.60	3,807,952.85	3,790,350.32	4,748,692.16	4,050,964.94	5,164,321.68	5,055,943.22	4,234,549.58	3,518,639.60	3,593,255.06
Business-type activities:										
Charges for services:										
Food services	368,799.25	410,108.72	351,711.74	386,029.70	385,131.72	439,479.85	416,913.92	373,960.43	381,552.88	329,222.34
Operating grants and contributions	264,903.24	278,725.05	242,880.13	237,852.98	196,530.99	213,042.21	224,947.25	229,220.56	194,698.80	126,866.15
Total business-type activities revenues	633,702.49	688,833.77	594,591.87	623,882.68	581,662.71	652,522.06	641,861.17	603,180.99	576,251.68	456,088.49
Total district revenues	\$ 4,962,888.09	\$ 4,496,786.62	\$ 4,384,942.19	\$ 5,372,574.84	\$ 4,632,627.65	\$ 5,816,843.74	\$ 5,697,804.39	\$ 4,837,730.57	\$ 4,094,891.28	\$ 4,049,343.55
Net (expenses)/revenues:										
Governmental activities	\$ (26,888,478.42)	\$ (26,372,308.52)	\$ (26,154,435.48)	\$ (25,552,158.47)	\$ (26,076,688.59)	\$ (26,037,942.78)	\$ (24,817,849.26)	\$ (23,625,620.91)	\$ (23,073,542.09)	\$ (21,976,118.54)
Business-type activities	(25,448.56)	40,590.36	(16,929.42)	40,355.99	(1,256.32)	66,917.79	78,556.07	37,527.26	21,731.79	(38,562.09)
Total district-wide net expenses	\$ (26,913,926.98)	\$ (26,331,718.16)	\$ (26,171,364.90)	\$ (25,511,802.48)	\$ (26,077,944.91)	\$ (25,971,024.99)	\$ (24,739,293.19)	\$ (23,588,093.65)	\$ (23,051,810.30)	\$ (22,014,680.63)

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 18,232,034.00	\$ 17,874,543.00	\$ 17,524,062.00	\$ 17,226,469.00	\$ 17,032,091.00	\$ 17,557,343.00	\$ 16,884,103.00	\$ 15,643,345.00	\$ 15,120,573.00	\$ 13,820,643.00
Taxes levied for debt service	208,838.00	210,678.00	212,653.00	201,769.00	203,727.00	205,493.00	207,278.00	245,060.00	89,830.00	212,725.00
Unrestricted grants and contributions	8,625,508.70	8,678,128.10	7,914,968.44	9,141,616.35	8,719,315.00	8,301,357.01	8,052,343.15	8,433,130.15	8,081,905.29	7,979,069.00
Restricted grants and contributions	0.00	589,340.00	255,526.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tuition received	161,613.58	152,887.83	120,125.15	144,320.70	75,138.31	54,280.18	16,948.77	2,106.88	9,028.04	11,948.16
Transportation fees from individuals	59,014.25	57,801.25	57,110.00	0.00	76,823.22	80,147.25	72,518.96	75,897.50	59,260.78	54,121.96
Investment earnings	5,569.44	8,169.10	9,726.11	11,749.04	39,796.60	134,222.56	98,721.95	65,289.69	34,617.56	13,556.97
Miscellaneous income	353,233.93	394,968.79	292,267.07	133,459.63	173,834.96	138,546.18	93,060.20	118,716.69	89,315.19	93,993.88
Transfers	0.00	0.00	0.00	0.00	0.00	(50,000.00)	(75,000.00)	(75,000.00)	(50,376.06)	0.00
Fixed asset additions, disposals, prior period adjustments	559,514.40	(662,889.10)	343,647.08	605,445.45	(26,869.12)	31,464.58	18,370.00	17,093.02	429,917.01	85,338.55
Capital lease issued	0.00	(1,332,314.00)	0.00	0.00	0.00	(838,000.00)	(505,000.00)	0.00	0.00	0.00
Capital lease adjustments	0.00	0.00	0.00	213,357.80	0.00	0.00	0.00	0.00	0.00	0.00
Bequests for scholarships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,706.56	0.00
Savings from refinancing of bonded debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67,148.24	0.00
Compensated absences (increase)/reduction	95,157.07	98,710.96	280,177.34	(43,917.11)	(49,930.24)	112,591.54	(106,848.08)	198.14	91,114.69	61,090.56
Total governmental activities	<u>28,300,483.37</u>	<u>26,070,023.93</u>	<u>27,010,262.19</u>	<u>27,634,269.86</u>	<u>26,243,926.73</u>	<u>25,727,445.30</u>	<u>24,756,495.95</u>	<u>24,525,837.07</u>	<u>24,111,040.30</u>	<u>22,332,487.08</u>
Business-type activities:										
Miscellaneous income	0.00	5,008.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed asset disposals and prior period adjustments	0.00	1,464.36	3,356.61	0.00	(178.30)	0.00	11,187.11	8,865.00	(9,000.00)	0.00
Total business-type activities	<u>0.00</u>	<u>6,472.94</u>	<u>3,356.61</u>	<u>0.00</u>	<u>(178.30)</u>	<u>0.00</u>	<u>11,187.11</u>	<u>8,865.00</u>	<u>(9,000.00)</u>	<u>0.00</u>
Total district-wide activities	<u>\$ 28,300,483.37</u>	<u>\$ 26,076,496.87</u>	<u>\$ 27,013,618.80</u>	<u>\$ 27,634,269.86</u>	<u>\$ 26,243,748.43</u>	<u>\$ 25,727,445.30</u>	<u>\$ 24,767,683.06</u>	<u>\$ 24,534,702.07</u>	<u>\$ 24,102,040.30</u>	<u>\$ 22,332,487.08</u>
Change in net position:										
Governmental activities	\$ 1,412,004.95	\$ (302,284.59)	\$ 855,826.71	\$ 2,082,111.39	\$ 167,238.14	\$ (310,497.48)	\$ (61,353.31)	\$ 900,216.16	\$ 1,037,498.21	\$ 356,368.54
Business-type activities	(25,448.56)	47,063.30	(13,572.81)	40,355.99	(1,434.62)	66,917.79	89,743.18	46,392.26	12,731.79	(38,562.09)
Total district-wide	<u>\$ 1,386,556.39</u>	<u>\$ (255,221.29)</u>	<u>\$ 842,253.90</u>	<u>\$ 2,122,467.38</u>	<u>\$ 165,803.52</u>	<u>\$ (243,579.69)</u>	<u>\$ 28,389.87</u>	<u>\$ 946,608.42</u>	<u>\$ 1,050,230.00</u>	<u>\$ 317,806.45</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund:										
Reserved	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,737,488.78	\$ 1,046,060.30	\$ 911,588.44	\$ 1,057,765.43	\$ 784,813.84	\$ 141,974.44	\$ 94,667.45
Unreserved	0.00	0.00	0.00	(273,773.40)	(238,143.71)	200,058.85	223,485.88	192,867.86	584,282.56	193,082.40
Restricted	79,088.91	99,189.35	222,964.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assigned	1,495,183.29	1,330,860.33	706,024.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	(212,450.42)	(165,360.74)	(156,957.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total general fund	\$ 1,361,821.78	\$ 1,264,688.94	\$ 772,031.09	\$ 1,463,715.38	\$ 807,916.59	\$ 1,111,647.29	\$ 1,281,251.31	\$ 977,681.70	\$ 726,257.00	\$ 287,749.85
All other governmental funds:										
Reserved	\$ 88,706.56	\$ 88,706.56	\$ 88,706.56	\$ 88,706.56	\$ 88,631.04	\$ 88,706.56	\$ 88,706.56	\$ 88,706.56	\$ 88,706.56	\$ 0.00
Unreserved, reported in:										
Special revenue fund	0.00	0.00	0.00	0.00	0.00	(2,414.50)	(2,414.50)	(2,414.50)	(2,414.50)	(2,414.50)
Capital projects fund	373,069.72	400,865.38	1,345.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt service fund	2.07	1.66	1.06	0.74	1.08	2.51	0.95	0.19	0.20	1.00
Permanent fund	10.86	44.98	11.25	26.91	317.50	317.50	234.48	156.89	78.17	0.00
Total all other governmental funds	\$ 461,789.21	\$ 489,618.58	\$ 90,064.11	\$ 88,734.21	\$ 88,949.62	\$ 86,612.07	\$ 86,527.49	\$ 86,449.14	\$ 86,370.43	\$ (2,413.50)

Note: 2011 reflects the change to GASB 54.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Changes In Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Tax levy	\$ 18,440,872.00	\$ 18,085,221.00	\$ 17,736,715.00	\$ 17,428,238.00	\$ 17,235,818.00	\$ 17,762,836.00	\$ 17,091,381.00	\$ 15,888,405.00	\$ 15,210,403.00	\$ 14,033,368.00
Tuition charges	161,613.58	152,887.83	120,125.15	144,320.70	75,138.31	54,280.18	16,948.77	2,106.88	9,028.04	11,948.16
Transportation fees	59,014.25	57,801.25	57,110.00	0.00	76,823.22	80,147.25	72,518.96	75,897.50	59,260.78	54,121.96
Interest earnings	5,569.44	8,169.10	9,726.11	10.00	39,796.60	134,222.56	98,721.95	65,289.69	34,617.56	13,556.97
Miscellaneous	373,995.93	394,968.79	321,023.17	842,888.83	416,404.09	317,970.27	129,727.83	157,909.69	113,199.64	123,758.88
State sources	11,394,253.19	11,146,578.41	10,169,490.74	9,949,755.10	10,853,861.74	12,012,370.02	11,626,535.41	11,179,151.86	10,548,533.91	10,415,257.47
Federal sources	902,726.11	1,255,402.54	1,001,129.03	2,494,102.63	1,033,477.57	785,698.08	848,894.34	952,795.37	574,694.33	686,387.78
Total revenues	31,338,044.50	31,101,028.92	29,415,319.20	30,859,315.26	29,731,319.53	31,147,524.36	29,884,728.26	28,321,555.99	26,549,737.26	25,338,399.22
Expenditures:										
Instruction:										
Regular instruction	8,548,429.23	9,021,795.20	9,174,353.22	8,912,458.29	9,095,101.70	8,859,611.78	8,447,005.18	8,235,759.22	8,373,021.29	7,575,154.68
Special education instruction	2,569,675.44	2,484,988.12	2,447,377.91	2,474,231.95	2,535,102.45	2,300,123.55	2,017,643.43	1,883,131.63	1,732,925.97	1,648,002.19
Other special instruction	227,488.54	215,568.00	193,616.78	180,672.93	234,364.32	201,016.40	159,276.32	112,374.66	108,784.84	150,989.84
Other instruction	468,408.27	438,537.96	439,222.71	484,590.80	437,456.84	460,263.96	415,084.15	402,394.87	389,017.83	395,496.22
Support services:										
Tuition	1,225,451.90	859,808.15	894,823.20	1,344,917.39	1,579,610.18	1,747,629.41	1,898,565.69	1,641,403.34	1,524,114.61	1,006,431.45
Student and instruction related services	3,209,515.30	3,303,485.63	3,084,588.31	3,444,366.50	3,178,782.45	3,236,707.99	3,164,736.66	2,987,446.36	2,534,944.94	2,331,983.03
General administration	681,586.12	680,987.28	611,373.60	617,705.21	637,145.20	557,039.75	454,867.67	505,426.38	469,511.08	823,611.43
School administrative services	1,327,618.38	1,295,935.16	1,279,476.35	1,222,179.80	1,239,693.93	1,230,610.31	1,195,293.21	1,322,683.28	1,246,624.97	1,238,740.09
Central services	381,668.99	365,580.58	358,837.56	349,523.48	340,325.62	331,562.26	304,127.08	290,401.28	280,527.14	0.00
Administrative information technology	310,434.34	331,289.80	292,197.72	258,826.88	233,775.84	205,512.72	181,116.88	124,112.16	121,298.47	0.00
Plant operations and maintenance	2,843,146.72	2,529,822.43	2,732,052.39	2,567,790.08	2,723,020.83	3,200,079.48	2,768,645.58	2,523,316.97	2,572,314.93	2,496,215.32
Pupil transportation	1,261,716.27	1,300,477.48	1,194,498.27	1,197,183.28	1,358,886.62	1,419,502.13	1,522,700.68	1,425,531.06	1,319,304.83	1,226,473.83
Employee benefits	7,308,902.66	6,428,461.82	6,198,514.16	6,174,498.70	5,827,637.92	7,063,273.66	6,522,156.72	5,563,450.38	5,086,538.61	4,862,750.20
Special schools	0.00	0.00	2,307.87	108,749.55	72,681.78	101,361.46	109,509.04	111,123.28	103,412.93	104,764.89
Capital outlay	625,047.28	2,002,277.59	917,672.86	578,651.70	248,952.57	898,064.50	555,123.77	568,823.70	19,492.50	28,450.44
Debt service:										
Principal	261,423.77	252,313.82	243,850.01	235,802.14	228,329.07	220,969.12	214,021.25	207,335.80	134,100.75	195,379.54
Interest and other charges	18,227.82	29,801.58	40,910.67	51,583.20	61,845.36	71,715.32	81,206.99	90,338.21	45,217.05	107,609.10
Total expenditures	31,268,741.03	31,541,130.60	30,105,673.59	30,203,731.88	30,032,712.68	32,105,043.80	30,011,080.30	27,995,052.58	26,061,152.74	24,192,052.25
Excess (deficiency) of revenues over (under) expenditures	69,303.47	(440,101.68)	(690,354.39)	655,583.38	(301,393.15)	(957,519.44)	(126,352.04)	326,503.41	488,584.52	1,146,346.97
Other financing sources (uses):										
Bequest for scholarships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,706.56	0.00
Capital leases	0.00	1,332,314.00	0.00	0.00	0.00	838,000.00	505,000.00	0.00	0.00	0.00
Transfers in	0.00	0.00	325,516.00	1.00	0.00	0.00	0.00	323,058.00	376.06	59,130.00
Transfers out	0.00	0.00	(325,516.00)	(1.00)	0.00	(50,000.00)	(75,000.00)	(398,058.00)	(50,376.06)	(59,130.00)
Total other financing sources (uses)	0.00	1,332,314.00	0.00	0.00	0.00	788,000.00	430,000.00	(75,000.00)	38,706.56	0.00
Net change in fund balances	\$ 69,303.47	\$ 892,212.32	\$ (690,354.39)	\$ 655,583.38	\$ (301,393.15)	\$ (169,519.44)	\$ 303,647.96	\$ 251,503.41	\$ 527,291.08	\$ 1,146,346.97
Debt service as a percentage of noncapital expenditures	0.91%	0.96%	0.98%	0.97%	0.97%	0.94%	1.00%	1.09%	0.69%	1.25%

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central services and administrative information technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, central services and administrative information technology were combined in other support services as business and other support services.

Source: District records.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue By Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year Ended June 30	Tuition	Interest On Investment	Transportation Fees	Solar Renewable Credits	Miscellaneous	Total
2013	\$ 161,613.58	\$ 5,569.44	\$ 59,014.25	\$ 0.00	\$ 373,995.93	\$ 600,193.20
2012	152,887.83	8,169.10	57,801.25	0.00	394,968.79	613,826.97
2011	120,125.15	9,726.11	57,110.00	73,656.00	218,326.73	478,943.99
2010	144,320.70	11,464.11	0.00	0.00	133,459.63	289,244.44
2009	75,138.31	39,796.60	76,823.22	0.00	173,310.48	365,068.61
2008	54,280.18	133,639.54	80,147.25	0.00	138,546.18	406,613.15
2007	16,948.77	98,144.36	72,518.96	0.00	93,060.20	280,672.29
2006	2,106.88	64,710.97	75,897.50	0.00	118,716.69	261,432.04
2005	9,028.04	34,039.39	59,260.78	0.00	89,315.19	191,643.40
2004	11,948.16	13,556.97	54,121.96	0.00	93,993.88	173,620.97

Source: District records.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Vacant Land	Residential	Farm - Regular	Farm - Qualified	Commercial	Industrial	Apartments	Total Assessed Value	Less: Tax Exempt Property	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate**
2013	\$ 22,701,800	\$ 733,533,934	\$ 10,992,200	\$ 1,685,200	\$ 132,021,500	\$ 166,993,000	\$ 30,560,300	\$ 1,098,487,934	\$ -	\$ 1,813,332	\$ 1,100,301,266	\$ 1,232,034,873	\$ 1.693
2012	23,648,600	734,678,147	11,129,700	1,685,200	134,762,900	177,993,000	30,560,300	1,114,457,847	-	2,051,986	1,116,509,833	1,264,372,477	1.636
2011	21,956,000	741,079,700	11,909,600	1,734,900	147,404,300	202,993,000	32,747,600	1,159,825,100	-	2,592,983	1,162,418,083	1,412,292,003	1.558
2010	12,901,600	480,612,100	7,092,900	2,076,100	80,069,400	150,325,900	17,513,000	750,591,000	-	1,552,472	752,143,472	1,353,383,538	2.304
2009	13,368,800	478,692,500	6,828,900	2,082,600	80,085,400	150,160,900	17,513,000	748,732,100	-	1,635,282	750,367,382	1,171,277,265	2.297
2008	15,202,700	476,113,800	6,655,800	2,027,200	79,372,000	150,155,900	17,513,000	747,040,400	-	1,727,963	748,768,363	1,041,316,420	2.320
2007	16,656,700	466,826,800	6,603,600	2,005,300	77,276,300	151,673,600	17,513,000	738,555,300	-	1,947,019	740,502,319	889,706,019	2.169
2006	15,643,500	460,183,800	6,724,800	2,062,300	76,339,300	151,654,300	17,513,000	730,121,000	-	2,194,311	732,315,311	917,316,574	2.123
2005	16,872,800	451,717,300	6,721,400	2,065,200	72,263,500	151,698,500	17,496,600	718,835,300	-	2,454,573	721,289,873	825,528,846	2.028
2004	15,257,100	449,518,800	6,412,000	2,097,300	77,914,700	152,415,600	17,456,700	721,072,200	-	2,601,580	723,673,780	814,279,461	1.873

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when the county board of taxation requests treasury to order a reassessment.

Source: Municipal tax assessor.

*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies

**Tax rates are per \$100.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years

Fiscal Year Ended June 30	District's Direct Rate			Overlapping Rates		Total Direct And Overlapping Tax Rate
	Basic Rate*	General Obligation Debt Service**	(From J-6) Total Direct School Tax Rate	Municipality	County	
2013	\$ 1.674	0.019	\$ 1.693	\$ 0.596	\$ 1.076	\$ 3.365
2012	1.617	0.019	1.636	0.568	1.064	3.268
2011	1.540	0.018	1.558	0.464	1.069	3.091
2010	2.277	0.027	2.304	0.569	1.596	4.469
2009	2.270	0.027	2.297	0.569	1.596	4.462
2008	2.280	0.040	2.320	0.415	1.353	4.088
2007	2.136	0.033	2.169	0.370	1.270	3.809
2006	2.090	0.033	2.123	0.321	1.261	3.705
2005	2.016	0.012	2.028	0.253	1.134	3.415
2004	1.844	0.029	1.873	0.192	1.116	3.181

Source: Municipal Tax Collector.

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudgeted year net budget by more than the spending growth limitation calculated as follows: the prebudgeted year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

*The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2013		2004	
	Taxable Assessed Value	Percentage Of Total District Net Assessed Value	Taxable Assessed Value	Percentage Of Total District Net Assessed Value
E.I. DuPont De Numous & Co.	\$ 124,000,000.00	10.67%		
Calpine New Jersey Generation, LLC	29,411,100.00	2.53%		
ACP Pennsville Association	16,925,600.00	1.46%		
Seigfried (USA), Inc.	13,581,900.00	1.17%		
Pennsville Acquisition, LLC	13,238,800.00	1.14%		
Orchard Court Association	8,752,200.00	0.75%		
HP PVL LLC Et Al C/O Metro Prop.	8,500,000.00	0.73%		
Pennsville Hotel Corporation	6,400,000.00	0.55%		
M & P RE LLC	4,306,600.00	0.37%		
Penn Norse LLC	4,237,000.00	0.36%		
Total	\$ 229,353,200.00	19.73%		
E.I. DuPont			\$ 117,250,100.00	16.20%
Atlantic City Electric Company			24,523,800.00	3.39%
Seigfried Chemicals, Inc.			8,344,600.00	1.15%
Pennsville Associated Limited			6,500,000.00	0.89%
ACP Pennsville Association			6,253,900.00	0.86%
Pennsville Realty Company			6,146,400.00	0.85%
Orchard Court Association			4,802,200.00	0.66%
Pennsville (EDENSAM), L.L.C.			3,700,000.00	0.51%
DMG NJ C/O ALC, Inc.			2,970,500.00	0.41%
Pennsville Commercial Land			2,900,000.00	0.40%
			\$ 183,391,500.00	25.32%

Source: Municipal Tax Assessor.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of the Levy*		Collections In Subsequent Year
		Current Amount	Percentage Of Levy	
2013	\$ 18,440,872	\$ 18,440,872	100.00%	\$ -
2012	18,085,221	18,085,221	100.00%	-
2011	17,736,715	17,736,715	100.00%	-
2010	17,428,238	17,428,238	100.00%	-
2009	17,235,818	17,235,818	100.00%	-
2008	17,762,836	17,762,836	100.00%	-
2007	17,091,381	17,091,381	100.00%	-
2006	15,888,405	15,888,405	100.00%	-
2005	15,210,403	15,210,403	100.00%	-
2004	14,033,368	14,033,368	100.00%	-

Source: District records including the certificate and report of school taxes (A4F Form).

*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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Total District	Percentage Of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2013	\$ 270,990.69	\$ 855,241.66	\$ 1,126,232.35	Not available	\$ Not available
2012	532,414.46	1,107,334.83	1,639,749.29	0.30%	123
2011	784,728.28	0.00	784,728.28	0.15%	59
2010	1,028,578.29	270,052.42	1,298,630.71	0.25%	98
2009	1,264,380.43	583,347.33	1,847,727.76	0.35%	138
2008	1,492,709.50	778,775.84	2,271,485.34	0.47%	170
2007	1,713,678.62	408,772.27	2,122,450.89	0.46%	161
2006	1,927,699.87	0.00	1,927,699.87	0.44%	147
2005	2,135,035.67	0.00	2,135,035.67	0.50%	163
2004	2,336,284.66	0.00	2,336,284.66	0.58%	179
2003	2,531,664.20	63,267.16	2,594,931.36	0.65%	197

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

*See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Percentage Of Actual Taxable Value Of Property*	Per Capita**
2013	\$ 270,990.69	0.02%	\$ Not available
2012	532,414.46	0.05%	40
2011	784,728.28	0.07%	59
2010	1,028,578.29	0.14%	77
2009	1,264,380.43	0.17%	95
2008	1,492,709.50	0.20%	112
2007	1,713,678.62	0.23%	130
2006	1,927,699.87	0.26%	147
2005	2,135,035.67	0.30%	163
2004	2,336,284.66	0.32%	179

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

*See Exhibit J-6 for property tax data.

**Population data can be found in Exhibit J-14.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2012

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share Of Overlapping Debt</u>
Debt repaid with property taxes:			
Pennsville Township	\$ 3,199,848.28	100.00%	\$ 3,199,848.28
Salem County general obligation debt	48,368,963.80	22.64%	<u>10,949,652.01</u>
Subtotal - overlapping debt			14,149,500.29
District's direct debt			<u>532,414.46</u>
Total direct and overlapping debt			<u><u>\$ 14,681,914.75</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2013:

Equalized valuation basis:	
2012	\$ 1,183,201,876.00
2011	1,229,791,707.00
2010	<u>1,255,357,831.00</u>
	<u>\$ 3,668,351,414.00</u>
Average equalized valuation of taxable property	\$ 1,222,783,804.67
Debt limit (4% of average equalized value)*	\$ 48,911,352.19
Total net debt applicable to limit	<u>270,990.69</u>
Legal debt margin	<u>\$ 48,640,361.50</u>

	<u>2013</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>
Debt limit	\$ 48,911,352.19	\$ 50,927,113.84	\$ 51,576,593.04	\$ 50,423,603.11	\$ 46,358,334.43	\$ 41,008,072.05	\$ 36,643,363.41	\$ 33,076,727.07	\$ 31,296,157.01	\$ 30,197,548.35
Total net debt applicable to limit	<u>270,990.69</u>	<u>532,414.46</u>	<u>784,728.28</u>	<u>1,028,578.29</u>	<u>1,264,380.43</u>	<u>1,492,709.50</u>	<u>1,713,678.62</u>	<u>1,927,699.87</u>	<u>2,135,035.67</u>	<u>2,336,284.66</u>
Legal debt margin	<u>\$ 48,640,361.50</u>	<u>\$ 50,394,699.38</u>	<u>\$ 50,791,864.76</u>	<u>\$ 49,395,024.82</u>	<u>\$ 45,093,954.00</u>	<u>\$ 39,515,362.55</u>	<u>\$ 34,929,684.79</u>	<u>\$ 31,149,027.20</u>	<u>\$ 29,161,121.34</u>	<u>\$ 27,861,263.69</u>
Total net debt applicable to the limit as a percentage of debt limit	0.55%	1.05%	1.52%	2.04%	2.73%	3.64%	4.68%	5.83%	6.82%	7.74%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey, Department of Treasury, Division of Taxation.

*Limit set by N.J.S.A. 18A:24-19 for a K-12 district; other percentage limits would be applicable for other district types.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population*	Personal Income**	Per Capita Personal Income***	Unemployment Rate****
2012	13,232	\$ Not Available	\$ Not Available	7.80%
2011	13,371	546,165,237.00	40,847.00	7.60%
2010	13,391	531,676,264.00	39,704.00	8.00%
2009	13,303	512,817,347.00	38,549.00	7.60%
2008	13,349	523,093,914.00	39,186.00	4.40%
2007	13,350	486,380,550.00	36,433.00	3.40%
2006	13,195	457,998,450.00	34,710.00	3.40%
2005	13,132	433,487,320.00	33,010.00	3.30%
2004	13,101	426,070,722.00	32,522.00	3.90%
2003	13,079	404,389,601.00	30,919.00	5.00%

*Population information provided by the New Jersey Department of Labor and Workforce Development.

**Personal income has been estimated based upon the population and per capita personal income presented.

***Per capita personal income by municipality estimated based upon the census published by the U.S. Bureau of Economic Analysis.

****Unemployment data provided by the New Jersey Department of Labor and Workforce Development.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Principal Employers - Salem County
Current Year and Nine Years Ago

Employer	2013		2004	
	Employees	Percentage Of Total Municipal Employment	Employees	Percentage Of Total Municipal Employment
PSEG	1,300	N/A	N/A	N/A
E.I. DuPont	1,250	N/A	N/A	N/A
Mannington Mills	826	N/A	N/A	N/A
Memorial Hospital of Salem County	600	N/A	N/A	N/A
Atlantic City Electric	426	N/A	N/A	N/A
R.E. Pierson Construction	400	N/A	N/A	N/A
Anchor Glass	361	N/A	N/A	N/A
McLane NJ	352	N/A	N/A	N/A
Elmer Hospital	350	N/A	N/A	N/A
Wal-Mart	256	N/A	N/A	N/A
	6,121	0.000%	0	0.000%

Source: Salem County Office of Economic Development

Note: The information provided is for the County of Salem. Information at the municipal level is not available.

N/A - Information not available

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular and special education	166.5	163.5	163.0	166.0	181.0	167.0	172.0	167.0	163.0	160.0
Other special education	33.0	36.0	36.0	38.0	38.0	32.0	28.0	22.0	22.0	20.0
Other instruction	13.0	13.0	13.0	13.0	13.0	11.0	11.0	11.0	11.0	11.0
Support services:										
Student and instruction related services	15.0	16.0	16.0	16.0	12.0	17.0	16.0	15.0	15.0	11.0
General administration	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other administrative services	5.5	5.5	5.5	5.5	6.0	6.0	6.0	6.0	2.0	2.0
School administrative services	15.5	15.5	15.5	15.5	20.0	18.0	18.0	18.0	20.0	20.0
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative information technology	4.5	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.0	2.0
Plant operations and maintenance	5.0	5.5	5.5	5.0	31.0	30.0	30.0	30.0	32.0	31.0
Total	266.0	267.0	266.5	270.0	311.0	291.0	291.0	279.0	274.0	264.0

Source: District personnel records.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio			Average Daily Enrollment***	Average Daily Attendance***	Percentage Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2013	1,912.0	\$ 30,364,042.16	\$ 15,881	6.01%	199	1.13	1.10.7	1.10.3	1,912.0	1,779.7	-2.10%	93.08%
2012	1,953.0	29,256,237.61	14,980	5.63%	198	1.15	1.10.6	1.8.9	1,953.0	1,838.7	4.80%	94.15%
2011	2,038.0	28,903,240.05	14,182	4.57%	198	1:12.3	1:11	1:8	1,863.6	1,757.3	-13.85%	94.30%
2010	2,163.1	29,337,694.84	13,563	-9.20%	206	1:12.3	1:11.2	1:9.2	2,163.1	2,032.2	14.60%	93.95%
2009	1,974.5	29,493,585.68	14,937	-1.07%	212	1:12.9	1:11.2	1:9.2	1,887.6	1,789.4	-7.81%	94.80%
2008	2,047.5	30,914,294.86	15,099	6.38%	201	1:13.3	1:11	1:10.2	2,047.5	1,849.3	-0.34%	90.32%
2007	2,054.5	29,160,728.29	14,194	9.38%	202	1:14	1:11.2	1:9.6	2,054.5	1,943.3	-1.73%	94.59%
2006	2,090.6	27,128,554.87	12,976	2.76%	201	1:13.6	1:10.8	1:10.5	2,090.6	1,966.6	2.11%	94.07%
2005	2,048.0	25,862,342.44	12,628	2.46%	198	1:12.8	1:11.4	1:9.5	2,047.5	1,929.5	1.66%	94.24%
2004	2,014.0	24,821,295.25	12,324	12.71%	197	1:11.0	1:10.5	1:9.0	2,014.0	1,899.8	-5.58%	94.33%

Source: District's records.

Note: Enrollment based on annual October district count.

*Operating expenditures equal total expenditures less debt service and capital outlay.

**Teaching staff includes only full-time equivalents of certified staff.

***Average daily enrollment and average daily attendance are obtained from the school register summary.

N/A = Not available.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
District buildings:										
Administrative offices:										
Square feet	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096
Capacity (students)	0	0	0	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0	0	0	0
Elementary:										
Central Park Elementary School (1956):										
Square feet	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	306	274	259	259	251	257	264	260	254	258
Penn Beach Elementary School (1964):										
Square feet	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	272	294	326	326	365	388	364	358	339	321
Valley Park Elementary School (1969):										
Square feet	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	305	295	321	321	318	320	317	348	325	345
Middle:										
Pennsville Middle School (1959):										
Square feet	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938
Capacity (students)	984	984	984	984	984	984	984	984	984	984
Enrollment	451	446	473	473	495	502	518	506	534	513
High:										
Pennsville Memorial High School (1949):										
Square feet	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426
Capacity (students)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Enrollment	578	596	554	554	538	566	584	618	596	577
Number of schools at June 30, 2013:										
Elementary =	3									
Middle =	1									
High =	1									

Source: District facilities office.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance
 For School Facilities
 11-000-261-xxx

School Facilities*	Project Number	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
District office	N/A	\$ 31,886.47	\$ 3,714.66	\$ 49,630.25	\$ 8,004.60	\$ 15,352.61	\$ 28,567.56	\$ 24,125.65	\$ 14,556.11	\$ 5,382.15	\$ 13,990.23
Pennsville Memorial High School	N/A	177,323.31	45,446.55	32,550.37	52,048.40	97,311.16	118,760.13	177,057.41	51,661.28	110,680.47	57,707.22
Pennsville Middle School	N/A	65,065.95	36,179.45	16,448.50	26,405.08	25,267.74	71,150.52	39,416.46	19,671.60	98,552.96	26,487.78
Central Park Elementary School	N/A	46,334.11	840.00	29,143.17	3,954.52	5,411.46	6,728.34	29,994.92	17,109.21	39,789.20	19,862.41
Penn Beach Elementary School	N/A	29,860.02	17,401.00	117,912.60	28,877.50	37,431.44	30,463.08	62,332.80	25,677.64	80,191.13	47,069.97
Valley Park Elementary School	N/A	39,403.89	15,212.10	48,916.15	30,378.25	47,433.77	16,058.83	25,278.79	24,083.20	9,603.97	11,610.42
Total school facilities		<u>389,873.75</u>	<u>118,793.76</u>	<u>294,601.04</u>	<u>149,668.35</u>	<u>228,208.18</u>	<u>271,728.46</u>	<u>358,206.03</u>	<u>152,759.04</u>	<u>344,199.88</u>	<u>176,728.03</u>
Grand total		<u>\$ 389,873.75</u>	<u>\$ 118,793.76</u>	<u>\$ 294,601.04</u>	<u>\$ 149,668.35</u>	<u>\$ 228,208.18</u>	<u>\$ 271,728.46</u>	<u>\$ 358,206.03</u>	<u>\$ 152,759.04</u>	<u>\$ 344,199.88</u>	<u>\$ 176,728.03</u>

*School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

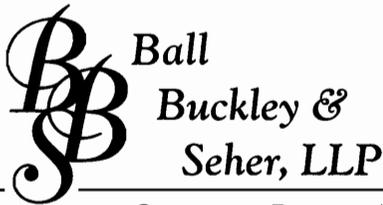
Source: District records.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2013
Unaudited

	<u>Coverage</u>	<u>GCSSDJIF Self Insured Retention</u>	<u>Deductible</u>
School package policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property - blanket building and contents	\$ 150,000,000.00	\$ 250,000.00	\$ 500.00
Property valuation:			
Buildings and contents	Replacement Cost	N/A	N/A
Contractors equipment	Actual Cash Value	N/A	N/A
Automobiles	Actual Cash Value	N/A	N/A
Boiler and machinery	125,000,000.00	None	1,000.00
Crime	500,000.00	250,000.00	500.00
General and automobile liability	10,000,000.00	250,000.00	None
Worker's compensation	Statutory	250,000.00	None
Educator's legal liability	10,000,000.00	100,000.00	None
Pollution legal liability	3,000,000.00	None	25,000.00
 * Excess and reinsurance carriers involved:			
Property and crime		SPELLJIF, Selective Ins. Co. of America, Axis Surplus Insurance Company Westchester Surplus Lines Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company	
General liability and automobile liability		SPELLJIF, Selective Ins. Co. of America	
Workers compensation		SPELLJIF, Selective Ins. Co. of America	
Educator's legal liability		SPELLJIF, Selective Ins. Co. of America	
 Group purchase of primary insurance coverage carrier array:			
Boiler and machinery		Travelers Insurance Company	
Pollution legal liability		ACE American Insurance Co.	
 Public employees' faithful performance blanket position bond - Selective Insurance Company:			
Board secretary/business administrator	10,000.00	N/A	N/A
Treasurer of school monies	210,000.00	N/A	N/A
 Student accident insurance - Monumental Life Insurance Company			
Life Insurance Company	5,000,000.00	N/A	None
 Volunteer workers policy - AIG Companies			
AIG Companies	500,000.00	N/A	None

Source: District records.

Single Audit Section



CERTIFIED PUBLIC ACCOUNTANTS



**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**

**(No Material Weaknesses Identified, No Significant Deficiencies Identified,
No Reportable Instances of Noncompliance or Other Matters Identified)**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Township of Pennsville School District
County of Salem
Pennsville, New Jersey

We have audited the financial statements of the Board of Education of the Township of Pennsville School District, County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated December 3, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

The Board of Education of the Township of Pennsville School District is responsible for establishing and maintaining effective internal controls over financial reporting.

In planning and performing our audit, we considered the Board of Education of the Township of Pennsville School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Township of Pennsville School District's internal control over financial reporting. Accordingly, We do not express an opinion on the effectiveness of the Board of Education of the Township of Pennsville 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Township of Pennsville School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of the Township of Pennsville School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Township of Pennsville School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of the Township of Pennsville School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 above. We noted certain matters that we reported to the Board of Education of the Township of Pennsville School District in a separate report entitled Auditor's Management Report On Administrative Findings - Financial, Compliance, and Performance dated December 3, 2013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Township of Pennsville 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 Office of School Finance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Township of Pennsville School District in a separate report entitled Auditor's Management Report on Administrative Findings - Financial, Compliance, and Performance dated December 3, 2013.

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

Respectfully submitted,

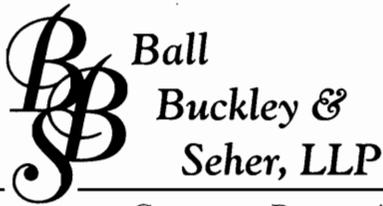
Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

December 3, 2013



CERTIFIED PUBLIC ACCOUNTANTS



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE
SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

**(Unmodified Opinion on Compliance; No Material Weaknesses
Or Significant Deficiencies in Internal Control Over Compliance Identified)**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Township of Pennsville School District
County of Salem
Pennsville, New Jersey

Report on Compliance for Each Major Program

We have audited the compliance of the Board of Education of the Township of Pennsville School District, County of Salem, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2013. The Board of Education of the Township of Pennsville School District's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of the Board of Education of the Township of Pennsville School District's management. Our responsibility is to express an opinion on the Board of Education of the Township of Pennsville School District's compliance based on our audit.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Township of Pennsville School District's major programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey OMB's Circular 04-04 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 program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Township of Pennsville 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 Board of Education of the Township of Pennsville School District's compliance with those requirements.

Opinion of Each Major Program

In our opinion, the Board of Education of the Township of Pennsville School District complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Board of Education of the Township of Pennsville School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Township of Pennsville School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, 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 Board of Education of the Township of Pennsville 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 program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance Required by OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement

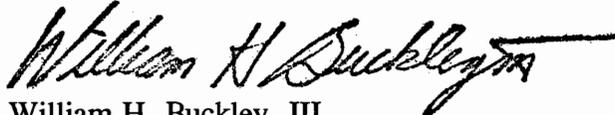
We have audited the financial statements of the Board of Education of the Township of Pennsville School District's as of and for the year ended June 30, 2013 and have issued our report thereon dated December 3, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement 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 schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

December 3, 2013

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013															
					Accounts Receivable	Unearned Revenue	Due to Grantor						Accounts Receivable	Unearned Revenue	Due to Grantor													
U.S. Department of Agriculture																												
Passed-Through State Department of Education:																												
Enterprise fund:																												
National school lunch program	10.555	N/A	07/01/11 - 06/30/12	\$ 205,052.05	\$ (6,147.69)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,147.69	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00										
National school lunch program	10.555	N/A	07/01/12 - 06/30/13	205,495.46	0.00	0.00	0.00	0.00	193,177.62	205,495.46	0.00	0.00	(12,317.84)	0.00	0.00	0.00	0.00	0.00										
National school breakfast program	10.553	N/A	07/01/11 - 06/30/12	13,581.07	(611.89)	0.00	0.00	0.00	611.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
National school breakfast program	10.553	N/A	07/01/12 - 06/30/13	16,675.62	0.00	0.00	0.00	0.00	15,609.24	16,675.62	0.00	0.00	(1,066.38)	0.00	0.00	0.00	0.00	0.00										
Food distribution program	10.550	N/A	07/01/12 - 06/30/13	37,115.03	0.00	0.00	0.00	0.00	37,115.03	37,115.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Total U.S. Department of Agriculture					(6,759.58)	0.00	0.00	0.00	252,661.47	259,286.11	0.00	0.00	(13,384.22)	0.00	0.00	0.00	0.00	0.00										
U.S. Department of Education:																												
General fund:																												
ARRA - SFSP - EJP (educ. job fund grants)	84.410	N/A	07/01/11 - 06/30/13	309,629.00	(144,505.80)	0.00	0.00	0.00	145,278.80	773.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Medical assistance program (SEMI)	93.778	N/A	07/01/12 - 06/30/13	28,646.12	0.00	0.00	0.00	0.00	28,646.12	28,646.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Total general fund					(144,505.80)	0.00	0.00	0.00	173,924.92	29,419.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
U.S. Department of Education																												
Passed-Through State Department of Education:																												
Special revenue fund:																												
Title I	84-010A	NCLB407513	09/01/12 - 08/31/13	258,795.00	0.00	0.00	0.00	0.00	185,471.00	220,674.83	0.00	0.00	(35,203.83)	0.00	0.00	0.00	0.00	0.00										
Title I C/O	84-010A	NCLB407512	09/01/12 - 08/31/13	260,693.00	0.00	0.00	0.00	(33,922.89)	52,388.86	136,132.09	0.00	0.00	(117,666.12)	0.00	0.00	0.00	0.00	0.00										
Title I	84-010A	NCLB407511	09/01/11 - 08/31/12	260,693.00	(33,922.89)	0.00	0.00	33,922.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Title I C/O	84-010A	NCLB407511	09/01/11 - 08/31/12	245,968.00	(63,773.46)	0.00	0.00	0.00	51,144.46	0.00	0.00	0.00	(12,629.00)	0.00	0.00	0.00	0.00	0.00										
Title I	84-010A	NCLB407510	09/01/09 - 08/31/10	191,591.00	0.00	0.00	647.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	647.39	0.00										
Title I school improvement - ARRA	84.389	ARRA407510	09/01/09 - 08/31/11	3,752.00	0.00	0.00	2,762.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,762.00	0.00										
Title II - Part A	84.367A	NCLB407513	09/01/12 - 08/31/13	59,107.00	0.00	0.00	0.00	0.00	46,366.00	43,965.38	0.00	0.00	0.00	0.00	2,400.62	0.00	0.00	0.00										
Title II - Part A C/O	84.367A	NCLB407512	09/01/12 - 08/31/13	63,614.00	0.00	0.00	0.00	(1,270.40)	8,945.24	11,492.00	0.00	0.00	(3,817.16)	0.00	0.00	0.00	0.00	0.00										
Title II - Part A	84.367A	NCLB407512	09/01/11 - 08/31/12	63,614.00	(1,270.40)	0.00	0.00	1,270.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Title II - Part A C/O	84.367A	NCLB407511	09/01/11 - 08/31/12	70,902.00	(9,859.76)	0.00	0.00	0.00	9,859.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Title II - Part D C/O	84.318X	NCLB407511	09/01/12 - 08/31/13	495.00	0.00	0.00	0.00	0.00	366.00	366.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Title III	84.365A	NCLB407513	09/01/12 - 08/31/13	2,089.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Title IV - drug free schools C/O	84.186A	NCLB407510	09/01/11 - 08/31/12	4,908.00	0.00	0.00	276.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	276.00	0.00										
I.D.E.A. Part B, basic	84.027	IDEA407513	09/01/12 - 08/31/13	483,772.00	0.00	0.00	0.00	0.00	247,063.00	420,342.00	0.00	0.00	(173,279.00)	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, basic	84.027	IDEA407512	09/01/12 - 08/31/12	478,520.00	(212,886.31)	0.00	0.00	0.00	212,886.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, basic C/O	84.027	IDEA407511	09/01/11 - 08/31/12	468,284.00	(4,597.60)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,597.60)	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, basic	84.027	IDEA407510	09/01/09 - 08/31/10	462,746.00	(7,844.40)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(7,844.40)	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, basic C/O	84.027	IDEA407508	09/01/08 - 08/31/09	471,515.00	0.00	0.00	0.00	0.00	0.00	21,280.69	0.00	0.00	(21,280.69)	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, preschool	84.173	IDEA407513	09/01/12 - 08/31/13	21,094.00	0.00	0.00	0.00	0.00	5,891.00	21,094.00	0.00	0.00	(15,203.00)	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, preschool	84.173	IDEA407512	09/01/11 - 08/31/12	21,022.00	(11,265.00)	0.00	0.00	0.00	11,265.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, basic - ARRA	84.391	ARRA407510	09/01/09 - 08/31/11	465,200.00	(27,027.27)	0.00	0.00	0.00	30,129.00	0.00	(3,101.73)	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
I.D.E.A. Part B, preschool - ARRA	84.392	ARRA407510	09/01/09 - 08/31/11	16,796.00	0.00	5.64	0.00	0.00	0.00	0.00	(5.64)	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Total special revenue fund					(372,447.09)	5.64	3,685.39	0.00	861,775.32	875,346.99	(3,107.06)	0.00	(391,520.80)	2,400.62	3,685.39	0.00	0.00	0.00										
Total U.S. Department of Education					(516,952.89)	5.64	3,685.39	0.00	1,035,700.24	904,766.11	(3,107.06)	0.00	(391,520.80)	2,400.62	3,685.39	0.00	0.00	0.00										
Total federal financial awards					\$ (523,712.47)	\$ 5.64	\$ 3,685.39	\$ 0.00	\$ 1,288,361.71	\$ 1,164,052.22	\$ (3,107.06)	\$ 0.00	\$ (404,905.02)	\$ 2,400.62	\$ 3,685.39	\$ 0.00	\$ 0.00	\$ 0.00										

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
 Schedule of State Financial Assistance
 For the Fiscal Year Ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012				Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2013			Memo	
				Unearned Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General fund:														
Equalization aid	13-495-034-5120-078	07/01/12 - 06/30/13	\$ 7,458,901.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,770,347.51	\$ 7,458,901.00	\$ 0.00	\$ (688,553.49)	\$ 0.00	\$ 0.00	\$ 688,553.49	\$ 7,458,901.00
Equalization aid	12-495-034-5120-078	07/01/11 - 06/30/12	7,320,380.00	(680,545.16)	0.00	0.00	680,545.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Categorical special education aid	13-495-034-5120-089	07/01/12 - 06/30/13	980,111.00	0.00	0.00	0.00	889,641.22	980,111.00	0.00	(90,469.78)	0.00	0.00	90,469.78	980,111.00
Categorical special education aid	12-495-034-5120-089	07/01/11 - 06/30/12	924,480.00	(85,920.84)	0.00	0.00	85,920.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Categorical transportation aid	13-495-034-5120-014	07/01/12 - 06/30/13	101,243.00	0.00	0.00	0.00	91,886.79	101,243.00	0.00	(9,356.21)	0.00	0.00	9,356.21	101,243.00
Categorical transportation aid	12-495-034-5120-014	07/01/11 - 06/30/12	79,222.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security aid	13-495-034-5120-084	07/01/12 - 06/30/13	48,615.00	0.00	0.00	0.00	44,095.48	48,615.00	0.00	(4,519.52)	0.00	0.00	4,519.52	48,615.00
Security aid	12-495-034-5120-084	07/01/11 - 06/30/12	29,222.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extraordinary aid	13-100-034-5120-473	07/01/12 - 06/30/13	29,222.00	0.00	0.00	0.00	29,222.00	29,222.00	0.00	(29,222.00)	0.00	0.00	29,222.00	29,222.00
Extraordinary aid	12-100-034-5120-473	07/01/11 - 06/30/12	66,995.00	(66,995.00)	0.00	0.00	66,995.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation cost reimbursement	N/A	07/01/12 - 06/30/13	4,430.58	0.00	0.00	0.00	0.00	4,430.58	0.00	(4,430.58)	0.00	0.00	4,430.58	4,430.58
Transportation cost reimbursement	N/A	07/01/11 - 06/30/12	3,480.00	(3,480.00)	0.00	0.00	3,480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
On-behalf T.P.A.F. pension contributions	13-495-034-5095-001	07/01/12 - 06/30/13	819,557.00	0.00	0.00	0.00	819,557.00	819,557.00	0.00	0.00	0.00	0.00	819,557.00	819,557.00
On-behalf T.P.A.F. post-retirement contributions	13-495-034-5095-001	07/01/12 - 06/30/13	926,711.00	0.00	0.00	0.00	926,711.00	926,711.00	0.00	0.00	0.00	0.00	926,711.00	926,711.00
Reimbursed T.P.A.F. social security contributions	13-495-034-5095-002	07/01/12 - 06/30/13	926,146.63	0.00	0.00	0.00	880,823.47	926,146.63	0.00	(45,323.16)	0.00	0.00	45,323.16	926,146.63
Reimbursed T.P.A.F. social security contributions	12-495-034-5095-002	07/01/11 - 06/30/12	933,506.84	(45,581.40)	0.00	0.00	45,581.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total general fund				(882,522.40)	0.00	0.00	11,305,584.87	11,294,937.21	0.00	(871,874.74)	0.00	0.00	871,874.74	11,294,937.21
Special revenue fund:														
Work First New Jersey	WFNJ201001	10/01/10 - 09/30/11	43,526.52	0.00	2,505.64	0.00	0.00	0.00	0.00	0.00	0.00	2,505.64	0.00	0.00
New Jersey nonpublic aid:														
Technology aid	13-100-034-5120-373	07/01/12 - 06/30/13	2,886.00	0.00	0.00	0.00	2,886.00	2,879.94	0.00	0.00	0.00	6.06	0.00	2,886.00
Technology aid	12-100-034-5120-064	07/01/11 - 06/30/12	7,820.00	0.00	0.00	0.00	7,820.00	7,487.31	0.00	0.00	332.69	0.00	7,820.00	7,820.00
Textbook aid	12-100-034-5120-064	07/01/11 - 06/30/12	6,550.00	0.00	645.32	0.00	0.00	0.00	645.32	0.00	0.00	0.00	0.00	0.00
Nursing aid	13-100-034-5120-070	07/01/12 - 06/30/13	10,854.00	0.00	0.00	0.00	10,854.00	10,854.00	0.00	0.00	0.00	0.00	10,854.00	10,854.00
Nursing aid	12-100-034-5120-070	07/01/11 - 06/30/12	9,356.00	0.00	559.00	0.00	0.00	0.00	559.00	0.00	0.00	0.00	0.00	0.00
Auxiliary services:														
Compensatory education	13-100-034-5120-067	07/01/12 - 06/30/13	57,690.00	0.00	0.00	0.00	57,690.00	23,523.73	0.00	0.00	0.00	34,166.27	0.00	57,690.00
Compensatory education	12-100-034-5120-067	07/01/11 - 06/30/12	58,328.00	0.00	0.89	0.00	0.00	0.00	0.89	0.00	0.00	0.00	0.00	0.00
Transportation	13-100-034-5120-067	07/01/12 - 06/30/13	6,245.00	0.00	0.00	0.00	6,245.00	6,245.00	0.00	0.00	0.00	0.00	6,245.00	6,245.00
Transportation	12-100-034-5120-067	07/01/11 - 06/30/12	9,934.00	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
Handicapped services:														
Supplementary instruction	13-100-034-5120-066	07/01/12 - 06/30/13	2,775.00	0.00	0.00	0.00	2,775.00	1,665.12	0.00	0.00	0.00	1,109.88	0.00	2,775.00
Examination and classification	13-100-034-5120-066	07/01/12 - 06/30/13	2,710.00	0.00	0.00	0.00	2,710.00	405.00	0.00	0.00	0.00	2,305.00	0.00	2,710.00
Examination and classification	12-100-034-5120-066	07/01/11 - 06/30/12	10,144.00	0.00	30.22	0.00	0.00	0.00	30.22	0.00	0.00	0.00	0.00	0.00
Corrective speech	13-100-034-5120-066	07/01/12 - 06/30/13	3,125.00	0.00	0.00	0.00	3,125.00	1,874.88	0.00	0.00	0.00	1,250.12	0.00	3,125.00
Total special revenue fund				0.00	3,742.07	0.00	94,105.00	54,934.98	1,236.43	0.00	0.00	41,675.66	0.00	94,105.00
Debt service fund:														
Debt service aid type II	13-495-034-5095-017	07/01/12 - 06/30/13	70,814.00	0.00	0.00	0.00	70,814.00	70,814.00	0.00	0.00	0.00	0.00	0.00	70,814.00
Total debt service fund				0.00	0.00	0.00	70,814.00	70,814.00	0.00	0.00	0.00	0.00	0.00	70,814.00
Enterprise funds:														
National school lunch program	13-100-010-3350-023	07/01/12 - 06/30/13	5,617.13	0.00	0.00	0.00	5,277.17	5,617.13	0.00	(339.96)	0.00	0.00	339.96	5,617.13
National school lunch program	12-100-010-3350-023	07/01/11 - 06/30/12	6,259.31	(190.69)	0.00	0.00	190.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total enterprise funds				(190.69)	0.00	0.00	5,467.86	5,617.13	0.00	(339.96)	0.00	0.00	339.96	5,617.13
Total state financial assistance				\$ (882,713.09)	\$ 3,742.07	\$ 0.00	\$ 11,475,971.73	\$ 11,426,303.32	\$ 1,236.43	\$ (872,214.70)	\$ 0.00	\$ 41,675.66	\$ 872,214.70	\$ 11,465,473.34

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board'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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,433.00) for the general fund and \$0.00 for the special revenue fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 29,419.12	\$11,268,504.21	\$11,297,923.33
Special revenue fund	873,306.99	54,934.98	928,241.97
Debt service fund	-	70,814.00	70,814.00
Food service fund	<u>259,286.11</u>	<u>5,617.13</u>	<u>264,903.24</u>
Total awards and financial assistance	<u>\$1,162,012.22</u>	<u>\$11,399,870.32</u>	<u>\$12,561,882.54</u>

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013**

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 - OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF pension contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2013. TPAF social security contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

NOTE 6 - MAJOR PROGRAMS

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

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

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:

342,789

Auditee qualified as low-risk auditee?

X yes _____ no _____ N/A

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

Unmodified Opinion

Internal Control over major programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiencies identified that were not considered to be material weaknesses?

_____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?

_____ yes X no

Identification of major programs:

<u>GMIS Numbers(s)</u>	<u>Name of State Program</u>
13-495-034-5120-078	Equalization aid
13-495-034-5120-089	Special education categorical aid
13-495-034-5120-084	Security aid
13-495-034-5095-002	Reimbursed TPAF social security contributions

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding 13-0

No Current Year Findings.

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

This section identifies audit findings to be reported by Section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

Federal and State Awards

Finding 13-0

No Current Year Findings or Questioned Costs.

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
JUNE 30, 2013**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular Letter 04-04.

Status of Prior Year Findings

Finding 12-0

There were no prior year audit findings.