

**BOARD OF EDUCATION**  
**PENNS GROVE-CARNEYS POINT REGIONAL**  
**SYNOPSIS OF COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDIT**  
**FISCAL YEAR ENDED JUNE 30, 2016**

The following is a synopsis of the audit as set forth in the audit report pertaining to the

**BOARD OF EDUCATION OF PENNS GROVE-CARNEYS POINT REGIONAL**

for the fiscal year ended June 30, 2016, as prepared by:

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**  
**WILLIAMSTOWN, NEW JERSEY**

A complete copy of the audit report from which the following synopsis was taken is on file in the office of the School Board Secretary and will be made available for inspection upon proper request.



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Brian E. Ferguson  
School Board Secretary

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,082,332	\$ 80,162	\$ 239,733	\$ 32,768	\$ 1,434,995
Restricted Cash - Capital Reserve	661,488				661,488
Interfund Accounts Receivable	169,742				169,742
Local School District Tax	245,774				245,774
State Aid Receivable	334,631		1,839,056		2,173,687
Federal Aid Receivable	24,680	303,505			328,185
Receivables From Other Governments	322,850				322,850
<b>Total Assets</b>	<b>\$ 2,841,497</b>	<b>\$ 383,667</b>	<b>\$ 2,078,789</b>	<b>\$ 32,768</b>	<b>\$ 5,336,721</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 125,722	\$ 349,330	\$ 389,551	\$	\$ 864,603
Interfund Accounts Payable	469,228	106,363	63,379		638,970
Unearned Revenue	3,261	222			3,483
<b>Total Liabilities</b>	<b>598,211</b>	<b>455,915</b>	<b>452,930</b>		<b>1,507,056</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	886,488				886,488
Maintenance Reserve	67,976				67,976
Excess Surplus	970,041				970,041
Capital Projects Fund			1,625,859		1,625,859
<b>Assigned:</b>					
<b>Capital Reserve:</b>					
Designated for Subsequent Year's Expenditures	225,000				225,000
<b>Excess Surplus:</b>					
Designated for Subsequent Year's Expenditures	302,314				302,314
Year-End Encumbrances	459,544				459,544
Designated for Subsequent Year's Expenditures	548,536				548,536
Unassigned (Deficit)	(1,216,613)	(72,248)		32,768	(1,256,093)
<b>Total Fund Balances (Deficit)</b>	<b>2,243,286</b>	<b>(72,248)</b>	<b>1,625,859</b>	<b>32,768</b>	<b>3,829,665</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,841,497</b>	<b>\$ 383,667</b>	<b>\$ 2,078,789</b>	<b>\$ 32,768</b>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$41,440,349 and the accumulated depreciation is \$16,772,649. (See Note 6).	24,667,700
Deferred Outflow of Resources - Deferred Pension Contribution.	2,558,665
Long Term Net Pension Liability	(13,780,972)
Deferred Inflows of Resources - Pension Actuarial Gains.	(253,540)
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 Note 7).	(9,975,174)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt.	79,790
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(77,042)
<b>Net Position of governmental activities</b>	<b>\$ 7,049,092</b>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Tax Levy	\$ 11,257,578			\$ 690,923	\$ 11,948,501
Tuition Charges	807,675				807,675
Transportation Charges	2,826				2,826
Homeless Tuition Reimbursement	185,784				185,784
Interest Earned	8,193		1,834		10,027
Miscellaneous	29,215				29,215
State Sources	25,464,065	736,924	1,903,341	504,741	28,609,071
Federal Sources	109,837	2,213,242			2,323,079
<b>Total Revenues</b>	<b>37,865,173</b>	<b>2,950,166</b>	<b>1,905,175</b>	<b>1,195,664</b>	<b>43,916,178</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular Instruction	8,652,188	2,143,889			10,796,077
Special Education Instruction	3,533,262				3,533,262
Other Special Instruction	1,157,768				1,157,768
Other Instruction	414,379				414,379
<b>Support Services and Undistributed Costs:</b>					
Tuition	2,192,603				2,192,603
Student and Instruction Related Services	2,633,772	530,818			3,164,590
General Administrative Services	908,242				908,242
School Administrative Services	1,590,573				1,590,573
Other Administrative Services	577,449				577,449
Plant Operations and Maintenance	3,024,909				3,024,909
Pupil Transportation	1,904,265				1,904,265
Unallocated Benefits	9,940,861	261,010			10,201,871
Capital Outlay	178,533		5,979,124		6,157,657
<b>Debt Service:</b>					
Principal				955,000	955,000
Interest and Other Charges				240,663	240,663
<b>Total Expenditures</b>	<b>36,708,804</b>	<b>2,935,717</b>	<b>5,979,124</b>	<b>1,195,663</b>	<b>46,819,308</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,156,369</b>	<b>14,449</b>	<b>(4,073,949)</b>	<b>1</b>	<b>(2,903,130)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interest Earned Transferred from Capital Reserve	1,834		(1,834)		
<b>Total Other Financing Sources and Uses</b>	<b>1,834</b>		<b>(1,834)</b>		
<b>Net Changes in Fund Balances</b>	<b>1,158,203</b>	<b>14,449</b>	<b>(4,075,783)</b>	<b>1</b>	<b>(2,903,130)</b>
Fund Balance — Beginning of Year	1,085,083	(86,697)	5,701,642	32,767	6,732,795
<b>Fund Balance — End of Year</b>	<b>\$ 2,243,286</b>	<b>\$ (72,248)</b>	<b>\$ 1,625,859</b>	<b>\$ 32,768</b>	<b>\$ 3,829,665</b>

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

## **RECOMMENDATIONS**

**It is recommended that:**

### **School Food Service**

#### **Finding 2016-1**

##### **Recommendation**

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

#### **Status of Prior Years' Audit Findings/Recommendations**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was not taken on the one prior year finding.

**CORRECTIVE ACTION PLAN**

**NAME OF SCHOOL: PENNS GROVE - CARNEYS POINT REGIONAL  
COUNTY - SALEM  
TYPE OF AUDIT - FINANCIAL  
DATE OF BOARD MEETING: DECEMBER 12, 2016  
CONTACT PERSON: BRIAN E. FERGUSON, SCHOOL BUSINESS ADMINISTRATOR  
TELEPHONE NUMBER: (856) 299-4250 EXT. 1111**

**RECOMMENDATION 2016-1**

**The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise**

**CORRECTIVE ACTION**

**The District will implement a procedure to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise**

**METHOD OF IMPLEMENTATION**

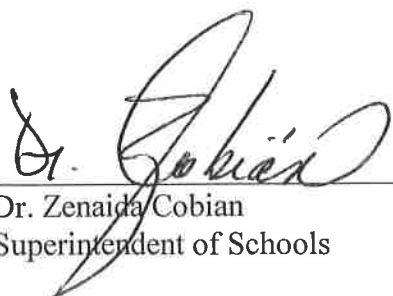
**Net cash resources on hand in the Food Service Fund will be reviewed on a periodic basis to ascertain they do not exceed three months average expenditures**

**PERSON RESPONSIBLE FOR IMPLEMENTATION**

**Brian Ferguson, School Business Administrator & Colleen Green, Food service Director**

**COMPLETION DATE OF IMPLEMENTATION**

**January 1, 2017**

  
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Dr. Zenaida Cobian  
Superintendent of Schools

  
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Brian E. Ferguson  
School Business Administrator