

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF PITTSBORO**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2019

**Prepared by
Pittsboro Township Board of Education
Finance Department**

INTRODUCTORY SECTION

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBORO TOWNSHIP SCHOOL DISTRICT
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Dr. Scott Hoopes
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Darren Harris
Business Admin./Board Sec.
(Ext. 4018)

November 14, 2019

Honorable President and Members
of the Board of Education
Pittsgrove Township Board of Education
County of Salem
Pittsgrove, N.J. 08318

Dear Board Members:

The comprehensive annual financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

We are an Equal Opportunity Employer - E/M

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK–12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2018-19 fiscal year with an enrollment of 1,755 students, including Academy students, which is 10 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-19	1,755.0	0.57%
2017-18	1,745.0	3.56%
2016-17	1,685.0	(6.54)%
2015-16	1,803.0	0.11%
2014-15	1,801.0	3.32%
2013-14	1,743.0	1.34%
2012-13	1,720.0	(1.29)%
2011-12	1,742.1	(5.12)%
2010-11	1,836.2	2.93%
2009-10	1,784.0	(.59)%

2. ECONOMIC CONDITION AND OUTLOOK:

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to continue for the immediate future. The 2010-2011 school year marked a full send/receive agreement with Elmer Borough Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade.

3. MAJOR INITIATIVES/CURRICULAR INITIATIVES:

Technology:

The Board of Education continues to support the integration of technology into the curriculum. The District uses a cloud-based infrastructure and Google platform, as well as student Chromebooks. Every administrator and teacher is equipped with an Apple laptop. With the maturation of web-based or cloud-based services, we have seen a trend and shift in expenditures from device-centric to network-centric items and solutions. As a result, network infrastructure, security systems, and bandwidth are trending up in regard to the percentage of the budget, whereby device costs are trending down.

The use of Chromebooks helps to support the District goal of increasing 21st Century technology skills and collaboration. With these devices, our students are readily able to utilize their own pittsgrove.net G-mail accounts and interface with Google Docs. Interactive displays, which bring rich, web-based educational content on screen, are utilized as a teaching tool in every classroom across the District. Another highlight of the 2016-2017 school year was the creation of Schalick High School's Makerspace. Makerspace provides an interactive environment where students can create, investigate, and engage in technology-related activities.

The Supervisor of Technology provides support and suggests best practices in student and teacher uses of educational technology. Members of the Technology Department implement new classroom technologies, model effective use, and help guide the educational technology vision of the Pittsgrove Township School District. Under the direction of the Supervisor of Technology, the major network infrastructure of the District has been upgraded to the advanced Cisco Meraki System. Telephone and security upgrades and enhancements were also performed. This year's implemented resources help to keep the Pittsgrove Township School District current and in many cases, ahead of the curve in educational technology.

Pittsgrove Township School District, K-12:

Across the District, staff members receive extensive professional development on the Common Core State Standards, assessments, and specific content-area knowledge. Particular focus was dedicated to training staff and administration on data analysis that is used for assessments and staff members' Student Growth Objectives (SGOs). The use of half-day professional development days continues to be instrumental by providing staff with needed professional development opportunities.

Norma, Elmer, and Olivet Elementary Schools:

Norma Elementary School continues to operate a Pre-School Program, which offers two full-day programs for four-year-old students. The program operates from a braided funding formula, including state funds for economically disadvantaged students, parent tuition, and local funds. The Early Launch to Learning Initiative (ELLI) helps to instill kindergarten readiness while serving the incoming kindergarten class. The full day Kindergarten program allows students to focus a significant amount of time on instructional activities. Norma also offers an ABC kindergarten class, which provides educational services to developmentally young five year olds.

Norma, Elmer, and Olivet School continue to receive professional development and support materials for curricula revision, benchmark creation, and new writing and math programs. During the 2016-2017 school year, the Norma, Elmer, and Olivet Elementary Schools implemented the *My Math* curriculum into their classrooms. Professional development opportunities during the half-day sessions were dedicated for teachers to collaborate and become more familiar with these curricular resources to meet the needs of their student learners. Norma Elementary School implemented the Zaner-Bloser Handwriting Program this year, while both Elmer and Olivet implemented the Lucy Calkins *Writer's Workshop* model into the language arts instruction.

Pittsgrove Township Middle School:

During the 2016-2017 school year, two new Exploratory courses were implemented: 6th Grade Music and 7th Grade European Culture and Conversation. Staff continued to receive professional development based on the Common Core State Standards, the Next Generation Science Standards, writing, assessments, and data analysis. Quarterly (formerly benchmark) assessments continue to be used to gauge student growth and identify areas in need of improvement to drive instruction. Staff members have revised their current assessments to align the questions with the revised curricula and the Common Core to best prepare students for PARCC testing. The Science Department is in the process of updating their curricula to align with the Next Generation Science Standards. They are reviewing various textbooks and anticipate piloting a program during the 2016-2017 school year.

Arthur P. Schalick High School:

Arthur P. Schalick High School strives to attain the highest level of academic achievement for all of its students. Academic rigor, high expectations, social and moral standards, and a commitment to excellence are embedded in all educational programs. During the 2016-2017 school year, Schalick entered into a Dual Credit Agreement with Salem Community College, where students may earn college credit for various courses completed at Schalick High School. The Academy is a joint venture with the Salem County Vocational Technical School District and is housed at Schalick High School. Each year, many students from the surrounding areas, as well as Schalick students, are accepted into the Academy Program. Through an Articulation Agreement with Rowan University, students in the Theater program can earn college credits.

The utilization of half-day in-service sessions has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis. This professional development will better enable teachers to use data from assessments to inform instruction. Curricular changes were made in the Math and Foreign Language Departments. Textbooks were purchased for Statistics. In addition, the curriculum was developed for a French I course, while revisions were made to the CP and Honors Geometry curricula.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

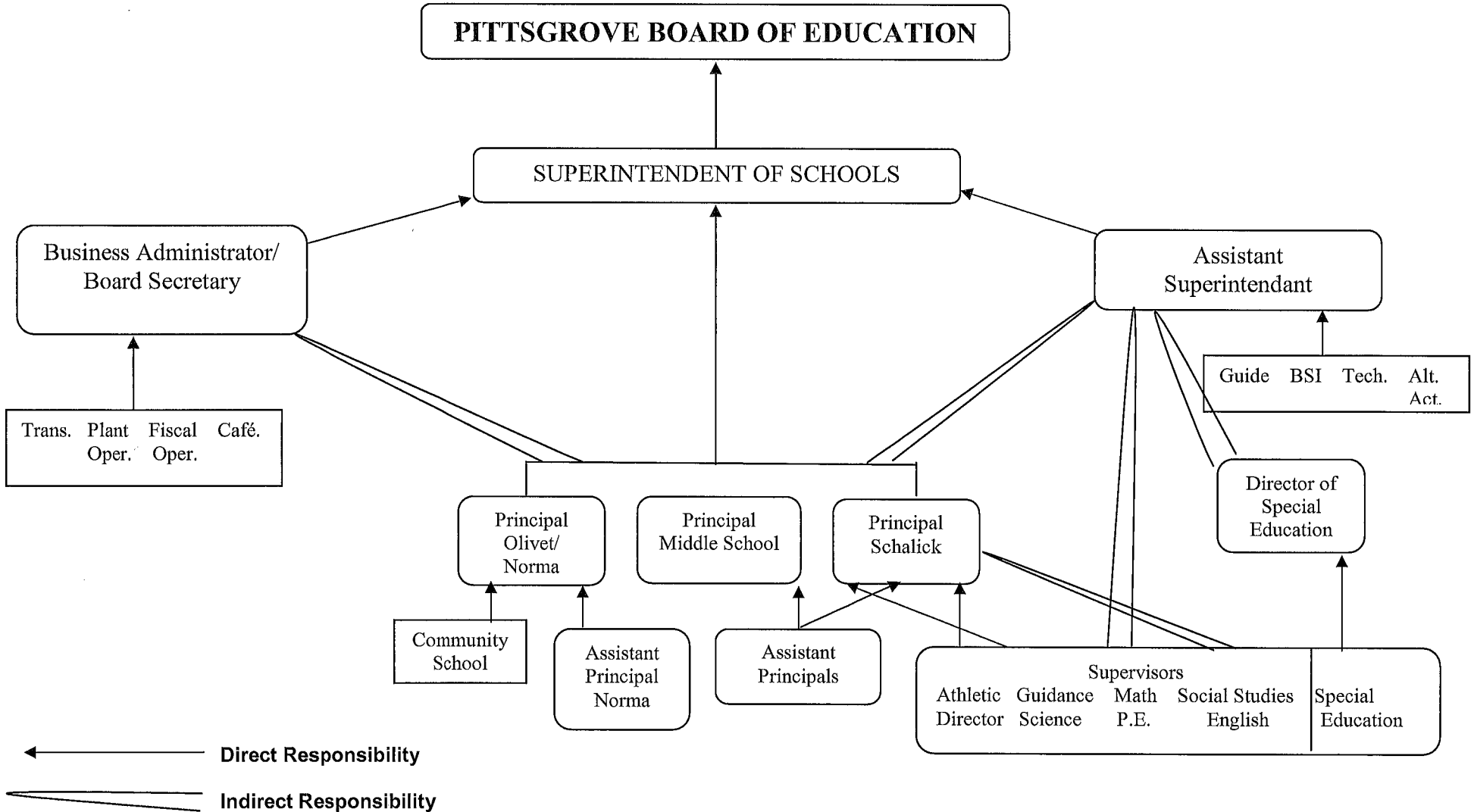
Dr. Scott Hoopes

Darren Harris

Dr. Scott Hoopes
Superintendent of Schools

Darren Harris
Business Administrator/
Board Secretary

**ADMINISTRATOR/SUPERVISOR
RESPONSIBILITY AND ORGANIZATION**



PITTSBORO TOWNSHIP BOARD OF EDUCATION
PITTSBORO, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Steven DiMatteo	President	2020
Emily Cannon	Vice President	2021
Dominick J. Miletta, III	Board Member	2020
Denzil Hardman	Board Member	2019
Timothy Hack	Board Member	2019
Jane Berger	Board Member	2019
Carrie Mullin	Board Member	2020
Joseph E. Wentzell	Board Member	2021
Samuel Wheaton	Board Member	2021
		<u>Amount</u>
<u>Other Officials</u>		<u>of Bond</u>
Scott Hoopes	Superintendent	\$ 250,000
Darren Harris	Business Administrator/ Board Secretary	250,000
Parker, McCay, PA	General Counsel/Bond Council	
Weiner Law Group	General Counsel/Labor Relations & Negotiations	

TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

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TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

FISCAL AGENT

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem, 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 Pittsgrove Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Pittsgrove Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 financial statement presentation.

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 Pittsgrove Township Board of Education in the County of Salem, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pittsgrove Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2019 on our consideration of the Pittsgrove Township Board of Education's internal control over financial reporting and 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 effectiveness of the Pittsgrove Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Pittsgrove Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 14, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PITTSGROVE TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

UNAUDITED

The discussion and analysis of Pittsgrove Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- ❖ General revenues of the District accounted for \$34,542,401 in revenue or 81% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$8,224,194 or 19% percent to total revenues of \$42,766,595.
- ❖ Total Net Position of governmental activities increased by \$1,473,922 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The Net Position of the Business-type Activities decreased by \$59,968.
- ❖ The School District had \$41,232,705 in total expenses, of which \$8,224,194 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$34,542,401 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$33,211,325 in revenues, \$33,195,499 in expenditures and \$731,933 in net other financing uses. Other financing sources represented \$19,607 transferred to a Charter School, offset by proceeds from capital lease of \$751,540. The General Fund balance increased by \$747,759 over 2018. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pittsgrove Township School District as a financial whole as well as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Pittsgrove Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains numerous funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes that position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and School Age Childcare enterprise funds are reported as business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-Type Activities.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2019 and 2018.

Table 1
Net Position

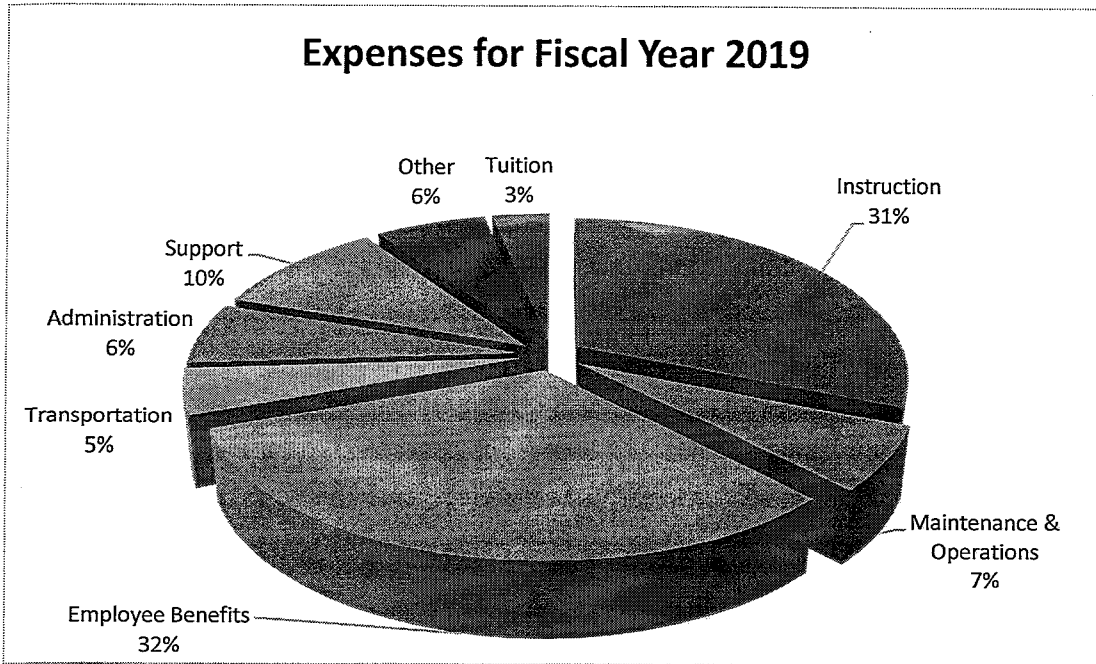
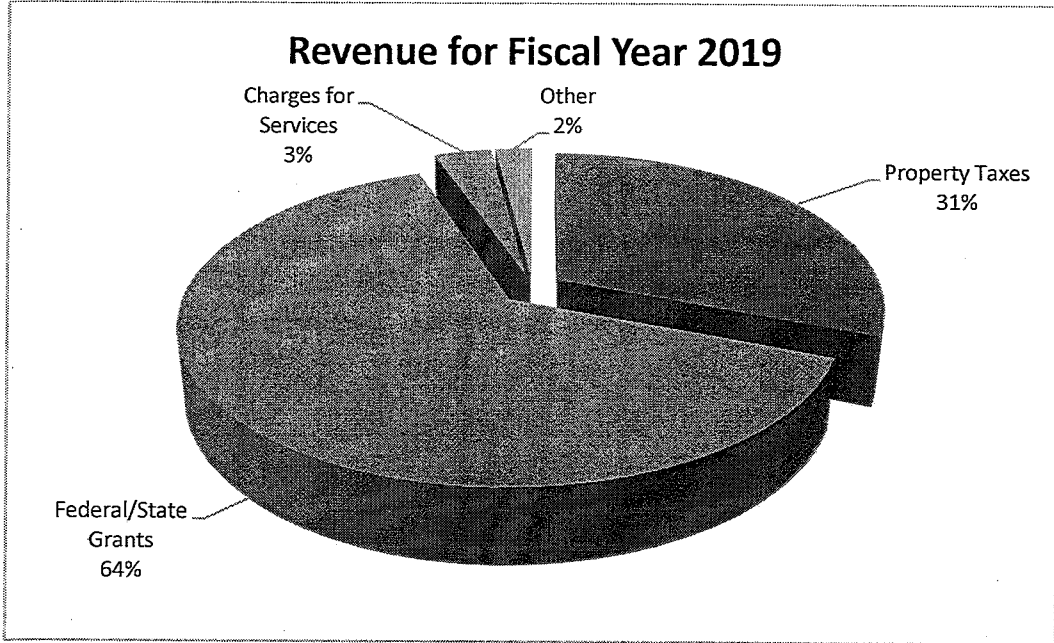
	2019	2018
Assets		
Current and Other Assets	\$ 4,284,595	\$ 3,275,851
Capital Assets, Net	12,726,495	13,065,586
Total Assets	17,011,090	16,341,437
Deferred Outflows of Resources	1,587,346	2,332,951
Liabilities		
Other Liabilities	2,941,476	10,948,945
Non-Current Liabilities	13,368,069	7,546,089
Total Liabilities	16,309,545	18,495,034
Deferred Inflows of Resources	3,284,605	2,708,958
Net Position		
Invested in Capital Assets, Net of Debt	6,618,990	6,200,316
Restricted	1,161,331	594,136
Unrestricted (Deficit)	(8,776,035)	(9,324,056)
Total Net Position	\$ (995,714)	\$ (2,529,604)

Table 2 shows the changes in Net Position from fiscal year's 2019 and 2018.

Table 2
Changes in Net Position

	2019	2018
Revenues		
Programs Revenues		
Charges for Services	\$ 1,443,238	\$ 1,307,300
Operating Grants and Contributions	6,780,956	6,171,821
General Revenues		
Property Taxes	13,104,139	12,795,929
Grants and Entitlements	20,546,100	19,370,972
Other	911,769	446,937
Total Revenues	42,786,202	40,092,959
Program Expenses		
Instruction	12,363,028	12,075,793
Tuition	1,359,636	1,287,032
Support Services		
Pupils and Instructional Staff	4,385,920	3,935,796
General Administration, School Administration, Business	2,341,364	2,461,963
Operations and Maintenance of Facilities	4,278,576	2,513,883
Pupil Transportation	1,349,898	1,840,888
Employee Benefits	12,786,485	12,330,772
Special Schools		
Interest on Debt	199,185	269,958
Food Service and Child Care	910,664	1,018,731
Other	1,257,949	1,205,035
Total Expenses	41,232,705	38,939,851
Excess of Expenditures over Revenues	1,553,497	1,153,108
Other Adjustments:		
Transfer to Charter School	(19,607)	(7,393)
(Decrease) Increase in Net Position	\$ 1,533,890	\$ 1,145,715

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2019 are illustrated in the two charts shown below:



Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental revenues of the Pittsgrove Township School District for fiscal year 2019, excluding business-type activities and other net financing uses, were \$41,815,570. The District's Property taxes made up 31.3% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 49.1%. The total cost of services was \$40,322,041. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$33,067,507. Instruction comprises 30.7% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Instruction	\$ 12,363,028	\$ 10,441,423	\$ 12,075,793	\$ 10,262,410
Tuition	1,359,636	1,359,636	1,287,032	1,287,032
Support Services				
Pupils and Instructional Staff	4,385,920	3,095,452	3,935,796	3,156,702
General Administration, School				
Administration, Business	2,341,364	2,200,611	2,461,963	2,322,497
Operation and Maintenance of Facilities	4,278,576	4,239,806	2,513,883	2,470,838
Pupil Transportation	1,349,898	1,185,336	1,840,888	1,765,237
Employee Benefits	12,786,485	9,088,109	12,330,772	8,685,676
Special Schools				
Interest and Fiscal Charges	199,185	199,185	269,958	269,958
Other	1,257,949	1,257,949	1,205,035	1,205,035
Total Expenses	\$ 40,322,041	\$ 33,067,507	\$ 37,921,120	\$ 31,425,385

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Curriculum and staff development expenses (included in support services) related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law as well as internal service fund expenses.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization of debt issue costs.

Business-Type Activities

Revenues for the District's Business-Type Activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- ❖ Program revenues exceeded expenses by \$58,996. There was no board subsidy required for the year. There was also miscellaneous interest revenue of \$972, resulting in a positive change in Net Position of \$59,968.
- ❖ Charges for services represent \$382,591 for the Food Service Fund and \$201,951 in the Child Care (SACC) Fund. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$385,118.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$36,901,757, expenditures of \$36,924,442 and other financing sources/uses of \$731,933, including the transfer to a Charter School, miscellaneous revenue and proceeds from capital leases. The net positive change in Governmental fund balances for the year was \$709,248, which includes \$747,759 in the General fund, (\$38,495) in the Special Revenue Fund and \$(16) in the Permanent fund. The District was, therefore, able to meet current operating costs without an appropriation of surplus and with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 13,396,942	36.31%	\$ 154,969	1.17%
State Sources	22,614,360	61.28%	1,806,393	8.68%
Federal Sources	890,455	2.41%	25,075	2.90%
Total	\$ 36,901,757	100.00%	\$ 1,986,437	5.69%

The increase in Local sources is attributed to increases in local tax levy of \$308,210, \$102,574 in tuition revenue and \$9,615 in interest earned, offset by a decrease of and other miscellaneous revenue of \$265,430.

The increase in State sources is attributed to increases in various state public aid of \$1,806,393.

The increase in Federal sources is due to additions in various other special revenue grants of \$25,075. In addition, the 2019 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2019 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 11,907,523	32.25%	\$ 117,837	1.00%
Undistributed Expenditures	22,998,631	62.29%	2,018,230	9.62%
Capital Outlay	1,250,360	3.39%	530,128	73.61%
Debt Service:				
Principal	595,000	1.61%	15,000	2.59%
Interest	172,928	0.46%	(23,700)	-12.05%
Total	\$ 36,924,442	100.00%	\$ 2,657,495	7.76%

The increase in instructional expenditures is attributed to increases in regular instruction of \$10,883 and special education instruction of \$174,060, offset by decreases in other special instruction expenses of \$46,337 and other instruction of \$20,769.

The increase in undistributed expenditures was due to increases in tuition costs of \$72,604, student and instruction related services of \$478,676, central services and information technology of \$21,822, pupil transportation of \$137,004, school administrative services of \$10,629, plant operations and maintenance of \$505,000 and employee benefits of \$819,255, offset by a decrease in general administrative services of \$26,760.

The increase in capital outlay is attributed to an overall increase in general fund capital outlay.

The decrease in debt service is the result of a decrease in interest payments on debt obligations offset by increased principal.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2019, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's original budget for the general fund anticipated a deficit of \$225,000 in fund balance, the actual results for the year show an increase of \$780,712, as shown on Exhibit C-1.

- ❖ Actual revenues were \$320,598 more than expected, excluding on-behalf pension, social security and long term disability reimbursements of \$4,185,584, reflecting a positive variance of \$4,506,182.
- ❖ Actual expenditures were \$1,174,718 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension, social security and long term disability reimbursements of \$4,185,584, along with assets acquired under capital leases in the amount of \$751,540.

Capital Assets

At the end of the fiscal year 2019, the School District had \$12,726,495 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2019 balances compared to 2018.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2019</u>	<u>2018</u>
Land	\$ 196,431	\$ 196,431
Land Improvements	144,173	176,261
Building and Improvements	10,176,854	10,652,728
Buses	1,436,398	1,266,502
Furniture and Equipment	772,639	773,664
Totals	<u>\$ 12,726,495</u>	<u>\$ 13,065,586</u>

Overall capital assets decreased \$339,091 from fiscal year 2018 to fiscal year 2019. Increases in capital assets by purchase or construction were \$954,355. These additions were offset by depreciation expenses of \$1,293,446 for the year.

Debt Administration:

- At June 30, 2019, the District's outstanding debt was \$13,368,069 and included \$4,096,000 of general obligation bonds, \$651,631 in compensated absences and \$2,011,505 in capital leases. In addition, there was \$6,608,933 in Net Pension Liability. At June 30, 2019, the School District's overall legal debt margin was \$25,998,090 and the amount available in the debt margin for future borrowing \$21,902,090 or 84% of the total allowable amount.

Remaining outstanding debt at June 30, 2019 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2019</u>
Construction of Additions and Other Improvements to Middle School	5/1/1999	\$ 6,950,000	\$ 1,710,000
2011 Various Capital Expenditures	12/18/2009	1,856,000	1,256,000
2013 Refunding Issue	3/20/2013	1,805,000	1,130,000

For the Future

The Pittsgrove Township School District is currently in sound financial condition. This statement is made in the context of strict growth limitations. Financing current programs in the future is the major concern for the administration and the Board of Education. A new funding structure that has increased reliance on property taxes adds to this concern. The future financing of educational programming will require the Pittsgrove Township School District to make some difficult decisions regarding the allocation of its resources.

The Board of Education continues its commitment to providing a quality education for the children of the Pittsgrove Township School District. Recent STEM and technology initiatives, as well as after-school clubs, attest to this fact. However, with resources being finite, and the continued pressure of federal and state mandated programs, the future is not without challenge. Pittsgrove Township is primarily a residential community with very few ratables. As a result, the homeowners bear the tax burden. The current down turn in the economy has impacted future State funding to the school, which has made the budget process more challenging. During this year's budget process, it will be the goal of the administration and the Board of Education to maintain its current program offerings and staffing, while carefully reviewing all cost centers throughout the District.

In conclusion, the Pittsgrove Township School District has committed itself to fiscal responsibility for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls meet all industry standards, and are functioning well. The District plans to continue its sound fiscal practice, while recognizing the challenge of finding alternate revenue sources to meet expense requirements.

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 School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Darren Harris, School Business Administrator at Pittsgrove Township Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash and Cash Equivalents	\$ 2,681,072	\$ 268,492	\$ 2,949,564
Receivables, Net	1,288,674	34,824	1,323,498
Inventory		8,762	8,762
Restricted Assets:			
Capital Reserve Account - Cash	2,771		2,771
Capital Assets, Net (Note 5)	12,643,101	83,394	12,726,495
	<hr/>	<hr/>	<hr/>
Total Assets	16,615,618	395,472	17,011,090
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	1,550,222		1,550,222
Deferred Amounts on Refunding of Debt	37,124		37,124
	<hr/>	<hr/>	<hr/>
	1,587,346		1,587,346
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	300,355	38,268	338,623
Interfund Payable	479		479
Short-Term Loan Payable	1,733,635		1,733,635
Accrued Interest Payable	78,164		78,164
Unearned Revenue	777,974	12,601	790,575
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,280,792		1,280,792
Due Beyond One Year	12,087,277		12,087,277
	<hr/>	<hr/>	<hr/>
Total Liabilities	16,258,676	50,869	16,309,545
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	3,284,605		3,284,605
	<hr/>	<hr/>	<hr/>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	6,535,596	83,394	6,618,990
Restricted for:			
Capital Reserve	2,771		2,771
Maintenance Reserve	550,000		550,000
Excess Surplus	514,713		514,713
Permanent Endowment - Nonexpendable	93,847		93,847
Unrestricted (Deficit)	(9,037,244)	261,209	(8,776,035)
	<hr/>	<hr/>	<hr/>
Total Net Position (Deficit)	\$ (1,340,317)	\$ 344,603	\$ (995,714)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 9,150,893	\$ 514,611	\$ 1,406,994	\$ (7,229,288)	\$	\$ (7,229,288)
Special Education	2,632,974			(2,632,974)		(2,632,974)
Other Special Instruction	145,909			(145,909)		(145,909)
Other Instruction	433,252			(433,252)		(433,252)
Support Services:						
Tuition	1,359,636			(1,359,636)		(1,359,636)
Student & Instruction Related Serv.	4,385,920		1,290,468	(3,095,452)		(3,095,452)
School Administrative Services	981,678			(981,678)		(981,678)
General and Business Admin. Serv.	678,969	133,333		(545,636)		(545,636)
Central Services and Info. Tech.	680,717	7,420		(673,297)		(673,297)
Plant Operations and Maintenance	4,278,576	38,770		(4,239,806)		(4,239,806)
Pupil Transportation	1,349,898	164,562		(1,185,336)		(1,185,336)
Employee Benefits	12,786,485		3,698,376	(9,088,109)		(9,088,109)
Interest on Long-Term Debt	199,185			(199,185)		(199,185)
Unallocated Depreciation	1,257,949			(1,257,949)		(1,257,949)
Total Governmental Activities	40,322,041	858,696	6,395,838	(33,067,507)		(33,067,507)
Business-Type Activities:						
Food Service	750,492	382,591	385,118		17,217	17,217
Child Care	160,172	201,951			41,779	41,779
Total Business-Type Activities	910,664	584,542	385,118		58,996	58,996
Total Primary Government	\$ 41,232,705	\$ 1,443,238	\$ 6,780,956	(33,067,507)	58,996	(33,008,511)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				12,585,542		12,585,542
Taxes Levied for Debt Service				518,597		518,597
Federal and State Aid not Restricted				20,546,100		20,546,100
Tuition Received				134,877		134,877
Investment Earnings				20,362	972	21,334
Miscellaneous Income				755,558		755,558
Transfer to Charter school				(19,607)		(19,607)
Total General Revenues, Special Items, Extraordinary Items and Transfers				34,541,429	972	34,542,401
Change in Net Position				1,473,922	59,968	1,533,890
Net Position—Beginning (Deficit)				(2,814,239)	284,635	(2,529,604)
Net Position—Ending (Deficit)				\$ (1,340,317)	\$ 344,603	\$ (995,714)

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Special</u>	<u>Permanent</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,065,753	\$	\$ 93,847	\$ 2,159,600
Due from Other Funds	148,920			148,920
District Tax Receivable - Elmer	366,061			366,061
State Aid Receivable	332,370			332,370
Federal Aid Receivable		306,247		306,247
Receivables from Other Governments	5,130			5,130
Other Accounts Receivable	100,807	220		101,027
Restricted Cash - Capital Reserve	2,771			2,771
Total Assets	<u>\$ 3,021,812</u>	<u>\$ 306,467</u>	<u>\$ 93,847</u>	<u>\$ 3,422,126</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 221,469	\$ 78,281	\$	\$ 299,750
Short-Term Loan Payable	1,538,143	195,492		1,733,635
Interfund Payable	479	137,384		137,863
Unearned Revenue		90,804		90,804
Total Liabilities	<u>1,760,091</u>	<u>501,961</u>		<u>2,262,052</u>
Fund Balances:				
Restricted:				
Capital Reserve	2,771			2,771
Maintenance Reserve	550,000			550,000
Excess Surplus	417,201			417,201
Excess Surplus - Designated for Subsequent Year's Expenditures	97,512			97,512
Assigned:				
Year-End Encumbrances	137,892			137,892
Deassigned for Subsequent Year's Expenditures	753,921			753,921
Permanent Fund			93,847	93,847
Unassigned, Reported In:				
General Fund (Deficit)	(697,576)	(195,494)		(893,070)
Total Fund Balances (Deficit)	<u>1,261,721</u>	<u>(195,494)</u>	<u>93,847</u>	<u>1,160,074</u>
Total Liabilities and Fund Balances	<u>\$ 3,021,812</u>	<u>\$ 306,467</u>	<u>\$ 93,847</u>	

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 \$41,306,680 and the accumulated depreciation is \$28,663,579 (See Note 5).	12,643,101
Deferred Outflow of Resources - Deferred Pension Contribution.	37,124
Deferred Inflows of Resources - Pension Actuarial Gains.	1,550,222
Deferred Inflows of Resources - Employer Pension	(3,284,605)
Long Term Net Pension Liability	(6,608,933)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(78,164)
Internal Service Fund - Reserve for Encumbrances	
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 6).	(6,759,136)
Net Position of Governmental Activities (Deficit)	<u>\$ (1,340,317)</u>

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 12,585,542		\$ 518,597		\$ 13,104,139
Tuition Charges - LEA's	134,877				134,877
Interest Earned	20,078			284	20,362
Miscellaneous	61,107	74,457		2,000	137,564
Total - Local Sources	12,801,604	74,457	518,597	2,284	13,396,942
State Sources	20,389,761	1,975,268	249,331		22,614,360
Federal Sources	19,960	870,495			890,455
Total Revenues	33,211,325	2,920,220	767,928	2,284	36,901,757
EXPENDITURES					
Current:					
Regular Instruction	7,288,394	1,406,994			8,695,388
Special Education Instruction	2,632,974				2,632,974
Other Special Instruction	145,909				145,909
Other Instruction	433,252				433,252
Support Services:					
Tuition	1,359,636				1,359,636
Student & Instruction Related Services	3,093,152	1,290,468		2,300	4,385,920
General Administrative Services	574,712				574,712
School Administrative Services	977,976				977,976
Central Services and Information Tech.	698,977				698,977
Plant Operations and Maintenance	3,015,690				3,015,690
Pupil Transportation	2,262,565				2,262,565
Employee Benefits	9,461,902	261,253			9,723,155
Debt Service:					
Principal			595,000		595,000
Interest and Other Charges			172,928		172,928
Capital Outlay	1,250,360				1,250,360
Total Expenditures	33,195,499	2,958,715	767,928	2,300	36,924,442
Excess (Deficiency) of Revenues over Expenditures	15,826	(38,495)		(16)	(22,685)
OTHER FINANCING SOURCES (USES)					
Transfer to Charter School	(19,607)				(19,607)
Proceeds from Capital Leases	751,540				751,540
Total Other Financing Sources and Uses	731,933				731,933
Net Change in Fund Balances	747,759	(38,495)		(16)	709,248
Fund Balance—July 1 (Deficit)	513,962	(156,999)		93,863	450,826
Fund Balance—June 30 (Deficit)	\$ 1,261,721	\$ (195,494)		\$ 93,847	\$ 1,160,074

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 709,248

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 \$ (1,287,264)	
Capital Lease Principal paid in Operating Budget	914,305	
Capital Outlays	954,355	
		581,396

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. 344,605

Proceeds from Capital Leases is not a revenue in the Statement of Activities (751,540)

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. 595,000

Increase in Compensated Absences is not considered an expense in the fund statements. 29,188

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due. 35,147

In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred. (61,404)

Internal Service Fund - Decrease in Reserve for Encumbrances (7,718)

Change in Net Position of Governmental Activities (See A-2) **\$ 1,473,922**

PROPRIETARY FUNDS

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 122,212	\$ 146,288	\$ 268,500	\$ 521,464
Accounts Receivable	24,741	10,083	34,824	177,839
Inventories	8,762		8,762	
Total Current Assets	155,715	156,371	312,086	699,303
Noncurrent Assets:				
Furniture, Machinery & Equipment	312,225		312,225	
Less Accumulated Depreciation	(228,831)		(228,831)	
Total Noncurrent Assets	83,394		83,394	
Total Assets	239,109	156,371	395,480	699,303
LIABILITIES				
Current Liabilities:				
Accounts Payable	38,125	143	38,268	605
Interfund Payable		8	8	11,528
Unearned Revenue	12,220	381	12,601	687,170
Total Liabilities	50,345	532	50,877	699,303
NET POSITION				
Invested in Capital Assets Net of Related Debt	83,394		83,394	
Unrestricted	105,370	155,839	261,209	
Total Net Position	\$ 188,764	\$ 155,839	\$ 344,603	\$

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 219,471	\$	\$ 219,471	\$
Daily Sales - Non-reimbursable Programs	134,106		134,106	
Special Functions	29,014		29,014	
Service Charges		201,951	201,951	858,696
Total Operating Revenues	382,591	201,951	584,542	858,696
Operating Expenses:				
Cost of Sales - Reimbursable Programs				
Cost of Sales - Non-Reimbursable Programs	69,605		69,605	
Direct Meal Cost	587,594		587,594	
Salaries		128,643	128,643	593,514
Employee Benefits		11,798	11,798	73,737
Purchased Professional/ Technical Services				7,420
Other Purchased Services				10,687
Supplies and Materials				17,056
Miscellaneous Other Costs	87,111	19,731	106,842	30,454
Depreciation	6,182		6,182	
Total Operating Expenses	750,492	160,172	910,664	732,868
Operating Income (loss)	(367,901)	41,779	(326,122)	125,828
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	7,113		7,113	
Federal Sources:				
National School Lunch Program	247,389		247,389	
National School Breakfast Program	84,695		84,695	
Food Distribution Program	45,921		45,921	
Transfer to Unearned Revenue				(133,546)
Interest and Miscellaneous Items	595	377	972	
Total Non-operating Revenues (Expenses)	385,713	377	386,090	(133,546)
Income (Loss) before Contributions & Transfers	17,812	42,156	59,968	(7,718)
Change in Net Position	17,812	42,156	59,968	(7,718)
Total Net Position—Beginning	170,952	113,683	284,635	7,718
Total Net Position—Ending	\$ 188,764	\$ 155,839	\$ 344,603	\$

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 382,591	\$ 201,951	\$ 584,542	\$ 858,696
Payments to employees		(128,643)	(128,643)	(483,343)
Payments for employee benefits		(11,798)	(11,798)	(3,804)
Payments to suppliers	(718,537)	(23,689)	(742,226)	(178,023)
Net cash provided by (used for) operating activities	(335,946)	37,821	(298,125)	193,526
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,113		7,113	
Federal Sources	332,084		332,084	
Transfer to Unearned Revenue				(133,546)
Net cash provided by (used for) non-capital financing activities	339,197		339,197	(133,546)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets				
Net cash provided by (used for) capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	595	377	972	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	595	377	972	
Net increase (decrease) in cash and cash equivalents	3,846	38,198	42,044	59,980
Balances—beginning of year	118,366	108,090	226,456	461,484
Balances—end of year	\$ 122,212	\$ 146,288	\$ 268,500	\$ 521,464
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (367,901)	\$ 41,779	\$ (326,122)	\$ 125,828
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,182		6,182	
Federal commodities	45,921		45,921	
(Increase) decrease in accounts receivable, net	684	(2,368)	(1,684)	(67,077)
(Increase) decrease in interfund receivable		952	952	40,073
(Increase) decrease in inventories	1,188		1,188	
Increase (decrease) in accounts payable	38,125	(2,446)	35,679	435
Increase (decrease) in unearned revenue	(843)	(104)	(947)	85,642
Increase (decrease) in interfun ds payable	(59,302)	8	(59,294)	8,625
Total adjustments	31,955	(3,958)	27,997	67,698
Net cash provided by (used for) operating activities	\$ (335,946)	\$ 37,821	\$ (298,125)	\$ 193,526

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

FIDUCIARY FUNDS

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 93,847	\$ 182,872
Due from General		479
	<hr/>	<hr/>
Total Assets	93,847	183,351
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable		1,150
Due to Student Groups		155,726
Payroll Deductions and Withholdings		16,384
Flexible Spending		10,091
	<hr/>	<hr/>
Total Liabilities		\$ 183,351
	<hr/>	<hr/>
NET POSITION		
Reserved for Scholarships	\$ 93,847	
	<hr/>	

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Investment Earnings:	
Contributions	\$ 2,000
Interest	284
	<hr/>
Total Additions	2,284
DEDUCTIONS	
Scholarships Awarded	2,300
	<hr/>
Change in Net Position	(16)
Net Position—Beginning of the Year	93,863
	<hr/>
Net Position—End of the Year	\$ 93,847
	<hr/> <hr/>

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Pittsgrove Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of sixty-five square miles. It is located in Salem County and provides education for all of Pittsgrove Township's grades K through 12. The District currently operates four instructional buildings, an administrative building, and a special services building.

A. Reporting Entity:

The Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2019 of 1,755 students.

The primary criterion for including activities within the District's reporting entity, per Sec. 2100 of GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 is not expected to impact the financial statements of the School District.
- GASB No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is not expected to impact the financial statements of the School District.

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards (Cont'd):

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 - *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Cont'd):

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the opinion noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. 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 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.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUND TYPE

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

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 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUND TYPE

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:

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

PROPRIETARY FUND TYPE (Cont'd)

Enterprise (Food Service and SACC) 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 Fund is comprised of the Food Service Fund and the School Age Child Care Program.

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 assets) 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 assets.

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:	
Equipment	7-20 Years

During the year the Food Service switched from a per cost center meal pricing to a fixed vended meal pricing through the Food Service Management Company.

Internal Service Fund - The Internal Service Fund has been established to account for various services provided by the Pittsgrove Township School District for use by various other districts within and outside of the County of Salem, as well as for the Pittsgrove Township School District itself. Services are generally provided on a cost-reimbursement basis.

The district implemented the use of internal service funds for the following:

- Business Services
- Internet Access
- Distance Learning Hub
- Transportation Jointures
- Joint paper purchasing for other school districts
- Art Academy
- Transportation Maintenance Services
- Custodial Services
- Aides Services

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

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.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a Scholarship Fund as a Nonexpendable Trust 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.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. 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 monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring the financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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 state aid payment 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.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, 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. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. 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.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2018 as revenue, but omits the last state aid payment of the current 2018-19 year received in July 2019.

E. 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. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. 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.

F. 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.

G. Tuition Payable:

Tuition charges for the fiscal years 2018-19, 2017-18, and 2016-17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Of the \$8,762 in inventory reflected as of June 30, 2019, Federal Commodity Food represents \$1,419. Per agreement with the management Service Company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

K. 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 accounted for in the period in which such services are rendered or in which such events take place.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences (Cont'd):

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Long-Term Debt. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65.

N. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

O. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

Extraordinary items are transactions or events, unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

R. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. Net Position:

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

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

W. Revenues – Exchange and Non-exchange Transactions:

Revenue is resulting from exchange transactions, in which each party gives and receives essentially equal value, and is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which resources are measurable and become available. Available means 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 within sixty days of the fiscal year end. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions (Cont'd):

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 year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

NOTE 3. CASH AND 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.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments 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 in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2019, the District had \$29,639 on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposit of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

All public depositories must pledge collateral, having market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

Custodial Credit Risk – As of June 30, 2019, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 3,199,415
N.J. Cash Management Fund	29,639
	<u>\$ 3,229,054</u>

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2019, the District's bank balance of \$4,062,327 was insured or collateralized as follows:

Insured	\$ 279,639
Uninsured and collateralized under GUDPA by pledging financial institutions	<u>3,782,688</u>
	<u>\$ 4,062,327</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2019, the District had \$29,639 on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's 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 of any unanticipated revenue or un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of 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 cost of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 1, 2018	\$ 2,761
Interest Earnings	10
Ending Balance June 30, 2019	\$ 2,771

The June 30, 2019 balance in the Capital Reserve Account is within the maximum balance per the districts' LFRP. There was no withdrawal from the account during the school year ended June 30, 2019.

NOTE 5. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 6. CAPITAL ASSETS

The Capital asset activity for the year ended June 30, 2019 was as follows

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Total capital assets not being depreciated	196,431			196,431
Land improvements	2,189,895	8,400		2,198,295
Building and building improvements	26,965,873	315,207		27,281,080
Buses	3,346,893	495,905		3,842,798
Furniture and equipment	7,653,233	134,843		7,788,076
Totals at historical cost	40,155,894	954,355		41,110,249
Less accumulated depreciation for :				
Land improvements	(2,013,634)	(40,488)		(2,054,122)
Building and improvements	(16,313,145)	(791,081)		(17,104,226)
Buses	(2,080,391)	(326,009)		(2,406,400)
Furniture and Equipment	(6,969,145)	(129,686)		(7,098,831)
Total accumulated depreciation	(27,376,315)	(1,287,264)		(28,663,579)
Total capital assets being depreciated, net of accumulated depreciation	11,902,803	(332,909)		12,446,670
Government activities capital assets, net	\$ 12,976,010	\$ (332,909)	\$	\$ 12,643,101
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 312,225	\$	\$	\$ 312,225
Less accumulated depreciation for :				
Equipment	(222,649)	(6,182)		(228,831)
Business-type activities capital assets, net	\$ 89,576	\$ (6,182)	\$	\$ 83,394

* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 25,613
Administration	3,702
Unallocated Depreciation	1,257,949
Total depreciation expense	\$ 1,287,264

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2019 was as follows:

	Beginning Balance 7/1/18	Additions	Reductions	Ending Balance 6/30/19	Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 4,691,000	\$	\$ (595,000)	\$ 4,096,000	\$ 605,000	\$ 3,491,000
Total Bonds Payable	4,691,000		(595,000)	4,096,000	605,000	3,491,000
Other Liabilities:						
Obligations under capital lease	2,174,270	751,540	(914,305)	2,011,505	600,477	1,411,028
Compensated absences payable	680,819		(29,188)	651,631	75,315	576,316
Net Pension Liability	8,213,386		(1,604,453)	6,608,933		6,608,933
Total Other Liabilities	11,068,475	751,540	(2,547,946)	9,272,069	675,792	8,596,277
Business-Type Activities:						
Compensated absences payable	\$	\$	\$	\$	\$	\$
Total Long-term Obligations	\$ 15,759,475	\$ 751,540	\$ (3,142,946)	\$ 13,368,069	\$ 1,280,792	\$ 12,087,277

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are general obligation bonds, retired in serial installments within the statutory period of usefulness. On May 21, 2009 the Board of Education Advance-Refunded the 1999 Bond Issue in the amount of \$4,850,000 in refunding bonds at various interest rates per redemption batch, from 3% to 4.25%. The balance of these bonds is \$1,710,000 as of June 30, 2019.

The District was awarded state grant funding for various capital projects for renovations and improvements to the Olivet elementary school, Middle school and A. P. Schalick High School, of which a bond referendum was held on September 29, 2009 to seek voter approval for the District's matching share of \$1,856,000. Voter approval was achieved and accordingly, bonds were issued with interest rates ranging from 3.5% to 4%. The balance of these bonds is \$1,256,000, as of June 30, 2019.

On March 20, 2013, the District issued bonds to refund a prior bond issue for various school improvements in the amount of \$1,805,000, of which the balance at June 30, 2019 is \$1,130,000.

B. Serial Bonds Payable- Principal and interest due on bonds outstanding is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	605,000	148,753	753,753
2021	640,000	125,496	765,496
2022	655,000	101,009	756,009
2023	675,000	75,753	750,753
2024	730,000	49,809	779,809
2025	410,000	29,240	439,240
2026	185,000	15,240	200,240
2027	196,000	7,836	203,836
	<u>\$ 4,096,000</u>	<u>\$ 553,136</u>	<u>\$ 4,649,136</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. LONG-TERM OBLIGATIONS (CONT'D)

C. Capital Leases - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof, a Tractor with a Loader and various other items under capital leases. The district issued \$751,540 in a new capital lease during the 2018-19 school-year for five Buses, a Tractor and various computer equipment. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. On August 4, 2017, the School District elected to refinance one of its capital leases for five school buses, which reduced the interest rate from 2.05% to 2.01% at a premium of \$11,464. The premium will be reflected in the deferred outflow of resources section of the Statement of Net Position and amortized over seven years. The following is a schedule of the future minimum lease payments for capital leases at June 30, 2019:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	600,477	36,737	637,214
2021	537,679	30,467	568,146
2022	411,276	18,916	430,192
2023	298,190	10,441	308,631
2024	106,243	3,590	109,833
2025	57,640	1,159	58,799
	<u>\$ 2,011,505</u>	<u>\$ 101,310</u>	<u>\$ 2,112,815</u>

D. Bonds Authorized but Not Issued - As of June 30, 2019 the District had no authorized but not issued bonds.

NOTE 8. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility.

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 1, 2018	\$ 400,000
Add:	
2018-19 Budget	<u>150,000</u>
Ending Balance June 30, 2019	<u>\$ 550,000</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2018 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2019 were 163,058. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2019 is 13.37% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2019, and 2018, were \$335,146 and \$330,384 respectively. The total payroll for the year ended June 30, 2019 was \$16,635,315. Payroll covered by PERS was \$2,174,501 for fiscal year 2019.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Components of Net Pension Liability - At June 30, 2019, the District's proportionate share of the PERS net pension liability was \$6,608,933. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The District's proportion measured as of June 30, 2018 was 0.033566% which was a decrease of 0.00172% from its proportion measured as of June 30, 2017.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2019 PERS pension expense, with respect to GASB 68, was \$(5,971). The District's 2019 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 126,033	\$ 34,078
Changes of assumptions	1,089,043	2,113,185
Net difference between projected and actual earnings on pension plan investments		61,992
Changes in proportion		1,075,350
Contributions subsequent to the measurement date	335,146	
Total	<u>\$ 1,550,222</u>	<u>\$ 3,284,605</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>PERS</u>
2020	\$ (446,345)
2021	(469,546)
2022	(736,410)
2023	(407,418)
2024	(9,810)
Thereafter	
Total	<u>\$ (2,069,529)</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Additional Information - Collective Balances at June 30, 2019 and 2018 are as follows:

Year	2019	2018
Collective deferred outflows of resources	\$ 1,550,222	\$ 2,234,423
Collective deferred inflows of resources	\$ 3,284,605	\$ 2,708,958
Collective Net Pension Liability	\$ 6,608,933	\$ 8,213,386
District's Proportion	0.033566%	0.035283%

Actuarial Assumptions - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Client Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
Total	<u>100.00%</u>	

Discount Rate - The discount rate, as of June 30, 2018, used to measure the total pension liability was 5.66% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the Net Pension Liability	\$ <u>8,309,972</u>	\$ <u>6,608,933</u>	\$ <u>5,181,870</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$2,262,902 to the TPAF for pension contributions, \$1,026,449 for post-retirement benefits on behalf of the School, and \$2,549 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$893,684 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2019, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2019, the District recognized pension expense of \$4,254,740 and revenue of \$4,254,740 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Inflation	2.25%

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Client oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<u>1% Decrease</u> <u>(3.86%)</u>	<u>Current</u> <u>Discount</u> <u>(4.86%)</u>	<u>1% Increase</u> <u>(5.86%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 86,521,881	\$ 72,984,486	\$ 62,157,833
State's Share of the Net Pension Liability	\$ <u>75,417,894,537</u>	\$ <u>63,806,350,446</u>	\$ <u>54,180,663,328</u>

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (Cont'd)

As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2018, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$65,800,835. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.14270%. The total OPEB liability for the School District measured as of June 30, 2018 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2018 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Years of Service	Age	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total Nonemployer OPEB Liability (Cont'd)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2017 Measurement Date	\$ <u>53,639,841,858</u>
Changes for the year:	
Service Cost	1,984,642,729
Interest	1,970,236,232
Changes of Benefit Terms	
Differences between Expected and Actual	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	42,614,005
Net Changes	<u>(7,529,008,876)</u>
Balance as of June 30, 2018 Measurement Date	\$ <u>46,110,832,982</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
At 1.00% Decrease 2.87%	At Discount Rate 3.87%	At 1.00% Increase 4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the School District recognized OPEB expense of \$2,471,734. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 6,387,440
Changes of Assumptions		14,749,593
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	709,380	1,517,744
Contributions Subsequent to the Measurement Date		
Total	\$ 709,380	\$ 22,654,777

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2019	\$	(2,691,654)
2020		(2,691,654)
2021		(2,691,654)
2022		(2,691,654)
2023		(2,691,654)
Thereafter		(8,487,127)
Total	\$	(21,945,397)

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 during the year ended June 30, 2019 were Copeland, Lincoln, and ING.

NOTE 12. COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve month are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School district employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward by certain employees. Benefits paid in any future year will be calculated according to formulas outlined in the school districts' agreements with the various employee unions and included in the current year's budget. The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, the estimated liability for compensated absences in the Governmental Activities was \$651,631 of which \$75,315 is due within one year.

NOTE 13. TAX ANTICIPATION LOAN

As a result of the delay in the last two state aid revenue receipts, a loan was taken out in the amount of \$500,000 and paid off in July, 2019, with an interest rate of 3.15% reimbursed from the state.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 148,920	\$ 479
Special Revenue Fund		137,384
Enterprise Fund		8
Internal Service Fund		11,528
Payroll Agency	479	
Total	\$ 149,399	\$ 149,399

NOTE 15. 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. The district has chosen to purchase insurance to transfer risk to outside parties.

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District is required to pay the New Jersey Unemployment Trust Fund based on a percentage of wages up to the statutory limit. The amount computed is payable on a quarterly basis.

The following is a summary of District contributions, employee contributions, payments to the State and the ending balance of the District's expendable trust fund for the current and prior years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 76,049	\$ 35,989	\$ 113,421	\$ 0
2017-2018	65,848	39,978	105,826	0
2016-2017	67,085	35,933	103,018	0

NOTE 16. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17. RECEIVABLES

Receivables at June 30, 2019 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.

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

Receivables:	General Fund	Special Revenue Fund	Enterprise Funds	Internal Service Fund	Total
Governmental	\$ 703,561	\$ 306,247	\$ 20,351	\$ 176,631	\$ 1,206,790
Other	100,807	220	14,473	1,208	116,708
Totals	<u>\$ 804,368</u>	<u>\$ 306,467</u>	<u>\$ 34,824</u>	<u>\$ 177,839</u>	<u>\$ 1,323,498</u>

NOTE 18. FUND BALANCE APPROPRIATED

General Fund - Of the 1,261,721 General Fund balance at June 30, 2019, \$137,892 is assigned for encumbrances; \$514,713 is restricted as excess surplus in accordance with N.J.S.A. 118A:7F-7; \$2,771 has been restricted in the Capital Reserve Account; \$550,000 has been restricted in the Maintenance Reserve Account; \$753,921 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2020 and the net result is a deficit of (\$697,576) in unassigned and unrestricted fund balance.

NOTE 19. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$514,713, of which \$97,512 was assigned for utilization in the 2019-20 budget and \$417,201 will be utilized in the 2020-21 budget.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balance in the General Fund of (\$697,576) and a deficit of (\$195,494) in the Special Revenue Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current 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 that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 20. DEFICIT FUND BALANCES (CONT'D)

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund 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 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 deficit in the GAAP General Fund statements of \$697,576 is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of \$195,494 is equal to the last two state aid payments.

NOTE 21. OPERATING LEASES

The District leases copiers under an operating lease. The terms of the lease call for annual payments. The District has the following lease payments for their copiers:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	120,708
2021	120,708
2022	120,708
2023	120,708
Total	<u>\$ 482,832</u>

NOTE 22. SUBSEQUENT EVENTS

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 12,585,542	\$	\$ 12,585,542	\$ 12,585,542	
Tuition - Other LEA's	14,638		14,638	134,877	120,239
Interest Earned on Deposits				8,335	8,335
Interest Earned on Maintenance Reserve Funds	10		10		(10)
Interest Earned on Capital Reserve Funds	10		10	11,743	11,733
Miscellaneous	150,000		150,000	61,107	(88,893)
Total Local Sources	12,750,200		12,750,200	12,801,604	51,404
State Sources:					
Equalization Aid	11,995,128		11,995,128	11,995,128	
Categorical Transportation Aid	921,223		921,223	838,537	(82,686)
Special Education Categorical Aid	1,251,682		1,251,682	1,251,682	
Categorical Security Aid	343,038		343,038	343,038	
Adjustment Aid	29,902		29,902		(29,902)
School Choice Aid	1,412,928		1,412,928	1,412,928	
Other State Aids:					
Extraordinary Aid				256,257	256,257
Non-Public Transportation Aid				19,140	19,140
Emergency Aid				106,959	106,959
Homeless Tuition				13,461	13,461
TPAF Pension (On-Behalf - Non-Budgeted)				2,262,902	2,262,902
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,026,449	1,026,449
TPAF Long-term Disability Contrib. (On-behalf)				2,549	2,549
TPAF Social Security (Reimbursed - Non-Budgeted)				893,684	893,684
Total State Sources	15,953,901		15,953,901	20,422,714	4,468,813
Federal Sources:					
Medicaid Program - SEMI	33,995		33,995	19,960	(14,035)
Total Federal Sources	33,995		33,995	19,960	(14,035)
Total Revenues	\$ 28,738,096		\$ 28,738,096	\$ 33,244,278	\$ 4,506,182
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	\$ 44,903	\$	\$ 44,903	\$ 44,195	\$ 708
Kindergarten - Salaries of Teachers	346,662	47,387	394,049	392,497	1,552
Grades 1-5 - Salaries of Teachers	2,116,798	(61,993)	2,054,805	2,052,244	2,561
Grades 6-8 - Salaries of Teachers	1,430,463	44,593	1,475,056	1,475,054	2
Grades 9-12 - Salaries of Teachers	2,330,535	(4,425)	2,326,110	2,325,975	135
Regular Programs - Home Instruction:					
Salaries of Teachers	58,520	6,903	65,423	65,415	8
Purchased Professional-Educational Services	10,850	32,376	43,226	43,226	
Other Purchased Services (400-500 series)	2,406	(2,322)	84	84	
General Supplies	250	(163)	87	87	
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	286,979	(29,523)	257,456	255,477	1,979
Purchased Technical Services	56,065	3,736	59,801	59,338	463
Other Purchased Services (400-500 series)	377,365	(59,950)	317,415	315,407	2,008
General Supplies	299,271	3,845	303,116	250,413	52,703
Textbooks	16,400	3,300	19,700	8,136	11,564
Other Objects	6,632	(305)	6,327	846	5,481
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,384,099	(16,541)	7,367,558	7,288,394	79,164

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	\$ 171,694	\$ (65,639)	\$ 106,055	\$ 104,195	\$ 1,860
Purchased Professional-Educational Services	45,213	32,950	78,163	77,373	790
Other Purchased Services		100	100	80	20
General Supplies	3,900	(1,420)	2,480	2,284	196
Total Behavioral Disabilities	220,807	(34,009)	186,798	183,932	2,866
Multiple Disabilities:					
Salaries of Teachers	311,718	(25,578)	286,140	283,035	3,105
Purchased Professional Educational Services	122,253	(34,149)	88,104	76,335	11,769
Other Purchased Services	2,000	177	2,177	1,443	734
General Supplies	5,400	(1,900)	3,500	2,719	781
Total Multiple Disabilities	441,371	(61,450)	379,921	363,532	16,389
Resource Room/Resource Center:					
Salaries of Teachers	1,483,904	126,032	1,609,936	1,609,110	826
Purchased Professional-Educational Services	234,164	115,203	349,367	349,236	131
General Supplies	7,000	170	7,170	6,804	366
Other Objects	3,000	(2,999)	1		1
Total Resource Room/Resource Center	1,728,068	238,406	1,966,474	1,965,150	1,324
Preschool Disabilities - Part-Time:					
Salaries of Teachers	60,883	(60,883)			
Purchased Professional-Educational Services	39,620	(39,620)			
Other Purchased Services	600	(600)			
General Supplies	2,500	(2,500)			
Total Preschool Disabilities - Part-Time	103,603	(103,603)			
Preschool Disabilities - Full-Time:					
Salaries of Teachers		52,836	52,836	52,836	
Purchased Professional-Educational Services		65,180	65,180	65,178	2
General Supplies		2,500	2,500	2,346	154
Total Preschool Disabilities - Full-Time		120,516	120,516	120,360	156
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,493,849	159,860	2,653,709	2,632,974	20,735
Basic Skills/Remedial - Instruction					
Salaries of Teachers	205,428	(77,198)	128,230	118,176	10,054
Other Salaries for Instruction	25,742	2,019	27,761	27,733	28
Purchased Professional-Educational Services					
Total Basic Skills/Remedial - Instruction	231,170	(75,179)	155,991	145,909	10,082
School-Spon. Co curricular Actvts. - Inst.					
Salaries	74,278	4,487	78,765	64,640	14,125
Purchased Services (300-500 series)	4,400	(70)	4,330	1,215	3,115
Supplies and Materials	2,500		2,500	2,047	453
Other Objects					
Total School-Spon. Co-curricular Actvts. - Inst.	81,178	4,417	85,595	67,902	17,693
School-Spon. Co-curricular Athletics - Inst.					
Salaries	265,998	(9,163)	256,835	245,138	11,697
Purchased Services (300-500 series)	83,136	(1,633)	81,503	79,086	2,417
Supplies and Materials	42,610	8,947	51,557	41,126	10,431
Total School-Spon. Co-curricular Athletics - Inst.	391,744	(1,849)	389,895	365,350	24,545
TOTAL INSTRUCTION	10,582,040	70,708	10,652,748	10,500,529	152,219
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	104,040	2,513	106,553	97,880	8,673
Tuition to Other LEAs Within the State - Special		8,400	8,400	8,326	74
Tuition - County Voc School Districts - Regular	216,150		216,150	216,150	
Tuition to CSSD & Regional Day Schools	565,603	(217,563)	348,040	302,796	45,244
Tuition to Private Schools for the Disabled - Within State	548,142	182,150	730,292	696,448	33,844
Tuition- State Facilities	38,036		38,036	38,036	
Total Undistributed Expenditures - Instruction:	1,471,971	(24,500)	1,447,471	1,359,636	87,835

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$	\$	\$	\$	\$
Other Purchased Services	500		500		500
Total Undistributed Expend. - Attend. & Social Work	500		500		500
Undist. Expend. - Health Services					
Salaries	292,326	8,001	300,327	291,142	9,185
Purchased Professional and Technical Services	15,849	1,350	17,199	15,065	2,134
Other Purchased Services (400-500 series)	605	3,730	4,335	4,035	300
Supplies and Materials	6,535	1,527	8,062	6,674	1,388
Other Objects	75		75		75
Total Undistributed Expenditures - Health Services	315,390	14,608	329,998	316,916	13,082
Undist. Expend. - Speech, OT, PT and Related Serv.					
Salaries	293,054	(6,316)	286,738	286,733	5
Purchased Professional - Educational Services	69,000	11,783	80,783	80,783	
Supplies and Materials	4,200	(150)	4,050	2,815	1,235
Other Objects	500	(500)			
Total Undist. Exp. Speech, OT, PT and Related Serv.	366,754	4,817	371,571	370,331	1,240
Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.					
Purchased Professional - Educational Services	486,121	(83,090)	403,031	393,905	9,126
Supplies and Materials		1,900	1,900	1,857	43
Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.	486,121	(81,190)	404,931	395,762	9,169
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	501,778	(20,792)	480,986	479,717	1,269
Salaries of Secretarial and Clerical Assistants	105,869	7,385	113,254	113,201	53
Purchased Professional- Educational Services	1,000	(600)	400	150	250
Other Purchased Prof. and Tech. Services	20,520	(2,213)	18,307	17,987	320
Other purchased Services (400-500 series)	10,930	(3,649)	7,281	7,248	33
Supplies and Materials	12,060	1,409	13,469	12,861	608
Other Objects	1,075		1,075	383	692
Total Undist. Expend.- Guidance	653,232	(18,460)	634,772	631,547	3,225
Undistributed Expend. - Child Study Teams					
Salaries of Other Professional Staff	505,896	(2,318)	503,578	495,787	7,791
Salaries of Secretarial and Clerical Assistants	40,248	1,182	41,430	41,430	
Purchased Professional- Educational Services	6,000	(3,312)	2,688	150	2,538
Other Purchased Prof. and Tech. Services	45,000	(17,719)	27,281	20,521	6,760
Misc Pur Serv (400-500 series)	17,150	(7,138)	10,012	8,110	1,902
Supplies and Materials	38,000	21,790	59,790	59,753	37
Other Objects	3,045	477	3,522	3,521	1
Total Undist. Expend.- Child Study Teams	655,339	(7,038)	648,301	629,272	19,029
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	118,807	(9,209)	109,598	109,598	
Salaries of Other Professional Staff	280,033	21,330	301,363	286,046	15,317
Salaries of Secretarial and Clerical Assist.	41,600	2,917	44,517	41,000	3,517
Other Salaries	37,000	(1,119)	35,881	26,479	9,402
Purchased Prof - Educational Services	4,000	(1,286)	2,714	1,074	1,640
Other Purchased Professional and Technical Services	28,200		28,200	18,867	9,333
Other Purch Services (400-500)	5,500	(45)	5,455	4,423	1,032
Supplies and Materials	16,980	(15,425)	1,555	1,554	1
Other Objects	6,473	1,395	7,868	3,469	4,399
Total Undist. Expend. - Improvement of Inst. Serv.	538,593	(1,442)	537,151	492,510	44,641
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	153,584	13,750	167,334	164,125	3,209
Salaries of Technology Coordinators	34,858	(31,801)	3,057		3,057
Purchased Professional and Technical Services	11,800	(4,500)	7,300	5,902	1,398
Other Purchased Services (400-500 series)	30,991	(746)	30,245	26,487	3,758
Supplies and Materials	37,190	23,320	60,510	38,482	22,028
Total Undist. Expend. - Edu. Media Serv./Sch. Library	268,423	23	268,446	234,996	33,450
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries	3,000		3,000	560	2,440
Purchased Professional - Educational Services	18,000	(2,500)	15,500	11,466	4,034
Other Purchased Services (400-500 series)	10,875	1,395	12,270	8,789	3,481
Supplies and Materials	800	300	1,100	1,003	97
Other Objects	1,000	(300)	700		700
Total Undist. Expend. - Instructional Staff Training Serv.	33,675	(1,105)	32,570	21,818	10,752

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 284,022	\$ (2,288)	\$ 281,734	\$ 277,619	\$ 4,115
Legal Services	89,000	9,500	98,500	75,202	23,298
Audit Fees	27,956	2,288	30,244	30,244	
Architectural/Engineering Services	5,000	(2,464)	2,536	1,455	1,081
Other Purchased Professional Services	5,000		5,000		5,000
Purchases Technical Services	500		500		500
Communications/Telephone	47,100	5,000	52,100	49,121	2,979
BOE Other Purchased Services	10,605	(201)	10,404	4,412	5,992
Miscellaneous Purchased Services (400-500 series)	132,334	(512)	131,822	107,515	24,307
General Supplies	10,500	4,356	14,856	13,570	1,286
BOE In-House Training/Meeting Supplies	2,500		2,500	2,198	302
Miscellaneous Expenditures	6,405		6,405	1,945	4,460
BOE Membership Dues and Fees	12,000		12,000	11,431	569
Total Undist. Expend. - Supp. Serv. - General Admin.	632,922	15,679	648,601	574,712	73,889
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	638,948	24,238	663,186	642,041	21,145
Salaries of Secretarial and Clerical Assistants	287,091	21,140	308,231	278,801	29,430
Other Purchased Services (400-500 series)	17,800	(4,378)	13,422	8,406	5,016
Supplies and Materials	25,820	30,027	55,847	40,074	15,773
Other Objects	12,440		12,440	8,654	3,786
Total Undist. Expend. - Support Serv. - School Admin.	982,099	71,027	1,053,126	977,976	75,150
Undist. Expend. - Central Services					
Salaries	283,792	7,767	291,559	291,559	
Purchased Professional Services	6,710	70	6,780	1,800	4,980
Purchased Technical Services	2,600		2,600		2,600
Miscellaneous Purchased Services (400-500 series)	28,200	13,602	41,802	39,523	2,279
Supplies and Materials	9,800	(247)	9,553	4,212	5,341
Interest on Current Loans	20,500	(10,907)	9,593	6,541	3,052
Interest on Lease Purchase Agreements	27,413		27,413	27,413	
Miscellaneous Expenditures	1,200	1,140	2,340	2,340	
Total Undist. Expend. - Central Services	380,215	11,425	391,640	373,388	18,252
Undist. Expend. - Admin. Info. Technology					
Salaries	231,461	24,551	256,012	252,564	3,448
Purchased Technical Services	40,482		40,482	40,482	
Other Purchased Services (400-500 series)	21,550		21,550	13,538	8,012
Supplies and Materials	18,000	1,011	19,011	19,005	6
Total Undist. Expend. - Admin. Info. Technology	311,493	25,562	337,055	325,589	11,466
Undist. Expend. - Req. Maint. for School Facilities					
Salaries	372,169	(16,900)	355,269	354,070	1,199
Cleaning, Repair, and Maintenance Services	328,729	247,709	576,438	472,481	103,957
Lead Testing of Drinking Water	2,300	(1,733)	567		567
General Supplies	65,327	(4,828)	60,499	58,250	2,249
Total Undist. Expend. - Req. Maint. for School Facilities	768,525	224,248	992,773	884,801	107,972
Undist. Expend. - Custodial Services					
Salaries	37,320	25,350	62,670	62,665	5
Purchased Professional and Technical Services	138,182	(2,010)	136,172	130,719	5,453
Cleaning, Repair and Maintenance Services	664,125	12,840	676,965	675,294	1,671
Rental of Land, Building & Other than Lease Purchases	63,000	(1,000)	62,000	62,000	
Other Purchased Property Services	32,000	(5,300)	26,700	23,275	3,425
Insurance	97,479	(15,200)	82,279	81,874	405
Miscellaneous Purchased Services	4,700	(3,000)	1,700	769	931
General Supplies	23,500	50	23,550	19,390	4,160
Energy (Natural Gas)	122,365	6,425	128,790	123,686	5,104
Energy (Electricity)	476,508	(21,825)	454,683	439,031	15,652
Other Objects	1,550	(1,100)	450	434	16
Total Undist. Expend. - Custodial Services	1,660,729	(4,770)	1,655,959	1,619,137	36,822

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds					
Purchased Professional and Technical Services	\$	\$ 61,967	\$ 61,967	\$ 59,237	\$ 2,730
Cleaning, Repair and Maintenance Services	128,514	(51,880)	76,634	76,517	117
General Supplies	30,000	(17,222)	12,778	12,764	14
Total Undist. Expend. - Care and Upkeep of Grounds	158,514	(7,135)	151,379	148,518	2,861
Undist. Expend. - Security					
Salaries	219,108	(209,184)	9,924	8,177	1,747
Purchased Professional and Technical Services	400	280,769	281,169	280,948	221
Cleaning, Repair and Maintenance Services	8,900	(500)	8,400		8,400
General Supplies	1,700	92,772	94,472	74,109	20,363
Other Objects					
Total Undist. Expend. - Security	230,108	163,857	393,965	363,234	30,731
Total Undist. Expend. - Oper. & Maint. Of Plant	2,817,876	376,200	3,194,076	3,015,690	178,386
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	728,740	17,244	745,984	709,715	36,269
Sal. For Pup.Trans. (Bet. Home and School) - Special	471,961	(118,460)	353,501	247,135	106,366
Sal. For Pup. Trans. (Other than Bet. Home and School)	69,000	6,085	75,085	74,084	1,001
Management Fee - ESC & CTSA Transportation Programs	271		271	265	6
Other Purchased Professional and Technical Services	6,828		6,828	5,106	1,722
Cleaning, Repair and Maintenance Services	22,100	(12,422)	9,678	1,255	8,423
Lease Purchase Payments - School Buses	501,772		501,772	486,195	15,577
Contr Serv. - Aid in Lieu Payments - Nonpublic	93,000		93,000	73,350	19,650
Contr Serv. - Aid in Lieu Payments - Charter	2,000		2,000	2,000	
Contr Serv (not Home/School) - Vendors	5,000	(3,860)	1,140		1,140
Contr Serv (Spl. Ed. Students) - Joint Agreements	23,000	100	23,100	23,100	
Contr Serv (Regular Students) - ESCs and CTSA'S	40,000	(100)	39,900	31,701	8,199
Contr Serv (Spl. Ed. Students) - ESCs	56,000	93,860	149,860	149,858	2
Misc. Purchased Serv. - Transportation	99,503	(6,300)	93,203	67,877	25,326
General Supplies	45,645	528	46,173	46,134	39
Transportation Supplies	325,850	12,194	338,044	337,463	581
Miscellaneous Expenditures	8,821	1	8,822	7,327	1,495
Total Undist. Expend. - Student Transportation Serv.	2,499,491	(11,130)	2,488,361	2,262,565	225,796
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	332,717		332,717	291,022	41,695
Other Retirement Contributions - PERS	355,063	900	355,963	355,914	49
Unemployment Compensation	61,439	2,700	64,139	64,046	93
Workmen's Compensation	230,605	(3,600)	227,005	193,502	33,503
Health Benefits	4,252,868	(153,836)	4,099,032	3,962,829	136,203
Tuition Reimbursement	33,000	1,300	34,300	34,285	15
Other Employee Benefits	370,398	6,130	376,528	374,720	1,808
TOTAL UNALLOCATED BENEFITS	5,636,090	(146,406)	5,489,684	5,276,318	213,366
On-behalf TPAF Pension Contributions (non-budgeted)				2,262,902	
On-behalf TPAF Post Retirement Contrib (non-budgeted)				1,026,449	
On-behalf TPAF Long-term Disability Contrib.				2,549	
Reimbursed TPAF Social Security Cont. (non-budgeted)				893,684	
TOTAL ON-BEHALF CONTRIBUTIONS				4,185,584	
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	5,636,090	(146,406)	5,489,684	9,461,902	(3,972,218)
TOTAL UNDISTRIBUTED EXPENDITURES	18,050,184	228,070	18,278,254	21,444,610	(3,166,356)
Interest Earned on Maintenance Reserve	10		10		10
TOTAL GENERAL CURRENT EXPENSE	28,632,234	298,778	28,931,012	31,945,139	(3,014,127)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Grades 1-5		8,400	8,400	8,400	
Grades 9-12		2,099	2,099	2,099	
Instruction	14,400	(6,461)	7,939	7,939	
Care and Upkeep of Grounds		19,672	19,672	16,421	3,251
Security		29,720	29,720	29,720	
Total Equipment	14,400	53,430	67,830	64,579	3,251

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$	\$ 2,464	\$ 2,464	\$ 2,464	\$
Construction Services		135,772	135,772	135,772	
Lease Purchase Agreement - Principal	242,745		242,745	242,745	
Assessment for Debt Service on SDA Funding	53,260		53,260	53,260	
Total Facilities Acquisition and Construction Services	<u>296,005</u>	<u>138,236</u>	<u>434,241</u>	<u>434,241</u>	
Interest Deposit to Capital reserve	10		10		10
Assets Acquired Under Capital Leases (non-budgeted)				751,540	(751,540)
TOTAL CAPITAL OUTLAY	<u>310,415</u>	<u>191,666</u>	<u>502,081</u>	<u>1,250,360</u>	<u>(748,279)</u>
TOTAL EXPENDITURES	<u>28,942,649</u>	<u>490,444</u>	<u>29,433,093</u>	<u>33,195,499</u>	<u>(3,762,406)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(204,553)</u>	<u>(490,444)</u>	<u>(694,997)</u>	<u>48,779</u>	<u>743,776</u>
Other Financing Sources:					
Operating Transfer (Out) and In:					
Transfer of Funds to Charter School	(20,447)		(20,447)	(19,607)	840
Proceeds from Capital Leases				751,540	751,540
Total Other Financing Sources:	<u>(20,447)</u>		<u>(20,447)</u>	<u>731,933</u>	<u>752,380</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(225,000)</u>	<u>(490,444)</u>	<u>(715,444)</u>	<u>780,712</u>	<u>1,496,156</u>
Fund Balance, July 1	<u>2,019,150</u>		<u>2,019,150</u>	<u>2,019,150</u>	
Fund Balance, June 30	<u>\$ 1,794,150</u>	<u>\$ (490,444)</u>	<u>\$ 1,303,706</u>	<u>\$ 2,799,862</u>	<u>\$ 1,496,156</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve			\$	2,771	
Maintenance Reserve				550,000	
Excess Surplus				417,201	
Excess Surplus - Designated for Subsequent Year's Expenditures				97,512	
Assigned Fund Balance:					
Encumbrances				137,892	
Designated for Subsequent Year's Expenditures				753,921	
Unassigned Fund Balance				<u>840,565</u>	
				2,799,862	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,538,141)	
Fund Balance per Governmental Funds (GAAP)			\$	<u>1,261,721</u>	

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ 1,569,986	\$ 396,452	\$ 1,966,438	\$ 1,954,939	\$ 11,499
Federal Sources	743,979	300,583	1,044,562	870,495	174,067
Other Sources	4,000	83,105	87,105	74,457	12,648
Total Revenues	<u>2,317,965</u>	<u>780,140</u>	<u>3,098,105</u>	<u>2,899,891</u>	<u>198,214</u>
EXPENDITURES:					
Instruction					
Salaries - Teachers	693,846	(14,444)	679,402	673,759	5,643
Purchased Prof - Ed Services	166,597	29,710	196,307	196,307	
Other Purchased Services	7,225	5,672	12,897	11,397	1,500
Tuition-Child Study Team	368,375	109,869	478,244	478,244	
Supplies and Materials	22,000	41,573	63,573	47,135	16,438
Other Objects	425	(125)	300	152	148
Total Instruction	<u>1,258,468</u>	<u>172,255</u>	<u>1,430,723</u>	<u>1,406,994</u>	<u>23,729</u>
Support Services					
Salaries - Mentor		3,400	3,400		3,400
Salaries - Supervisors	35,815	(12,861)	22,954	22,954	
Salaries- Principals	99,515	20,298	119,813	119,813	
Salaries- Other Staff	51,000	6,965	57,965	57,965	
Salaries - Secretarial and Clerical	35,842	(9,074)	26,768	26,768	
Salaries - Other Salaries	25,472	(21,808)	3,664	3,664	
Salaries - Master Teacher			21,130	21,130	
Salaries - Family Parent Liaison	85,263	(31,729)	53,534	53,534	
Personal Services - Employee Benefits	251,305	21,257	272,562	261,253	11,309
Purchased Prof. - Ed. Services	171,728	374,914	546,642	517,639	29,003
Purchased Prof. - Tech. Services	24,000	(8,316)	15,684	4,000	11,684
Other Purchased Services	18,501	15,026	33,527	17,795	15,732
Purchased Professional Services	46,522	57,640	104,162	104,161	1
Cleaning and Repair	95,559	(2,683)	92,876	92,876	
Contracted Services Transportation	88,400	25,447	113,847	113,847	
Contracted Services - Field Trips	2,125	(1,655)	470	470	
Travel	680	(657)	23	23	
Supplies and Materials	3,570	84,218	87,788	55,870	31,918
Other Objects	1,700	484	2,184	697	1,487
Total Support Services	<u>1,036,997</u>	<u>541,996</u>	<u>1,578,993</u>	<u>1,474,459</u>	<u>104,534</u>
Facilities Acquisition and Construction Services:					
Other Professional/Technical		6,408	6,408	6,408	
Instructional Equipment	22,500	59,481	81,981	12,030	69,951
Total Facilities Acquisition and Construction Services	<u>22,500</u>	<u>65,889</u>	<u>88,389</u>	<u>18,438</u>	<u>69,951</u>
Total Expenditures	<u>2,317,965</u>	<u>780,140</u>	<u>3,098,105</u>	<u>2,899,891</u>	<u>198,214</u>
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows	<u>2,317,965</u>	<u>780,140</u>	<u>3,098,105</u>	<u>2,899,891</u>	<u>198,214</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

PITTSBORO TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 33,244,278	[C-2]	\$ 2,899,891
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				58,824
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,505,188		156,999
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,538,141)		(195,494)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 33,211,325</u>	[B-2]	<u>\$ 2,920,220</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 33,195,499	[C-2]	\$ 2,899,891
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				58,824
Pension Expense recognized for GAAP but not for budgetary purposes.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental fund	[B-2]	<u>\$ 33,195,499</u>	[B-2]	<u>\$ 2,958,715</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
District's Proportion of the Net Pension Liability	0.033566%		0.035283%		0.037620%		0.040185%		0.043017%		0.043819%
District's Proportionate Share of the Net Pension Liability	\$ 6,608,933	\$	8,213,386	\$	11,141,908	\$	9,020,774	\$	8,053,869	\$	8,374,651
District's Covered-Employee Payroll	\$ 2,174,501	\$	2,213,805	\$	2,297,573	\$	2,501,427	\$	2,539,163	\$	2,841,895
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	303.93%		371.01%		484.94%		360.63%		317.19%		294.69%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.60%		48.10%		40.14%		47.93%		52.08%		48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 335,146	\$ 330,384	\$ 335,357	\$ 345,485	\$ 354,622	\$ 330,166
Contributions in relation to the Contractually Required Contribution	(335,146)	(330,384)	(335,357)	(345,485)	(354,622)	(330,166)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 2,174,501	\$ 2,213,805	\$ 2,297,573	\$ 2,501,427	\$ 2,539,163	\$ 2,841,895
Contributions as a Percentage of Covered-Employee Payroll	15.41%	14.92%	14.60%	13.81%	13.97%	11.62%

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.114723%	0.111253%	0.112680%	0.112808%	0.110844%	0.113169%
District's Proportionate Share of the Net Pension Liability	\$ 72,984,486	\$ 75,010,900	\$ 88,641,213	\$ 71,299,551	\$ 59,242,417	\$ 57,194,838
District's Covered-Employee Payroll	\$ 12,434,836	\$ 12,023,886	\$ 11,580,796	\$ 11,801,637	\$ 11,402,837	\$ 11,464,831
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	586.94%	623.85%	765.42%	604.15%	519.54%	498.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	2018	2017
Total OPEB Liability		
Service Cost	\$ 2,365,626	\$ 2,859,605
Interest Cost	2,809,947	2,375,081
Changes of Benefit Terms		
Differences Between Expected and Actual Experiences	(7,091,464)	
Changes of Assumptions	(7,550,975)	(9,932,378)
Member Contributions	60,811	63,913
Gross Benefit Payments	(1,759,491)	(1,735,702)
Net Change in Total OPEB Liability	(9,136,280)	(6,369,481)
Total OPEB Liability - Beginning	74,937,115	81,306,596
Total OPEB Liability - Ending	\$ 65,800,835	\$ 74,937,115
Covered-Employee Payroll	\$ 14,609,337	\$ 14,237,691
Total OPEB Liability as a Percentage of Covered-Employee Payroll	450.40%	526.33%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Energy for the Arts	Safety Grant	NJ JJC Grant	Sustain Schools	Erate Grant	NJ JJC Anti-Gang	WSCC Health	YSC Mentoring	Sub-Total Per E-1(2)	Totals 2019
REVENUES:										
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,954,939	\$ 1,954,939
Federal Sources									870,495	870,495
Other Sources	226	6,408	8,181	1,637	50,298	3,487	4,000	220		74,457
Total Revenues	\$ 226	\$ 6,408	\$ 8,181	\$ 1,637	\$ 50,298	\$ 3,487	\$ 4,000	\$ 220	\$ 2,825,434	\$ 2,899,891
EXPENDITURES:										
Instruction:										
Salaries - Teachers	\$	\$	\$ 4,470	\$	\$	\$ 2,108	\$ 3,716	\$	\$ 663,465	\$ 673,759
Purchased Prof - Ed Services									196,307	196,307
Other Purchased Services									11,397	11,397
Tuition									478,244	478,244
Supplies and Materials	226		3,711	1,637		1,379			40,182	47,135
Other Objects									152	152
Total Instruction	226		8,181	1,637		3,487	3,716		1,389,747	1,406,994
Support Services:										
Salaries - Supervisors									22,954	22,954
Salaries- Principals									119,813	119,813
Salaries- Other Staff									57,965	57,965
Salaries - Secretarial and Clerical									26,768	26,768
Salaries - Other Salaries									3,664	3,664
Salaries - Master Teacher									21,130	21,130
Salaries - Family Parent Liaison									53,534	53,534
Personal Services - Employee Benefits							284		260,969	261,253
Purchased Prof - Ed. Services									517,639	517,639
Purchased Prof - Tech. Services									4,000	4,000
Other Purchased Services					7,799			220	9,776	17,795
Purchased Professional Services									104,161	104,161
Cleaning and Repair									92,876	92,876
Contracted Services Transportation									113,847	113,847
Contracted Services - Field Trips									470	470
Travel									23	23
Supplies and Materials					42,499				13,371	55,870
Other Objects									697	697
Total Support Services					50,298		284	220	1,423,657	1,474,459
Facilities Acquisition and Const. Serv.:										
Other Professional/Tech Instructional Equipment		6,408							12,030	6,408 12,030
Total Facilities Acquisition and Construction Services		6,408							12,030	18,438
Total Expenditures	\$ 226	\$ 6,408	\$ 8,181	\$ 1,637	\$ 50,298	\$ 3,487	\$ 4,000	\$ 220	\$ 2,825,434	\$ 2,899,891

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ESEA		Title IV	IDEA		Preschool Education	Subtotal 2019
	Title I - Part A	Title II-A		Part B	Pre K		
	2018-19	2018-19	2018-19	Part B	Pre K		
REVENUES:							
State Sources	\$	\$	\$	\$	\$	\$ 1,954,939	\$ 1,954,939
Federal Sources	351,456	22,356	6,998	478,244	11,441		870,495
Total revenues	\$ 351,456	\$ 22,356	\$ 6,998	\$ 478,244	\$ 11,441	\$ 1,954,939	\$ 2,825,434
EXPENDITURES:							
Instruction:							
Salaries - Teachers	\$ 251,504	\$ 8,580	\$	\$	\$	\$ 403,381	\$ 663,465
Purchased Prof - Ed Services					11,441	184,866	196,307
Other Purchased Services						11,397	11,397
Tuition				478,244			478,244
Supplies and Materials	18,543					21,639	40,182
Other Objects	152						152
Total Instruction	270,199	8,580		478,244	11,441	621,283	1,389,747
Support Services:							
Salaries - Supervisors						22,954	22,954
Salaries- Principals						119,813	119,813
Salaries- Other Staff						57,965	57,965
Salaries - Secretarial and Clerical						26,768	26,768
Salaries - Other Salaries						3,664	3,664
Salaries - Master Teacher						21,130	21,130
Salaries - Family Parent Liaison						53,534	53,534
Personal Services - Employee Benefits	77,645					183,324	260,969
Purchased Professional - Ed. Services						517,639	517,639
Purchased Professional - Tech. Services		4,000					4,000
Other Purchased Services		9,776					9,776
Purchased Professional Services						104,161	104,161
Cleaning and Repair						92,876	92,876
Contracted Services Transportation						113,847	113,847
Contracted Services - Field Trips						470	470
Travel						23	23
Supplies and Materials	3,612		6,998			2,761	13,371
Other Objects						697	697
Total Support Services	81,257	13,776	6,998			1,321,626	1,423,657
Facilities Acquisition and Const. Serv.:							
Instructional Equipment						12,030	12,030
Total Facilities Acquisition and Construction Services						12,030	12,030
Total Expenditures	\$ 351,456	\$ 22,356	\$ 6,998	478,244	\$ 11,441	\$ 1,954,939	\$ 2,825,434

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 447,575	\$ 447,575	
Purchased Prof - Education Services	184,866	184,866	
Other Purchased Services	11,398	11,397	1
Supplies and Materials	21,680	21,639	41
Total Instruction	<u>665,519</u>	<u>665,477</u>	<u>42</u>
Support Services:			
Salaries - Supervisors	22,954	22,954	
Salaries- Principals	119,813	119,813	
Salaries- Other Staff	57,965	57,965	
Salaries - Secretarial and Clerical	26,768	26,768	
Salaries - Other Salaries	3,664	3,664	
Salaries - Master Teacher	21,130	21,130	
Salaries - Family Parent Liaison	53,534	53,534	
Personal Services - Employee Benefits	194,623	183,324	11,299
Purchased Professional - Ed. Services	517,639	517,639	
Purchased Professional Services	104,162	104,161	1
Cleaning and Repair	92,876	92,876	
Contracted Services Transportation	113,847	113,847	
Contracted Services - Field Trips	470	470	
Travel	23	23	
Supplies and Materials	2,919	2,761	158
Other Objects	697	697	
Total Support Services	<u>1,333,084</u>	<u>1,321,626</u>	<u>11,458</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment	12,030	12,030	
Total Facilities Acquisition and Const. Services	<u>12,030</u>	<u>12,030</u>	
Contribution to Charter Schools			
Total Expenditures	<u>\$ 2,010,633</u>	<u>\$ 1,999,133</u>	<u>\$ 11,500</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2018-19 Preschool Education Aid Allocation	\$ 1,954,938	(1)
Add: Actual ECPA Carryover (JUNE 30, 2018)	25,226	(2)
Add: Budgeted Transfer from General Fund 2018-19	44,195	(3)
Total Preschool Education Aid Funds Available for 2018-19 Budget	<u>2,024,359</u>	(4)
Less: 2018-19 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(2,010,633)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2019	<u>13,726</u>	(6)
Add: JUNE 30, 2019 Unexpended Preschool Education Aid	11,500	(7)
Less: 2018-19 Commissioner-approved Transfer to the General Fund		(8)
2018-19 Carryover - Preschool Education Aid	<u>\$ 25,226</u>	(9)
2018-19 Preschool Education Aid Carryover Budgeted for Preschool Programs 2019-20	<u>\$ 25,226</u>	(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

School Age Child Care Fund – This fund provides for the operation of school child supervision.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2019
(with comparative totals for June 30, 2018)

	Food Service Enterprise Fund	(SACC) School Age Child Care Enterprise Fund	Totals	
			2019	2018
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 122,212	\$ 146,288	\$ 268,500	\$ 226,456
Accounts Receivable:				
State	388		388	488
Federal	19,963		19,963	24,446
Other	4,390	10,083	14,473	8,206
Interfund				952
Inventories	8,762		8,762	9,950
Total Current Assets	<u>155,715</u>	<u>156,371</u>	<u>312,086</u>	<u>270,498</u>
Fixed Assets:				
Equipment	312,225		312,225	312,225
Accumulated Depreciation	(228,831)		(228,831)	(222,649)
Total Fixed Assets	<u>83,394</u>		<u>83,394</u>	<u>89,576</u>
Total Assets	<u>\$ 239,109</u>	<u>\$ 156,371</u>	<u>\$ 395,480</u>	<u>\$ 360,074</u>
LIABILITIES				
Current Liabilities:				
Interfund Payable	\$	\$ 8	\$ 8	\$ 59,302
Accounts Payable	38,125	143	38,268	2,589
Unearned Revenue	12,220	381	12,601	13,548
Total Current Liabilities	<u>50,345</u>	<u>532</u>	<u>50,877</u>	<u>75,439</u>
NET POSITION				
Investment in Capital Assets net of Related Debt	83,394		83,394	89,576
Unrestricted	105,370	155,839	261,209	195,059
Total Net Position	<u>188,764</u>	<u>155,839</u>	<u>344,603</u>	<u>284,635</u>
Total Liabilities and Net Position	<u>\$ 239,109</u>	<u>\$ 156,371</u>	<u>\$ 395,480</u>	<u>\$ 360,074</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(with comparative totals for June 30, 2018)

	Food Service	School Age	Totals	
	Enterprise Fund	Child Care Enterprise Fund	2019	2018
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 219,471	\$	\$ 219,471	\$ 208,343
Total Daily Sales-Reimbursable Programs	219,471		219,471	208,343
Daily Sales Non-reimbursable Programs	134,106		134,106	109,656
Special Functions	29,014		29,014	37,062
Service Charges		201,951	201,951	224,786
Total Operating Revenue	382,591	201,951	584,542	579,847
OPERATING EXPENSES:				
Salaries		128,643	128,643	154,238
Employee Benefits		11,798	11,798	12,335
Other Costs	87,111	19,731	106,842	139,345
Sodexo Costs:				
Salaries				223,771
Employee Benefits				39,955
Supplies and Materials				42,412
Management Fees				59,044
Insurance				18,691
Other Costs				11,439
Cost of Sales - Program (Reimbursable) Meals				258,554
Cost of Sales - Non-Program (Non-reimbursable) Meals	69,605		69,605	52,867
Purchased Services (Including Fixed Price Contract)	587,594		587,594	
Depreciation	6,182		6,182	6,080
Total Operating Expenses	750,492	160,172	910,664	1,018,731
Operating Loss	(367,901)	41,779	(326,122)	(438,884)
Non-operating Revenues:				
State Sources:				
State School Lunch Program	7,113		7,113	7,201
Federal Sources:				
National School Breakfast Program	84,695		84,695	82,862
National School Lunch Program	247,389		247,389	254,588
Special Milk Program				75
Food Distribution Program	45,921		45,921	58,813
Interest Revenue	595	377	972	893
Total Non-operating Revenues	385,713	377	386,090	404,432
Net Income Before Operating Transfers	17,812	42,156	59,968	(34,452)
Net Income After Operating Transfers	17,812	42,156	59,968	(34,452)
Total Net Position-Beginning	170,952	113,683	284,635	319,087
Total Net Position-Ending	\$ 188,764	\$ 155,839	\$ 344,603	\$ 284,635

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(with comparative totals for June 30, 2018)

	School Age		Totals	
	Food Service Enterprise Fund	Child Care Enterprise Fund	2019	2018
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 382,591	\$ 201,951	\$ 584,542	\$ 579,847
Payments to Employees		(128,643)	(128,643)	(378,009)
Payments for Employee Benefits		(11,798)	(11,798)	(52,290)
Payments to Suppliers	(718,537)	(23,689)	(742,226)	(487,831)
Net Cash Used by Operating Activities	(335,946)	37,821	(298,125)	(338,283)
Cash Flows from Non-capital Financing Activities:				
Cash Received From General Fund				
Cash Received from State and Federal Reimbursements	339,197		339,197	344,726
Total Cash Provided by Non-Capital Financing Activities	339,197		339,197	344,726
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets				(2,452)
Net Increase Before Investing Activities	3,251		41,072	3,991
Cash Flows from Investing Activities:				
Interest on Investments	595	377	972	893
Net Cash Provided by Investing Activities	595	377	972	893
Net Increase/(Decrease) in Cash and Cash Equivalents	3,846	38,198	42,044	4,884
Cash and Cash Equivalents, July 1	118,366	108,090	226,456	221,572
Cash and Cash Equivalents, June 30	\$ 122,212	\$ 146,288	\$ 268,500	\$ 226,456
Operating Income (Loss)	\$ (367,901)	\$ 41,779	\$ (326,122)	\$ (438,884)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	6,182		6,182	6,080
Federal Commodities	45,921		45,921	58,813
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	684	(2,368)	(1,684)	(6,570)
(Increase)/Decrease in Inventory	1,188		1,188	5,986
(Increase)/Decrease in Interfund Receivable		952	952	(952)
(Increase)/Decrease in Fixed Assets				
Increase/(Decrease) in Interfund Payable	(59,302)	8	(59,294)	59,302
Increase/(Decrease) in Accounts Payable	38,125	(2,446)	35,679	(26,995)
Increase/(Decrease) in Unearned Revenue	(843)	(104)	(947)	4,937
Net Cash Provided by Investing Activities	31,955	(3,958)	27,997	100,601
Net Cash Used by Operating Activities	\$ (335,946)	\$ 37,821	\$ (298,125)	\$ (338,283)

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2019
(with comparative totals for June 30, 2018)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Transportation Maintenance Services	Custodial Services Community Service Fund	Aides Service Fund	Totals	
										2019	2018
ASSETS											
Cash	\$ 107,861	\$	\$	\$	\$ 101,701	\$ 248,588	\$	\$ 63,314	\$	\$ 521,464	\$ 461,484
Accounts Receivable:											
Intergovernmental				10,320	11,528	154,783				176,631	95,948
Interfund											50,393
Other		1,208								1,208	4,494
Total Assets	\$ 107,861	\$ 1,208	\$	\$ 10,320	\$ 113,229	\$ 403,371	\$	\$ 63,314	\$	\$ 699,303	\$ 612,319
LIABILITIES AND RESERVES											
Liabilities:											
Accounts Payable	\$ 86	\$	\$	\$	\$	\$ 519	\$	\$	\$	\$ 605	\$ 170
Interfunds Payable		1,208		10,320						11,528	50,806
Unearned Revenue	107,775				113,229	402,852		63,314		687,170	553,625
	107,861	1,208		10,320	113,229	403,371		63,314		699,303	604,601
Reserves:											
Reserve for Encumbrances											7,718
Total Liabilities and Reserves	\$ 107,861	\$ 1,208	\$	\$ 10,320	\$ 113,229	\$ 403,371	\$	\$ 63,314	\$	\$ 699,303	\$ 612,319

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(with comparative totals for June 30, 2018)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Transportation Maintenance Services	Custodial Services Internal Service Fund	Aides Service Fund	Totals	
										2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from customers and other funds	\$ 133,333	\$ 7,420		\$ 130,417	\$ -	\$ 514,611	\$ 34,145	\$ 38,770		\$ 858,696	\$ 727,453
Payments to employees	29,903			(173,826)		(305,275)	(34,145)			(483,343)	(624,928)
Payments for employee benefits	(3,804)									(3,804)	(5,795)
Payments to suppliers	(1,804)	(7,420)			(60,695)	(87,938)		(19,753)	(413)	(178,023)	(184,563)
Net cash provided by (used for) operating activities	157,628			(43,409)	(60,695)	121,398		19,017	(413)	193,526	(87,833)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
State sources											
Federal sources											
Operating subsidies and transfers to other funds	(78,856)				49,780	(94,961)		(9,509)		(133,546)	(15,711)
Net cash provided by (used for) non-capital financing activities	(78,856)				49,780	(94,961)		(9,509)		(133,546)	(15,711)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Change in capital contributions											
Purchases of capital assets											
Gain/Loss on sale of fixed assets (proceeds)											
Net cash provided by (used for) capital and related financing activities											
CASH FLOWS FROM INVESTING ACTIVITIES											
Interest and dividends											
Proceeds from sale/maturities of investments											
Net cash provided by (used for) investing activities											
Net increase (decrease) in cash and cash equivalents	78,772			(43,409)	(10,915)	26,437		9,508	(413)	59,980	(103,544)
Balances—beginning of year	29,089			43,409	112,616	222,151		53,806	413	461,484	565,028
Balances—end of year	\$ 107,861	\$ -	\$ -	\$ -	\$ 101,701	\$ 248,588	\$ -	\$ 63,314	\$ -	\$ 521,464	\$ 461,484
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:											
Operating income (loss)	\$ 78,856	\$ -	\$ -	\$ -	\$ (49,780)	\$ 87,243	\$ -	\$ 9,509	\$ -	\$ 125,828	\$ (5,148)
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities											
Depreciation and net amortization											
(Increase) decrease in Accounts Receivable, net		1,282		4,494	(11,528)	(61,325)				(67,077)	15,209
(Increase) decrease in Interfund Receivable				(10,320)	50,393					40,073	(2,490)
(Increase) decrease in Inventory											52,978
Increase (decrease) in Interfund Payable		(1,282)		10,320					(413)	8,625	2,490
Increase (decrease) in Accounts Payable	(84)					519				435	(708)
Increase (decrease) in Unearned Revenue	78,856			(47,903)	(49,780)	94,961		9,508		85,642	(98,548)
Increase (decrease) in Other Current Liabilities											(51,616)
Total adjustments	78,772			(43,409)	(10,915)	34,155		9,508	(413)	67,698	(82,685)
Net cash provided by (used for) operating activities	\$ 157,628	\$ -	\$ -	\$ (43,409)	\$ (60,695)	\$ 121,398	\$ -	\$ 19,017	\$ (413)	\$ 193,526	\$ (87,833)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019
 (with comparative totals for June 30, 2018)

	Non- Expendable Trust Scholarship	Agency		Totals	
		Student Activity	Payroll	2019	2018
ASSETS:					
Cash and Cash Equivalents	\$ 93,847	\$ 156,876	\$ 25,996	\$ 276,719	\$ 283,971
Due from General Fund			479	479	
Total Assets	<u>\$ 93,847</u>	<u>\$ 156,876</u>	<u>\$ 26,475</u>	<u>\$ 277,198</u>	<u>\$ 283,971</u>
LIABILITIES, RESERVES AND NET POSITION:					
Liabilities:					
Accounts Payable	\$	\$ 1,150	\$	\$ 1,150	\$ 2,100
Due to Student Groups		155,726		155,726	154,235
Payroll Deductions and Withholdings			16,384	16,384	33,769
Due to General Fund					4
Flexible Spending			10,091	10,091	
Total Liabilities		<u>156,876</u>	<u>26,475</u>	<u>183,351</u>	<u>190,108</u>
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes	<u>93,847</u>			<u>93,847</u>	<u>93,863</u>
Total Net Position	<u>93,847</u>			<u>93,847</u>	<u>93,863</u>
Total Liabilities, Reserves and Net Position	<u>\$ 93,847</u>	<u>\$ 156,876</u>	<u>\$ 26,475</u>	<u>\$ 277,198</u>	<u>\$ 283,971</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUE:		
Local Sources:		
Contributions	\$ 2,000	\$ 4,000
Interest on Investments	284	282
	<hr/>	<hr/>
Total Operating Revenues	2,284	4,282
	<hr/>	<hr/>
OPERATING EXPENSES:		
Scholarship Expenditures	2,300	2,100
	<hr/>	<hr/>
Total Operating Expenses	2,300	2,100
	<hr/>	<hr/>
Operating Income (Loss)	(16)	2,182
	<hr/>	<hr/>
Net Income (Loss)	(16)	2,182
	<hr/>	<hr/>
Net Position, July 1	93,863	91,681
	<hr/>	<hr/>
Net Position, June 30	\$ 93,847	\$ 93,863
	<hr/> <hr/>	<hr/> <hr/>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2019</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
ELEMENTARY SCHOOLS:					
Middle	\$ 18,798	\$ 71,990	\$ 66,621	\$ 1,150	\$ 23,017
Norma	14,613	171	796		13,988
Olivet	11,135	14,508	14,294		11,349
Elmer	1,264	4,128	2,370		3,022
Total Elementary Schools	<u>45,810</u>	<u>90,797</u>	<u>84,081</u>	<u>1,150</u>	<u>51,376</u>
SENIOR HIGH SCHOOL:					
Arthur P. Schalick - Field Trips	10	1,947	1,946		11
Arthur P. Schalick	107,902	224,563	228,228		104,237
Total Senior High Schools	<u>107,912</u>	<u>226,510</u>	<u>230,174</u>		<u>104,248</u>
OTHER STUDENT ACTIVITIES:					
Arthur P. Schalick High School Athletic Fund	513	74,746	75,157		102
Total Other Student Activities:	<u>513</u>	<u>74,746</u>	<u>75,157</u>		<u>102</u>
Total All Schools	<u>\$ 154,235</u>	<u>\$ 392,053</u>	<u>\$ 389,412</u>	<u>\$ 1,150</u>	<u>\$ 155,726</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 33,773	\$ 8,228,854	\$ 8,236,631	\$ 25,996
Due from General Fund		479		479
Total Assets	<u>\$ 33,773</u>	<u>\$ 8,229,333</u>	<u>\$ 8,236,631</u>	<u>\$ 26,475</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 33,773	\$ 8,198,016	\$ 8,215,405	\$ 16,384
Flexible Spending		31,317	21,226	10,091
Total Liabilities	<u>\$ 33,773</u>	<u>\$ 8,229,333</u>	<u>\$ 8,236,631</u>	<u>\$ 26,475</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2009 to refund Series 1999 above	5/1/09	\$ 4,850,000	11/1/19-21	345,000	4.25%	\$ 2,055,000	\$	\$ 345,000	\$ 1,710,000
			11/01/22	340,000	4.25%				
			11/01/23	335,000	4.25%				
2009 Various Capital Expenditures	12/18/09	\$ 1,856,000	6/30/20	120,000	3.75%	1,366,000	\$	110,000	1,256,000
			6/30/21	130,000	3.75%				
			6/30/22	140,000	3.75%				
			6/30/23	155,000	4.00%				
			6/30/24	160,000	4.00%				
			6/30/25	170,000	4.00%				
			6/30/26	185,000	4.00%				
			6/30/27	196,000	4.00%				

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
2013 Refunding Issue	3/20/13	\$ 1,805,000	3/1/20	\$ 140,000	2.00%	\$ 1,270,000	\$	\$ 140,000	\$ 1,130,000
			3/1/21	165,000	3.00%				
			3/1/22	170,000	3.00%				
			3/1/23	180,000	3.00%				
			3/1/24	235,000	3.00%				
			3/1/25	240,000	3.00%				
Total Regular Serial Bonds						\$ 4,691,000	\$	\$ 595,000	\$ 4,096,000

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2019

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2018	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2019
Lease # 40099825 Refinancing	2.75%	1,815,080	\$ 384,762	\$	\$ 384,762	\$
Lease # 40121969 Refinancing	2.01%		380,412		51,156	329,256
Lease -5 Buses #40121969	2.09%	548,989	400,160		76,756	323,404
Lease - Vehicles, Chromebooks and Processor #077-00019910-001	2.08%	184,000	112,667		36,784	75,883
Lease - Computers	1.45%	171,567	115,198		57,185	58,013
Lease - Vehicles	1.50%	581,411	468,562		114,540	354,022
Lease -HVAC/Comp Equipment	2.32%	312,509	312,509		101,792	210,717
Lease -School Buses, Chromebooks and Equipment	3.07%	431,748		431,748	91,330	340,418
Lease -Computer Equipment	0.00%	77,562		77,562		77,562
Lease - School Buses, Tractor	2.61%	242,230		242,230		242,230
Totals			\$ 2,174,270	\$ 751,540	\$ 914,305	\$ 2,011,505
				\$ 751,540	\$ 671,560	
					242,745	
				\$ 751,540	\$ 914,305	

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 518,597		\$ 518,597	\$ 518,597	
State Sources:					
Debt Service Aid Type II	249,331		249,331	249,331	
Total Revenues	<u>767,928</u>		<u>767,928</u>	<u>767,928</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	172,928		172,928	172,928	
Redemption of Principal	595,000		595,000	595,000	
Total Expenditures	<u>767,928</u>		<u>767,928</u>	<u>767,928</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

STATISTICAL SECTION

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 4,898,127	\$ 6,760,829	\$ 6,745,097	\$ 7,022,729	\$ 6,724,953	\$ 6,458,397	\$ 6,055,089	\$ 5,909,343	\$ 6,110,740	\$ 6,535,596
Restricted	(156,922)	728,346	1,194,025	712,709	524,090	572,139	1,144,205	87,502	594,136	1,161,331
Unrestricted (Deficit)	27,182	(1,587,578)	(1,484,352)	(1,474,560)	(1,821,546)	(9,634,484)	(9,528,281)	(9,991,251)	(9,519,115)	(9,037,244)
Total Governmental Activities Net Position	\$ 4,768,387	\$ 5,901,597	\$ 6,454,770	\$ 6,260,878	\$ 5,427,497	\$ (2,603,948)	\$ (2,328,987)	\$ (3,994,406)	\$ (2,814,239)	\$ (1,340,317)
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 20,045	\$ 35,724	\$ 37,274	\$ 51,950	\$ 78,134	\$ 93,204	\$ 89,576	\$ 83,394
Unrestricted	39,769	21,562	40,464	20,110	117,027	119,341	185,726	225,883	195,059	261,209
Total Business-Type Activities Net Position	\$ 39,769	\$ 21,562	\$ 60,509	\$ 55,834	\$ 154,301	\$ 171,291	\$ 263,860	\$ 319,087	\$ 284,635	\$ 344,603
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 4,898,127	\$ 6,760,829	\$ 6,765,142	\$ 7,058,453	\$ 6,762,227	\$ 6,510,347	\$ 6,133,223	\$ 6,002,547	\$ 6,200,316	\$ 6,618,990
Restricted	(156,922)	728,346	1,194,025	712,709	524,090	572,139	1,144,205	87,502	594,136	1,161,331
Unrestricted (Deficit)	66,951	(1,566,016)	(1,443,888)	(1,454,450)	(1,704,519)	(9,515,143)	(9,342,555)	(9,765,368)	(9,324,056)	(8,776,035)
Total District-Wide Net Position	\$ 4,808,156	\$ 5,923,159	\$ 6,515,279	\$ 6,316,712	\$ 5,581,798	\$ (2,432,657)	\$ (2,065,127)	\$ (3,675,319)	\$ (2,529,604)	\$ (995,714)

Source: CAFR Schedule A-1

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2015	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 8,093,806	7,615,098	7,794,480	7,949,881	8,103,294	7,423,548	7,757,360	8,146,308	8,970,612	9,150,893
Special Education	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974
Other Special Instruction	201,808	265,475	398,908	265,282	422,846	364,830	468,101	423,650	192,246	145,909
Other Instruction	411,566	335,613	375,583	378,190	385,895	421,645	447,970	441,349	454,021	433,252
Support Services										
Tuition	573,628	604,526	515,590	507,683	663,762	898,077	539,178	1,171,860	1,287,032	1,359,636
Student and Instruction Related Services	3,372,253	3,025,587	2,966,962	3,135,539	3,214,303	3,473,691	3,735,765	3,733,780	3,935,796	4,385,920
School Administrative Services	990,849	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235	1,059,568	1,033,114	967,347	981,678
General Administrative Services	3,120,429	2,229,581	2,301,980	1,766,822	718,866	675,681	670,721	796,980	767,338	678,969
Central Services and Information Tech.	1,031,326	706,497	877,653	1,019,483	1,000,428	908,061	863,409	805,406	727,278	680,717
Plant Operations and Maintenance	2,447,903	2,526,263	2,556,330	2,439,996	2,612,458	2,634,144	2,918,010	2,550,312	2,513,883	4,278,576
Pupil Transportation	1,349,597	1,445,650	1,612,043	1,947,403	1,841,265	1,906,356	1,853,814	1,752,147	1,840,888	1,349,898
Employee Benefits	6,121,465	5,912,097	6,287,693	6,666,212	7,155,865	9,882,865	11,172,400	14,928,283	15,361,649	12,786,485
Business and Other Support Services	27,685	128,856	394,902	58,088	83,854	43,180	168,336			
Special Schools	56,746	101,308	93,866	91,592	96,324	30,078	43,448			
Amortization of Debt Issue Costs	25,867	6,509	6,510	45,000						
Interest on Long-Term Debt	332,050	396,553	347,045	324,953	356,493	291,621	294,624	357,371	269,958	199,185
Unallocated Depreciation and Amortization	2,000,447	1,191,857	1,214,157	1,249,822	1,306,380	1,212,606	1,265,533	1,334,672	1,205,035	1,257,949
Total Governmental Activities Expenses	31,911,958	29,603,052	30,873,126	31,076,462	31,311,577	33,645,290	35,751,782	39,696,957	40,951,997	40,322,041
Business-Type Activities										
Food Service	832,174	773,902	779,706	735,073	686,032	712,623	708,765	707,242	812,936	750,492
Child Care	129,659	145,651	145,301	155,308	114,019	128,494	112,359	143,441	205,795	160,172
Total Business-Type Activities Expense	961,833	919,553	925,007	890,381	800,051	841,117	821,124	850,683	1,018,731	910,664
Total District Expenses	\$ 32,873,791	30,522,605	31,798,133	31,966,843	32,111,628	34,486,407	36,572,906	40,547,640	41,970,728	41,232,705
Program Revenues										
Governmental Activities										
Charges for Services	\$ 3,446,323	2,191,212	2,588,390	2,063,004	1,007,820	678,792	1,179,866	984,666	727,453	858,696
Operating Grants and Contributions	2,688,851	2,528,490	2,817,784	3,237,389	2,984,638	5,800,175	7,248,410	6,301,656	5,768,282	6,395,838
Total Governmental Activities Prog. Revenues	6,135,174	4,719,702	5,406,174	5,300,393	3,992,458	6,478,967	8,428,276	7,286,322	6,495,735	7,254,534
Business-Type Activities										
Charges for Services										
Food Service	473,046	409,787	425,683	384,801	388,776	374,179	374,027	367,768	355,061	382,591
Child Care	120,408	159,006	150,346	134,954	144,876	128,520	141,166	157,319	224,786	201,951
Operating Grants and Contributions	345,128	320,949	327,310	329,207	364,674	354,947	397,929	380,050	403,539	385,118
Total Business-Type Activities Prog. Revenues	938,582	889,742	903,339	848,962	898,326	857,646	913,122	905,137	983,386	969,660
Total District Program Revenues	\$ 7,073,756	5,609,444	6,309,513	6,149,355	4,890,784	7,336,613	9,341,398	8,191,459	7,479,121	8,224,194
Net (Expense)/Revenue										
Governmental Activities	\$ (25,776,784)	(24,883,350)	(25,466,952)	(25,776,069)	(27,319,119)	(27,166,323)	(27,323,506)	(32,410,635)	(34,456,262)	(33,067,507)
Business-Type Activities	(23,251)	(29,811)	(21,668)	(41,419)	98,275	16,529	91,998	54,454	(35,345)	58,996
Total District-Wide Net Expense	\$ (25,800,035)	(24,913,161)	(25,488,620)	(25,817,488)	(27,220,844)	(27,149,794)	(27,231,508)	(32,356,181)	(34,491,607)	(33,008,511)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Prop. Taxes Levied for General Purposes, net	\$ 8,625,275	8,483,060	8,483,060	8,826,602	9,003,134	9,296,979	9,766,792	10,033,892	12,277,712	12,585,542
Taxes Levied for Debt Service	454,880	583,860	573,888	606,352	542,035	503,085	502,391	5,925,937	518,217	518,597
Unrestricted Grants and Contributions	13,276,946	13,956,827	13,752,737	13,216,567	13,772,056	13,842,223	14,002,177	11,615,909	22,401,849	20,546,100
Tuition Received	1,663,587	2,766,329	3,040,004	3,034,238	3,168,286	3,150,646	3,165,348	3,117,914	32,303	134,877
Investment Earnings	24,855	17,399	11,597	6,772	6,478	7,005	7,698	8,716	10,747	20,362
Miscellaneous Income	207,616	220,085	260,398	256,373	122,358	406,903	180,709	69,463	402,994	755,558
Gain on Defeasement of Debt			6,588							
Cancellation of Accounts Receivable/Payable			(6,341)	(61,129)	(65,507)					
Transfer to Charter School			(41,906)	(183,845)	(54,085)					
Transfers		(11,000)	(59,880)	(36,557)	(9,017)	(27,478)	(26,648)	(26,615)	(7,393)	(19,607)
Total Governmental Activities	24,253,159	26,016,560	26,020,125	25,665,373	26,485,738	27,179,363	27,598,467	30,745,216	35,636,429	34,541,429
Business-Type Activities										
Investment Earnings	611	604	735	187	192	461	571	773	893	972
Transfer		11,000	59,880	36,557						
Total Business-Type Activities	611	11,604	60,615	36,744	192	461	571	773	893	972
Total District-Wide	\$ 24,253,770	26,028,164	26,080,740	25,702,117	26,485,930	27,179,824	27,599,038	30,745,989	35,637,322	34,542,401
Change in Net Position										
Governmental Activities	\$ (1,523,625)	1,133,210	553,173	(110,696)	(833,381)	13,040	274,961	(1,665,419)	1,180,167	1,473,922
Business-Type Activities	(22,640)	(18,207)	38,947	(4,675)	98,467	16,990	92,569	55,227	(34,452)	59,968
Total District-Wide	\$ (1,546,265)	1,115,003	592,120	(115,371)	(734,914)	30,030	367,530	(1,610,192)	1,145,715	1,533,890

Source: CAFR Schedule A-2

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 543,765	\$ 244,210	\$ 607,456	\$ 562,392	\$	\$	\$	\$	\$	\$
Capital Reserve					2,721	2,731	2,741	2,751	2,761	2,771
Maintenance Reserve									400,000	550,000
Excess Surplus									97,512	514,713
Assigned:										
Year-end Encumbrances					155,349	67,770	652,943	36,765	490,444	137,892
Subsequent Year's Expenditures					200,000	338,000	338,000		225,000	753,921
Unassigned	(1,032,703)	(806,569)	(700,726)	(778,052)	(810,199)	(855,638)	(685,522)	(614,089)	(701,755)	(697,576)
Total General Fund	\$ (488,938)	\$ (562,359)	\$ (93,270)	\$ (215,660)	\$ (452,129)	\$ (447,137)	\$ 308,162	\$ (574,573)	\$ 513,962	\$ 1,261,721
All Other Governmental Funds										
Restricted	\$ 2,503,077	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assigned to Permanent Fund	79,666	82,199	91,252	90,980	93,288	91,322	91,602	91,681	93,862	93,847
Unreserved, Reported in:										
Special Revenue Fund	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(156,999)	(195,494)
Capital Projects Fund	(693,611)	385,035	395,953	66,265	66,265	65,849	65,849			
Debt Service Fund	23,832	23,832	2	2	13,397	13,397				
Total All Other Governmental Funds	\$ 1,906,034	\$ 484,136	\$ 480,277	\$ 150,317	\$ 166,020	\$ 163,638	\$ 150,521	\$ 84,751	\$ (63,137)	\$ (101,647)

Source: CAFR Schedule B-1

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 9,080,155	\$ 9,066,920	\$ 9,056,948	\$ 9,432,954	\$ 9,545,169	\$ 9,800,064	\$ 10,269,183	\$ 10,551,054	\$ 12,795,929	\$ 13,104,139
Tuition Charges	1,663,587	2,766,329	3,030,411	3,034,238	3,168,286	3,126,181	3,133,105	3,071,329	32,303	134,877
Tuition from State of New Jersey			9,593			24,465	32,243	46,585		
Interest Earnings	24,855	17,399	11,597	6,772	6,478	7,005	7,698	8,716	10,747	20,362
Miscellaneous	207,616	220,085	260,398	356,756	174,358	226,903	199,448	69,463	402,994	137,564
State Sources	12,974,281	15,606,741	15,317,128	15,651,284	15,902,514	16,284,981	16,871,710	17,221,406	20,807,967	22,614,360
Federal Sources	2,991,516	878,576	1,253,393	802,672	854,180	779,501	920,554	814,961	865,380	890,455
Total Revenues	26,942,010	28,556,050	28,939,468	29,284,676	29,650,985	30,249,100	31,433,941	31,783,514	34,915,320	36,901,757
Expenditures										
Instruction										
Regular Instruction	8,190,926	7,659,818	7,583,063	7,900,047	8,015,101	7,778,021	7,783,812	8,064,806	8,684,505	8,695,388
Special Education Instruction	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974
Other Special Instruction	201,808	265,475	398,908	265,282	422,846	364,830	468,101	423,650	192,246	145,909
Other Instruction	411,566	335,613	375,583	378,190	385,895	421,645	447,970	441,349	454,021	433,252
Support Services										
Tuition	573,628	604,526	515,590	507,683	663,762	898,077	550,426	1,171,860	1,287,032	1,359,636
Student and Instruction Related Services	2,930,502	2,809,023	2,889,590	3,013,574	3,105,515	3,290,208	3,448,661	3,341,676	3,907,244	4,385,920
School Administrative Services	990,849	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235	1,058,494	1,033,114	967,347	977,976
General Administrative Services	648,049	559,092	525,446	541,473	655,238	661,002	667,221	633,248	601,472	574,712
Central Services and Information Tech	786,096	693,832	770,183	754,783	724,659	699,196	712,756	643,509	677,155	698,977
Plant Operations and Maintenance	2,410,917	2,508,084	2,580,069	2,709,377	2,589,199	2,576,302	2,633,953	2,614,841	2,510,690	3,015,690
Pupil Transportation	1,357,368	1,262,832	1,528,691	1,741,610	1,572,887	1,545,518	1,586,525	1,802,630	2,125,561	2,262,565
Unallocated Employee Benefits	6,124,014	5,938,768	6,267,598	6,658,694	7,123,962	7,318,839	7,655,912	9,032,401	8,903,900	9,723,155
Special Schools	56,746	101,308	93,866	91,592	96,324	30,078	43,448			
Capital Outlay	856,466	3,291,389	1,929,261	907,015	312,914	375,761	1,265,405	1,575,280	720,232	1,250,360
Debt Service										
Principal	534,929	536,923	579,021	611,278	578,648	530,000	550,000	560,000	580,000	595,000
Interest and Other Charges	296,895	362,114	339,215	319,631	266,240	250,628	235,428	218,028	196,628	172,928
Total Expenditures	28,125,292	30,040,369	29,505,508	29,630,745	29,862,734	30,219,012	31,601,657	33,778,117	34,266,947	36,924,442
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,183,282)	(1,484,319)	(566,040)	(346,069)	(211,749)	30,088	(167,716)	(1,994,603)	648,373	(22,685)
Other Financing Sources (Uses)										
Transfer to Charter School			(41,906)	(183,845)	(9,017)	(27,478)	(26,648)	(26,615)	(20,234)	(19,607)
Capital Lease (Non-budgeted)	269,830		1,133,056	114,121			936,546	1,191,515	312,509	751,540
Cancellation of State Aid								(118,802)		
Bond Proceeds	1,856,000									
Transfers	(11,000)	(11,000)	(59,880)	(36,557)						
Total Other Financing Sources (Uses)	2,114,830	(11,000)	1,031,270	(106,281)	(9,017)	(27,478)	909,898	1,046,098	292,275	731,933
Net Change in Fund Balances	\$ 931,548	\$ (1,495,319)	\$ 465,230	\$ (452,350)	\$ (220,766)	\$ 2,610	\$ 742,182	\$ (948,505)	\$ 940,648	\$ 709,248
Debt Service as a Percentage of										
Noncapital Expenditures	3.1%	3.4%	3.3%	3.2%	2.9%	2.6%	2.6%	2.4%	2.3%	2.2%

Source: CAFR Schedule B-2

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals and Use of Facilities	Prior Year Tuition	Services to Other LEAs	Refund of Prior Year Expenditure	Insurance Refunds and Settlement	Athletic Receipts	Energy Admin Fee	Sale of Paper	Misc.	Total
2019	\$ 20,078	\$ 134,877	\$	\$ 11,175	\$	\$ 7,061	\$	\$	\$	\$	\$ 42,871	\$ 216,062
2018	10,465	32,303	4,800	96,426		25,922		11,442	36,981		192,861	411,200
2017	8,338	3,117,914	2,582					13,662	22,457		(6,334)	3,158,619
2016	7,307	3,165,348	185	23,911	3,260	45,349	17,175	15,482	45,402		41,682	3,365,101
2015	6,611	3,150,646	2,480			3,858	512	15,373	37,266	52,000	100,173	3,368,919
2014	6,044	3,168,286	1,260			29,604	11,118	19,137	43,614	52,000	11,995	3,343,058
2013	6,375	3,034,238	2,200	27,200	109,713	2,099	237	13,901	83,173	100,383	15,839	3,395,358
2012	9,998	3,040,004	5,992	21,530	107,562	24,269	982	12,776	47,735		1,079	3,271,927
2011	10,700	2,766,329	16,288	32,977	73,900	7,926	4,341	15,028	45,651		12,329	2,985,469
2010	14,748	1,663,587	15,792	19,205	105,917	500	11,004	14,038	26,674		3,701	1,875,166

Source: District Records

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2019	\$ 11,905,800	\$ 484,002,000	\$ 49,197,000	\$ 5,489,800	\$ 50,214,700	\$ 600,809,300	\$ 966,771	\$ 601,776,071	\$ 1.901	\$ 659,093,028
2018	12,104,200	484,417,300	48,828,100	5,482,700	48,482,700	599,315,000	957,416	600,272,416	1.855	655,060,662
2017	13,205,100	482,659,900	49,940,700	5,479,400	49,282,900	600,568,000	968,977	601,536,977	1.792	636,397,160
2016	13,990,600	482,332,700	50,481,500	5,480,300	51,421,900	603,707,000	1,016,133	604,723,133	1.722	634,410,178
2015	14,561,600	481,563,100	50,877,100	5,521,200	51,929,100	604,452,100	1,084,474	605,536,574	1.657	641,500,415
2014	14,454,600	481,609,800	51,345,600	5,533,100	52,552,800	605,495,900	1,063,370	606,559,270	1.595	632,887,385
2013	15,019,300	481,690,300	51,248,500	5,357,000	52,672,700	605,987,800	1,432,898	607,420,698	1.563	640,468,893
2012	15,634,200	479,213,600	52,128,600	5,404,900	52,936,800	605,318,100	1,488,950	606,807,050	1.524	656,677,416
2011	15,819,000	479,494,800	52,294,400	5,540,200	52,603,300	605,751,700	1,527,972	607,279,672	1.492	674,374,498
2010	15,784,300	478,832,100	53,269,500	5,502,600	51,823,700	605,212,200	1,831,644	607,043,844	1.495	711,299,851

Source: District records Tax list summary & Municipal Tax Assessor

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 ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Pittsgrove Township Board of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Pittsgrove Township	Salem County	Municipal Open Space	Total
2019	\$ 1.826	\$ 0.075	\$ 1.901	\$ 0.339	\$ 1.323	\$ 0.010	\$ 3.573
2018	1.780	0.075	1.855	0.329	1.299	0.010	3.493
2017	1.704	0.088	1.792	0.319	1.235	0.010	3.356
2016	1.638	0.084	1.722	0.309	1.14	0.010	3.181
2015	1.572	0.085	1.657	0.299	1.06	0.010	3.026
2015	1.505	0.090	1.595	0.281	1.012	0.010	2.898
2013	1.463	0.100	1.563	0.280	1.019	0.010	2.872
2012	1.427	0.097	1.524	0.261	1.019	0.015	2.819
2011	1.396	0.096	1.492	0.216	0.994	0.030	2.732
2010	1.420	0.075	1.495	0.216	1.034	0.030	2.775

Source: District Records and Municipal Tax Collector

Note:

NJSA 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 prebudget year net budget by more than the spending growth limitation calculation.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Harding Woods MHC, LLC	\$ 5,742,000	1	0.95%	\$ 5,742,000	1	0.96%
B I Fulco Brothers	4,533,100	2	0.75%	2,540,300	4	0.42%
LJK Golf, LLC	4,118,400	3	0.68%	4,548,200	2	0.76%
Rainbow of NJ	2,722,400	4	0.45%	2,719,000	3	0.45%
Taxpayer #1	2,152,800	5	0.36%	2,306,700	5	0.39%
Holly Tree Acres MHC, LLC	2,067,100	6	0.34%			
Picnic Grove MHC, LLC	1,790,000	7	0.30%			
899 Landis, LLC	1,735,300	8	0.29%			
T & T Management, LLC	1,730,800	9	0.29%			
Centerton Real Estate Holdings, LLC	1,700,000	10	0.28%			
Nancy-Lee Inc				5,742,000	1	0.96%
Windover LLC				2,015,200	6	0.34%
Shree Yogi LLC				1,926,900	7	0.32%
Taxpayer #2				1,802,800	8	0.30%
Par 3 Management LLC				1,790,000	9	0.30%
Taxpayer #3				1,664,700	10	0.28%
Total	\$ 28,291,900		4.70%	\$ 27,055,800		4.52%

Source: Municipal Tax Assessor

PITTSBORO TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2019	\$ 12,585,542	\$ 12,585,542	100.00%	\$
2018	12,277,712	12,277,712	100.00%	
2017	10,033,892	10,033,892	100.00%	
2016	9,766,792	9,766,792	100.00%	
2015	9,296,979	9,296,979	100.00%	
2014	9,545,169	9,545,169	100.00%	
2013	9,545,169	9,545,169	100.00%	
2012	9,056,948	9,056,948	100.00%	
2011	9,066,921	9,066,921	100.00%	
2010	9,080,155	9,080,155	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note:

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ^u	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income		Per Capita ^a	
2019	\$ 4,096,000	\$ 2,011,505	\$	\$	\$ 6,107,505	1.45%	\$ 692 *	
2017	4,691,000	2,174,270			6,865,270	1.69%	778	
2016	5,271,000	2,672,443			7,943,443	2.05%	896	
2015	5,831,000	2,187,517			8,018,517	2.06%	901	
2014	6,381,000	1,846,717			8,227,717	2.12%	915	
2013	6,911,000	2,456,640			9,367,640	2.41%	1,032	
2012	7,489,648	1,846,717			9,336,365	2.41%	1,022	
2011	8,024,925	2,806,909			10,831,834	2.81%	1,179	
2010	8,603,946	1,785,491			10,389,437	2.69%	1,119	
2009	9,140,869	2,000,764			11,141,633	2.91%	1,195	

* Estimate

Source: District CAFR Schedules I-1, I-2

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

- a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2019	\$ 4,096,000	\$	\$ 4,096,000	0.64%	\$ 464 *
2018	4,691,000		4,691,000	0.74%	531
2017	5,271,000		5,271,000	0.83%	594
2016	5,831,000		5,831,000	0.91%	655
2015	5,831,000		5,831,000	0.91%	647
2014	6,911,000		6,911,000	1.09%	761
2013	7,489,648		7,489,648	1.17%	820
2012	8,024,925		8,024,925	1.22%	868
2011	8,603,946		8,603,946	1.28%	924
2010	9,140,869		9,140,869	1.26%	977

* Estimate

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pittsgrove Township	\$ 549,860	100%	\$ 549,860
Other debt			
County of Salem - Township's Share	39,640,364	13.1%	5,185,757
Subtotal, Overlapping Debt			5,735,617
Pittsgrove Township School District Direct Debt			4,096,000
Total Direct and Overlapping Debt			<u>\$ 9,831,617</u>

Sources: Pittsgrove Township Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pittsgrove. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a 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 total taxable value.

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis	
	2018	\$ 653,703,098
	2017	\$ 656,430,211
	2016	639,723,429
	[A]	\$ 1,949,856,738
Average Equalized Valuation of Taxable Property	[A/3]	\$ 649,952,246
Debt Limit (4% of Average Equalization Value)	[B]	\$ 25,998,090
Net Bonded School Debt	[C]	4,096,000
Legal Debt Margin	[B-C]	\$ 21,902,090

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 28,713,938	\$ 27,866,713	\$ 27,011,045	\$ 26,157,926	\$ 25,656,112	\$ 25,469,285	\$ 25,388,673	\$ 25,487,770	\$ 25,711,461	\$ 25,998,090
Total Net Debt Applicable to Limit	2,010	8,603,946	8,024,925	7,489,648	6,911,000	6,381,000	5,831,000	5,271,000	4,691,000	4,096,000
Legal Debt Margin	\$ 28,711,928	\$ 19,262,767	\$ 18,986,120	\$ 18,668,278	\$ 18,745,112	\$ 19,088,285	\$ 19,557,673	\$ 20,216,770	\$ 21,020,461	\$ 21,902,090
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.01%	30.88%	29.71%	28.63%	26.94%	25.05%	22.97%	20.68%	18.24%	15.76%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

PITTSBORO TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> <u>(thousands</u> <u>of dollars)</u> ^b	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ^c	<u>Unemployment</u> <u>Rate</u> ^d
2019	** 8,823	\$ 420,540,264	\$ 47,664	** 4.9%
2018	8,832	406,698,468	47,427	5.0%
2017	8,868	387,507,821	47,191	5.3%
2016	8,908	389,001,486	45,530	5.8%
2015	9,008	389,040,390	44,989	6.5%
2014	9,077	387,394,187	43,086	8.2%
2013	9,138	385,700,448	42,026	9.9%
2012	9,240	385,667,100	41,651	11.1%
2011	9,312	384,352,334	41,860	8.7%
2010	9,359	371,904,670	40,424	9.0%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSEG Nuclear	1,500	5.51%		
Mannington Mills	800	2.94%		
Memorial Hospital of Salem County	720	2.65%		
EI duPont	685	2.52%		Not Available
McLane NJ	401	1.47%		
RE Pierson Construction	400	1.47%		
Inspira Health Network	400	1.47%		
Ardagh Group (Anchor Glass)	376	1.38%		
Larchmont Farms	275	1.01%		
Walmart	250	0.92%		
Salem County Community College	180	0.66%		
B & B Poultry Co., Inc.	175	0.64%		
Atlantis Rehabilitation	170	0.63%		
Southgate Healthcare Center	170	0.63%		
Home Care & Hospice Care of SJ	160	0.59%		
Ross Fogg Fuel Oil, Inc.	160	0.59%		
CFJ Properties	150	0.55%		

Source: Salem County Economic Resource Guide

* Salem County

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	127.50	145.50	128.00	129.00	129.00	130.00	103.50	112.80	108.50	112.00
Special education	25.10	13.50	25.10	26.00	26.00	33.80	32.00	27.40	34.50	26.00
Support Services:										
Student & instruction related services	38.50	33.20	38.50	38.50	38.50	31.00	36.00	32.60	35.50	38.00
General administrative services	2.50	9.00	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00
School administrative services	14.00	14.00	14.00	14.00	14.00	11.00	14.00	16.70	15.00	13.00
Central services	6.50	5.50	5.50	5.50	5.00	5.00	4.00	4.00	4.50	4.50
Administrative information technology	4.50	1.00	4.50	4.50	4.50	2.50	2.50	2.30	2.50	3.00
Plant operations and maintenance	19.00	19.75	19.00	19.00	12.00	8.00	9.50	8.00	9.00	5.00
Pupil transportation	24.00	13.00	24.00	24.00	29.00	29.00	33.50	40.90	41.00	43.00
Total	<u>281.60</u>	<u>261.60</u>	<u>254.45</u>	<u>261.10</u>	<u>263.00</u>	<u>260.50</u>	<u>252.80</u>	<u>238.00</u>	<u>253.50</u>	<u>247.50</u>

Source: District Personnel Records

PITTSBORO TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal	Enrollment	Operating Expenditures ⁽¹⁾	Cost Per Pupil	Percentage Change	Teaching Staff ⁽²⁾	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ⁽³⁾	Average Daily Attendance (ADA) ⁽³⁾	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2019	1,755	\$ 35,674,082	\$ 20,327	5.74%	138	1:12	1:13	1:13	1:11	1,755	1,682	0.92%	95.84%
2018	1,745	33,546,715	19,224	0.59%	142.5	1:14	1:13	1:12	1:11	1,739	1,680	2.47%	96.61%
2017	1,685	32,202,837	19,111	13.58%	140.20	1: 18.0	1: 13.0	1: 11.0	1: 13.0	1,697	1,642	-0.93%	96.76%
2016	1,803	30,336,252	16,825	1.54%	135.50	1: 17.0	1: 13.0	1: 11.0	1: 13.0	1,713	1,654	2.70%	96.56%
2015	1,801	29,843,251	16,570	1.05%	155.00	1: 14.0	1: 13.0	1: 13.0	01:12.0	1,668	1,609	-4.30%	96.46%
2014	1,802	29,549,820	16,398	2.82%	155.00	1: 14.0	1: 13.0	1: 8.0	1: 7.0	1,743	1,678	1.36%	96.27%
2013	1,801	28,723,730	15,949	4.97%	155.00	1: 14.8	1: 16.6	1: 11.4	1: 11.7	1,720	1,646	-1.29%	95.69%
2012	1,815	27,576,247	15,194	7.41%	26.00	1: 15.4	1: 15.2	1: 12.4	1: 11.3	1,742	1,665	-5.12%	95.58%
2011	1,891	26,748,980	14,145	-0.85%	150.80	1: 14.5	1: 11.2	1: 10.7	1: 10.4	1,836	1,753	2.91%	95.48%
2010	1,853	26,437,002	14,267	5.12%	152.60	1: 14.0	1: 17.0	1: 16.0	1: 15.7	1,784	1,704	-0.61%	95.52%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District Building										
Elementary										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	108.0	120.0	169.5	167.9	155.4	178.5	174.4	155.2	173.9	189.5
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	350.6	457.6	347.9	340.3	342.0	362.8	367.8	384.6	406.0	425.2
Elmer School										
Square Feet	1,921	1,921	19,281	19,281	19,281	19,281	19,281	19,281	19,281	
Capacity (students)	158	158	158	158	158	158	158	158	158	
Enrollment	224.6	235.3	217.6	226.3	219.4	199.7	209.2	243.1	240.1	
Middle School										
Pittsgrove Middle School (1912, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	501.8	387.7	399.9	399.1	405.7	441.8	455.5	433.0	430.7	558.5
High School										
Arthur P. Schalick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	530.6	538.1	562.1	579.8	545.4	560.5	512.7	599.2	640.5	680.0
Other										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at JUNE 30, 2018										
Preschool & Kindergarten = 1										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
A.P. Schalick High School	112,000	\$ 272,546	\$ 80,408	\$ 46,781	\$ 13,610	\$ 19,115	\$ 13,740	\$ 21,923	\$ 38,062	\$ 16,324	\$ 77,483
Pittsgrove Middle School	88,473	373,878	88,473	19,281	6,889	21,026	5,711	6,654	3,293	8,608	12,851
Olivet Elementary School	56,659	106,271	54,049	19,646	100	11,158	6,873	38,560	8,709	3,126	2,581
Elmer Elementary School	19,281	85,069	26,362	11,287	29,255	10,192	10,060	7,947	4,811	7,504	
Norma Elementary School	22,110	33,753	12,682	19,369	17,085	4,871	1,952	6,059	11,931	6,213	4,830
Total School Facilities		<u>871,517</u>	<u>261,974</u>	<u>116,364</u>	<u>66,939</u>	<u>66,362</u>	<u>38,336</u>	<u>81,143</u>	<u>66,806</u>	<u>41,775</u>	<u>97,745</u>
Other Facilities	15,028	13,284	98,536	196,465	30,929	39,470	32,177	58,253	47,607	59,108	58,143
Grand Total		<u>\$ 884,801</u>	<u>\$ 360,510</u>	<u>\$ 312,829</u>	<u>\$ 97,868</u>	<u>\$ 105,832</u>	<u>\$ 70,513</u>	<u>\$ 139,396</u>	<u>\$ 114,413</u>	<u>\$ 100,883</u>	<u>\$ 155,888</u>

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

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
(UNAUDITED)

	Coverage	Deductible
Republic Franklin Insurance Company/Utica National Insurance Group:		
Property		
Property- Blanket Building & Contents	\$ 62,917,128	\$ 1,000
General Liability Section		
General Aggregate Limit	3,000,000	
Products and Completed Operations Limit	3,000,000	
Personal Advertising Injury Limit	1,000,000	
Each Occurrence Limit	1,000,000	
Employee Benefit Liability		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Retroactive Date (7/1/1990)		
Insured Retained Limit (Each Claim)	1,000	
Abuse or Molestation Liability		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Employment-Related Practices Liability		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Insured Retained Limit (Each Claim)	1,000	
Coinsurance - 5% subject to a maximum of (Each Loss)		
School District Legal Liability Coverage		
Legal Liability	1,000,000	
Aggregate	3,000,000	
Insured Retained Limit (Each Loss)	7,500	
Coinsurance - 5% subject to a maximum of (Each Loss)		
Coinsurance - 5% subject to a maximum of (Aggregate)		
Commercial Crime Section		
Employee Dishonest Coverage (Per Loss)	100,000	500
Commercial Inland Marine		
Data Processing Limit	1,026,308	250
Business Auto Policy		
Liability Limit	1,000,000	
Comprehensive Deductible		500
Collision Deductible		1000
NJ Schools Insurance Group:		
Workers Compensation		
Bodily Injury by Accident (Each Accident)	3,000,000	
Bodily Injury by Disease (Agreement Limit)	3,000,000	
Bodily Injury by Accident (Each Employee)	3,000,000	
Utica National Insurance Group:		
Commercial Umbrella Policy		
General Aggregate	10,000,000	
Each Incident Limit	10,000,000	
Retained Limit	10,000	
Zurich American Insurance Company:		
Student Accident Coverage		
Compulsory Student Accident Coverage	5,000,000	
The Ohio Casualty Insurance Company:		
Surety Bonds		
Public Official Bond- Superintendent	250,000	
Public Official Bond- Business Administrator	250,000	
Selective Insurance Company:		
Surety Bonds		
Public Official Bond- Interim Business Administrator		

Source: District records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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, the 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 Pittsgrove Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the of Education of the Pittsgrove Township School District's basic financial statements, and have issued our report thereon dated November 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pittsgrove Township Board of Education's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pittsgrove Township Board of Education'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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Pittsgrove Township Board of Education, 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 14, 2019

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Pittsgrove Township School District's major federal and state programs for the fiscal year ended June 30, 2019. The Pittsgrove Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Pittsgrove Township Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, Department of Education, State of New Jersey, *Uniform Guidance* and New Jersey OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Pittsgrove Township Board of Education'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 on compliance for each major federal and state program. Our audit does not provide a legal determination of Pittsgrove Township Board of Education's compliance.

Opinion on Each Major Program

In our opinion, the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Pittsgrove Township School District's Board of Education 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 Pittsgrove Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 15-08, 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 Pittsgrove Township School District Board of Education's internal control over compliance.

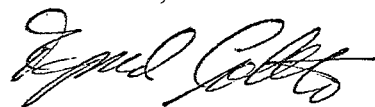
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

Our consideration of the 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, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled **Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance** dated November 14, 2019. 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 Uniform Guidance and New Jersey OMB 15-08.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 14, 2019

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	JUNE 30, 2018		Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adj-ment	JUNE 30, 2019		Due to Grantor at June 30, 2019
						Accounts Receivable	Unearned Revenue						(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education General Fund Medical Assistance Program	93.778	1905NJ5MAP	N/A	7/1/18- 6/30/19	\$ 19,960	\$	\$ 19,960	\$ (19,960)	\$	\$ (19,960)	\$	\$	\$	\$	\$
Total U.S. Department of Education							19,960	(19,960)		(19,960)					
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:															
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	N/A	7/1/17- 6/30/18	60,791			2,871		(2,871)					
Food Distribution Program	10.565	Unknown	N/A	7/1/18- 6/30/19	44,469		44,469		(43,050)		(43,050)			1,419	
Child Nutrition Center:															
Cash Assistance:															
National School Lunch Program	10.555	181NJ304N1099	N/A	7/1/17- 6/30/18	254,588	(17,683)	17,683								
National School Lunch Program	10.555	191NJ304N1099	N/A	7/1/18- 6/30/19	247,389		233,536		(247,389)		(247,389)		(13,853)		
National School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17- 6/30/18	82,862	(6,763)	6,763								
National School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18- 6/30/19	84,695		78,585		(84,695)		(84,695)		(6,110)		
Total U.S. Department of Agriculture						(24,446)	2,871	381,036	(378,005)		(378,005)		(19,963)	1,419	
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:															
E.S.E.A.:															
Title I	84.010	S010A170030	ESEA-415018	7/1/17- 6/30/18	397,137	(94,727)	94,727								
Title I	84.010	S010A180030	ESEA-415019	7/1/18- 6/30/19	359,319		204,325		(351,456)		(351,456)		(147,131)		
ESEA T-II A	84.367A	S367A170029	ESEA-415018	7/1/17- 6/30/18	40,519	(5,190)	5,190								
ESEA T-II A	84.367A	S367A180029	ESEA-415019	7/1/18- 6/30/19	49,346		3,586		(22,356)		(22,356)		(18,770)		
ESEA Title IV	84.424	S424A170031	ESEA-415018	7/1/17- 6/30/18	10,000	(753)	753								
ESEA Title IV	84.424	S424A180031	ESEA-415019	7/1/18- 6/30/19	25,426				(6,998)		(6,998)		(6,998)		
IDEA Cluster:															
I.D.E.A. Part B, Basic	84.027	H027A170100	IDEA-415017	7/1/17- 6/30/18	433,382	(34,652)	34,652								
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA-415019	7/1/18- 6/30/19	478,244		344,926		(478,244)		(478,244)		(133,318)		
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEAPS-415019	7/1/18- 6/30/19	11,441		11,411		(11,441)		(11,441)		(30)		
Total U.S. Department of Education						(135,322)	699,570	(870,495)		(870,495)		(306,247)			
Total Federal Financial Awards						\$ (159,768)	\$ 2,871	\$ 1,100,566	\$ (1,268,460)	\$	\$ (1,268,460)	\$	\$ (326,210)	\$ 1,419	\$

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance
These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	JUNE 30, 2018			Cash Received	Budgetary Expenditures	JUNE 30, 2019		MEMO	
				(Accounts Receivable)	Unearned Revenue	Carryover Amount			(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid	18-495-034-5120-078	\$11,788,354	7/1/17 to 6/30/18	\$ (1,148,284)	\$	\$	\$ 1,148,284	\$	\$	\$	\$	\$
Equalization Aid	19-495-034-5120-078	11,995,128	7/1/18 to 6/30/19				10,830,439	(11,995,128)	(1,164,689)		(1,164,689)	* 11,995,128
Transportation Aid	18-495-034-5120-014	810,025	7/1/17 to 6/30/18	(78,903)			78,903					
Transportation Aid	19-495-034-5120-014	838,537	7/1/18 to 6/30/19				757,118	(838,537)	(81,419)		(81,419)	* 838,537
Special Education Categorical Aid	18-495-034-5120-089	979,189	7/1/17 to 6/30/18	(95,381)			95,381					
Special Education Categorical Aid	19-495-034-5120-089	1,251,682	7/1/18 to 6/30/19				1,130,148	(1,251,682)	(121,534)		(121,534)	* 1,251,682
Security Aid	18-495-034-5120-084	257,217	7/1/17 to 6/30/18	(25,055)			25,055					
Security Aid	19-495-034-5120-084	343,038	7/1/18 to 6/30/19				309,730	(343,038)	(33,308)		(33,308)	* 343,038
Adjustment Aid	18-495-034-5120-085	12,502	7/1/17 to 6/30/18	(1,218)			1,218					
Supplemental Enrollment Growth Aid	18-495-034-5120-094	282,321	7/1/17 to 6/30/18	(27,500)			27,500					
Under Adequacy Aid	18-495-034-5120-096	5,492	7/1/17 to 6/30/18	(535)			535					
School Choice Aid	18-495-034-5120-068	1,263,968	7/1/17 to 6/30/18	(123,121)			123,121					
School Choice Aid	19-495-034-5120-068	1,412,928	7/1/18 to 6/30/19				1,275,737	(1,412,928)	(137,191)		(137,191)	* 1,412,928
PARCC Readiness Aid	18-495-034-5120-098	16,790	7/1/17 to 6/30/18	(1,635)			1,635					
Per Pupil Growth Aid	18-495-034-5120-097	16,790	7/1/17 to 6/30/18	(1,635)			1,635					
Prof Learning Comm Aid	18-495-034-5120-101	16,405	7/1/17 to 6/30/18	(1,598)			1,598					
Additional Adjustment Aid	18-495-034-5120-085	3,317	7/1/17 to 6/30/18	(323)			323					
Extraordinary Aid	18-100-034-5120-044	243,055	7/1/17 to 6/30/18	(243,055)			243,055					
Extraordinary Aid	19-100-034-5120-044	256,257	7/1/18 to 6/30/19					(256,257)	(256,257)			* 256,257
Non-Public Transportation Aid	18-495-034-5120-014	17,690	7/1/17 to 6/30/18	(17,690)			17,690					
Non-Public Transportation Aid	19-495-034-5120-014	19,140	7/1/18 to 6/30/19					(19,140)	(19,140)			* 19,140
Emergency Aid	19-495-034-5120-	106,959	7/1/18 to 6/30/19				106,959	(106,959)				106,959
Homeless Tuition	N/A	9,482	7/1/17 to 6/30/18	(9,482)			9,482					
Homeless Tuition	N/A	13,461	7/1/18 to 6/30/19					(13,461)	(13,461)			* 13,461
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	893,684	7/1/18 to 6/30/19				850,172	(893,684)	(43,512)			* 893,684
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	2,262,902	7/1/18 to 6/30/19				2,262,902	(2,262,902)				* 2,262,902
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	1,026,449	7/1/18 to 6/30/19				1,026,449	(1,026,449)				* 1,026,449
On-behalf TPAF Long-term Disability Contrib.	19-495-034-5094-004	2,549	7/1/18 to 6/30/19				2,549	(2,549)				* 2,549
				(1,775,415)			20,327,618	(20,422,714)	(1,870,511)		(1,538,141)	20,422,714
Special Revenue Fund:												
Preschool Education Aid	18-495-034-5120-086	1,569,986	7/1/17 to 6/30/18	(156,999)	25,226	(25,226)	156,999					
Preschool Education Aid	19-495-034-5120-086	1,954,938	7/1/18 to 6/30/19			25,226	1,759,445	(1,954,939)	(195,494)	25,226	(195,494)	* 1,954,939
				(156,999)	25,226		1,916,444	(1,954,939)	(195,494)	25,226	(195,494)	1,954,939
Debt Service Fund:												
Debt Service Aid Type II	19-495-034-5120-017	249,331	7/1/18 to 6/30/19				249,331	(249,331)				* 249,331
State Department of Agriculture:												
Enterprise Fund												
National School Lunch Program (State Share)	18-100-010-3350-023	7,201	7/1/17 to 6/30/18	(488)			488					
National School Lunch Program (State Share)	19-100-010-3350-023	7,113	7/1/18 to 6/30/19				6,725	(7,113)	(388)			* 7,113
				(488)			7,213	(7,113)	(388)			7,113
Total State Financial Assistance				\$ (1,932,902)	\$ 25,226	\$	\$ 22,500,606	\$ (22,634,097)	\$ (2,066,393)	\$ 25,226	\$ (1,733,635)	\$ 22,634,097
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	2,262,902	7/1/18 to 6/30/19				\$ 2,262,902	\$ (2,262,902)				
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	1,026,449	7/1/18 to 6/30/19				1,026,449	(1,026,449)				
On-behalf TPAF Long-term Disability Contrib.	19-495-034-5094-004	2,549	7/1/18 to 6/30/19				2,549	(2,549)				
Total State Financial Assistance - Major Program Determination							\$ 19,208,706	\$ (19,342,197)				

See accompanying notes to schedules of financial assistance

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Pittsgrove 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 federal awards and state 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 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$32,953) for the general fund and \$20,329 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,960	\$ 20,389,761	\$ 20,409,721
Special Revenue Fund	870,495	1,975,268	2,845,763
Debt Service		249,331	249,331
Food Service Fund	<u>378,005</u>	<u>7,113</u>	<u>385,118</u>
Total Awards & Financial Assistance	\$ <u>1,268,460</u>	\$ <u>22,621,473</u>	\$ <u>23,889,933</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Township of Pittsgrove School District had no outstanding loans at June 30, 2019.

NOTE 6: 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, 2019. 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, 2019.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There were no adjustments made on Schedule A of Federal Awards and on Schedule B of State Financial Assistance.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
none reported
- 2) Significant deficiencies identified? _____ yes X reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
none reported
- 2) Significant deficiencies identified? _____ Yes X reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553,10.555	191NJ304N1099	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that
are not considered to be material
weaknesses? yes X none
reported

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

Any audit findings disclosed that are required to
be reported in accordance with NJOMB
Circular Letter 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-068	School Choice Aid
19-495-034-5094-003	Reimbursed TPAF SSC

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

PITTSBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(continued)

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS - N/A

Finding:

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS - N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.