

**BOARD OF EDUCATION OF THE  
BOROUGH OF PAULSBORO  
SCHOOL DISTRICT  
PAULSBORO, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**PAULSBORO SCHOOL DISTRICT  
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# INTRODUCTORY SECTION



# Paulsboro Public Schools

Administration Building, 662 North Delaware Street, Paulsboro, NJ 08066

Telephone: (856) 423-5515 – Ext. 1234 • Fax: (856) 423-4602

February 2, 2021

Honorable President and  
Members of the Board of Education  
Paulsboro School District  
County of Gloucester, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Paulsboro School District (“District”) for the fiscal year ended June 30, 2020, 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 operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor’s report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the OMB’s Uniform Guidance and the State of New Jersey Circular Letter 15-08-OMB. 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 questioned costs, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

The Paulsboro School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the district are included in this report; the Paulsboro School District and all its schools constitute the district’s reporting entity. The Paulsboro School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for children with special needs. The Paulsboro School District enrollment for 2019-2020 was 1,187 students, which is 65 students above the previous year’s enrollment. The following details the changes in the student average daily enrollment of the School District over the last ten fiscal years.

<b>District Enrollment</b>		
<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2019-2020	1,187	5.79%
2018-2019	1,122	0.90%
2017-2018	1,112	-1.16%
2016-2017	1,125	0.18%
2015-2016	1,123	-2.43%
2014-2015	1,151	-0.60%
2013-2014	1,158	-4.77%
2012-2013	1,216	-1.46%
2011-2012	1,234	-5.15%
2010-2011	1,301	-3.13%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The Borough of Paulsboro had been fully developed with little potential for an increase in the number of residential units. There is, however, a considerable amount of recycling of existing homes. Some large homes have been converted into multi-unit apartments. Young families are purchasing other homes. As a result, the overall valuation of the Borough is relatively stable.

There is also a substantial amount of subsidized housing within the borough. A significant percentage of the dwellings are rental properties.

The most significant community factor impacting the students is poverty. The number of students directly certified with the State of New Jersey Temporary Assistance for Needy Families (TANF) qualifies the district to participate in Community Eligibility Program (CEP) allowing all students attending Paulsboro Public Schools to receive free lunch and free breakfast. This is an indicator of poverty. The conditions surrounding poverty include high absence rates, high rates of mobility, elevated number of dropouts, and lower achievement. In addition, the rate of students identified with disabilities increases when poverty is a factor.



### **3. MAJOR INITIATIVES:**

Paulsboro continues to look at ways to save money by combining efforts with other districts in joint purchases and the utilization of resources. Some of the cost saving methods are indicated below:

- The Board of Education is a member of the School Alliance Insurance Fund (SAIF) composed of more than one hundred school districts. The district purchases property and casualty insurance through the fund. The district participates in the funds safety program, which educates the staff and has earned safety award renewal credits towards the premium for the past two years.
- The Board of Education has maintained an existing transportation staff and continues to contract with Gloucester County Special Services and other Local Education Agencies to competitively bid routes that cannot be performed in-house.
- The Board of Education contracts with Gloucester County Special Services School District to provide occupational, physical, and behavioral specialist services for students.
- The Board of Education has accepted status as a Choice School. Parents from other districts may send their child to the Paulsboro Public Schools at no cost.
- The school district also offers professional courtesy to staff members, so that their children can attend the Paulsboro Public Schools. Staff members recognize the quality of education at Paulsboro and therefore, request that their children attend.

### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the Paulsboro School District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Paulsboro Board of Education are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. In March 2010 the Board of Education adopted an official Purchasing Manual that was developed by the Business Office. The manual reflects law, Board policy and best practices from other school districts. Training was provided to all administrators and department heads to ensure that the purchasing laws are abided by. The manual has also been distributed to all staff and continues to be updated as necessary.

As a recipient of federal awards and state financial assistance, the Paulsboro School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by the Paulsboro Board of Education.

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

**5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the Paulsboro School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 included as re-appropriations of fund balance in the subsequent year. The amounts to be re-appropriated are reported as assignments of fund balance of June 30, 2020.

The Business Office can verify that all budgetary controls were in place during the past school year.

**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 district's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements," Note 1.

**7. DEBT ADMINISTRATION:**

At June 30, 2020, the District's outstanding debt issues included \$2,557,000 of Series 2015 school district bonds.

**8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT:**

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

**10. OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education appointed the accounting firm of Bowman & Company LLP. In addition to meeting the 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 State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, the auditor’s report on the general-purpose financial statements 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.

**11. ACKNOWLEDGEMENTS:**

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

Respectfully submitted,

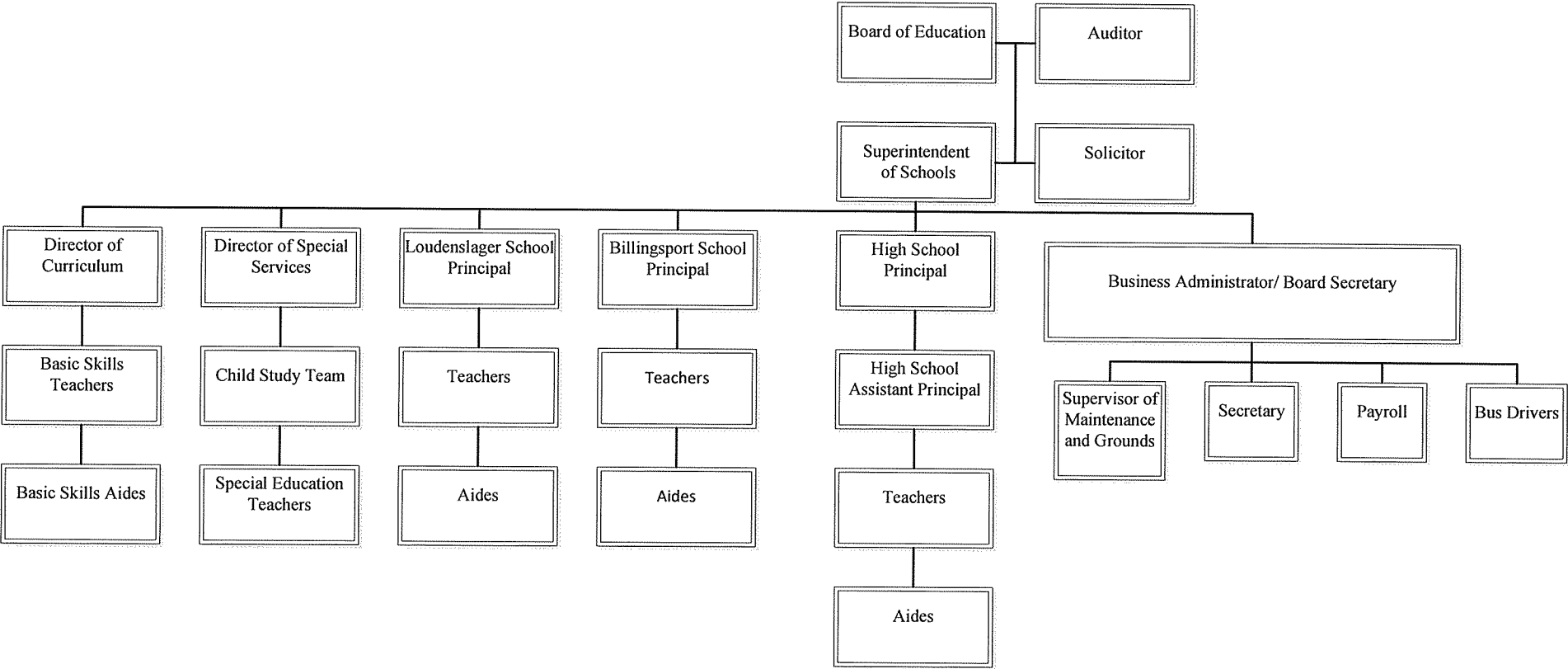


Dr. Roy Dawson III  
Superintendent of Schools



Ms. Margaret Meehan  
Business Administrator /  
Board Secretary

**Paulsboro Public Schools**  
**Organizational Chart**  
**Chain of Command**



**BOROUGH OF PAULSBORO SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS  
JUNE 30, 2020**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joseph L. Lisa, President	2020
Marvin E. Hamilton, Vice President	2022
Crystal L. Henderson	2020
William Scott MacKenzie	2020
Theresa Cooper	2021
Danielle Scott	2021
Irma R. Stevenson	2021
Robert Davis	2022
Elizabeth Reilly	2022
Gerald Michael *	

**OTHER OFFICIALS**

Dr. Walter Quint, Interim Superintendent

Robert Delengowski, Interim Business Administrator/Board Secretary

Michelle Jankauskas, Treasurer

Stephen J. Edelstein, Solicitor

\* Greenwich Township Public Schools Representative

BOROUGH OF PAULSBORO SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

**ARCHITECT**

Garrison Architects  
713 Creek Road  
Bellmawr, New Jersey 08031

**AUDIT FIRM**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 080403

**ATTORNEY**

The Weiner Law Group  
629 Parsippany Road  
PO Box 438  
Parsippany, New Jersey 07054

**OFFICIAL DEPOSITORY**

OceanFirst Bank  
890 Mantua Pike  
Woodbury Heights, New Jersey 08097

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Paulsboro School District  
Paulsboro, New Jersey 08066

### **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 Borough of Paulsboro School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Paulsboro School District, in the County of Gloucester, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



**Emphasis of Matter***Restatement of Prior Period Financial Statements*

As discussed in note 22 to the financial statements, the School District restated its net position for the governmental activities and fund balances for the General Fund, Special Revenue Fund and Capital Projects Fund for various prior period adjustments. Our opinions are not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

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

*Other Information*

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

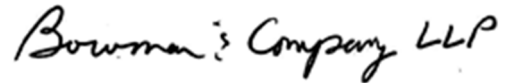
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021 on our consideration of the Borough of Paulsboro School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Borough of Paulsboro School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Paulsboro School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Public School Accountant No. CS 01113

Voorhees, New Jersey  
February 2, 2021

**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  
Paulsboro School District  
Paulsboro, New Jersey 08066

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paulsboro School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 2, 2021. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the recording of previously unidentified assets, liabilities, revenues and expenditures.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Paulsboro School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Paulsboro School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as *Finding No. 2020-001 and Finding No. 2020-002* to be material weaknesses.

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. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as *Finding No. 2020-003 and Finding No. 2020-004* to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Paulsboro School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is 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, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as Finding No. 2020-003*.

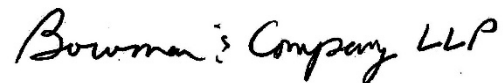
**The Paulsboro School District's Response to Findings**

The Paulsboro School District's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Public School Accountant No. CS 01113

Voorhees, New Jersey  
February 2, 2021

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)

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The management's discussion and analysis of the Borough of Paulsboro School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020 and 2019. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

## **FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2020:

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,822,144.55 (net position).
- The School District's total net position increased by \$1,943,788.37, from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$4,056,901.95, an increase of \$1,794,247.47 in comparison with the prior year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

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## **OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

### **Government-Wide Statements**

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

The two government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds – not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for insuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

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

Table 1 provides a summary of the School District's net position for fiscal years 2020 and 2019.

	<b>TABLE 1</b>			
	Net Position			
	June 30, 2020	(Restated) June 30, 2019	Change	% Change
Current and Other Assets	\$ 5,165,798.59	\$ 4,194,082.31	\$ 971,716.28	23.17%
Capital Assets	9,144,467.72	9,621,296.12	(476,828.40)	-4.96%
<b>Total Assets</b>	<b>14,310,266.31</b>	<b>13,815,378.43</b>	<b>494,887.88</b>	<b>3.58%</b>
Deferred Outflow of Resources - Related to Pensions	1,122,788.00	1,417,335.00	(294,547.00)	-20.78%
Long-Term Liabilities	8,339,729.39	9,140,400.41	(800,671.02)	-8.76%
Other Liabilities	1,298,914.37	2,116,021.84	(817,107.47)	-38.62%
<b>Total Liabilities</b>	<b>9,638,643.76</b>	<b>11,256,422.25</b>	<b>(1,617,778.49)</b>	<b>-14.37%</b>
Deferred Inflow of Resources - Related to Pensions	1,972,266.00	2,097,935.00	(125,669.00)	-5.99%
Net Position:				
Net Investment in Capital Assets	6,313,007.47	6,539,928.12	(226,920.65)	-3.47%
Restricted	4,703,824.34	2,810,990.88	1,892,833.46	67.34%
Unrestricted (Deficit)	(7,194,687.26)	(7,472,562.82)	277,875.56	-3.72%
<b>Total Net Position</b>	<b>\$ 3,822,144.55</b>	<b>\$ 1,878,356.18</b>	<b>\$ 1,943,788.37</b>	<b>103.48%</b>

This is the sixth year of implementation for Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68. Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Unrestricted Net Position.

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

	June 30, 2020	June 30, 2019	Change	% Change
Deferred Outflows Related to Pensions	\$ 1,122,788.00	\$ 1,417,335.00	\$ (294,547.00)	-20.78%
Less: Accounts Payable Related to Pensions	(275,888.00)	(254,564.00)	(21,324.00)	8.38%
Less: Net Pension Liability	(4,715,548.00)	(5,022,869.00)	307,321.00	-6.12%
Less: Deferred Inflows Related to Pensions	(1,972,266.00)	(2,097,935.00)	125,669.00	-5.99%
	<b>\$ (5,840,914.00)</b>	<b>\$ (5,958,033.00)</b>	<b>\$ 117,119.00</b>	<b>-1.97%</b>



**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2020 and 2019.

**TABLE 3**  
Change in Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 1,396,869.11	\$ 1,550,335.00	\$ (153,465.89)	-9.90%
Federal and State Categorical Grants	6,450,264.40	7,110,047.00	(659,782.60)	-9.28%
General Revenues:				
Property Taxes	6,503,786.00	6,308,478.00	195,308.00	3.10%
Federal and State Grants	14,865,988.31	15,304,232.00	(438,243.69)	-2.86%
Other	114,184.82	400,571.00	(286,386.18)	-71.49%
<b>Total Revenues</b>	<b>29,331,092.64</b>	<b>30,673,663.00</b>	<b>(1,342,570.36)</b>	<b>-4.38%</b>
<b>Expenses:</b>				
Instruction:				
Regular	5,143,584.41	5,387,277.00	(243,692.59)	-4.52%
Special Education	3,059,456.68	3,478,543.00	(419,086.32)	-12.05%
School Sponsored Activities	466,959.46	380,380.00	86,579.46	22.76%
Other Instruction	49,366.63	27,177.00	22,189.63	81.65%
Student Services:				
Tuition	2,348,774.41	3,409,709.00	(1,060,934.59)	-31.12%
Student and Instruction Related Services	2,539,625.98	1,559,922.00	979,703.98	62.80%
School Administrative Services	784,146.69	680,649.00	103,497.69	15.21%
Business Administrative Services	425,411.65	556,070.00	(130,658.35)	-23.50%
Central Services	257,664.76	266,463.00	(8,798.24)	-3.30%
Administrative Information Technology	112,160.27	132,167.00	(20,006.73)	-15.14%
Plant Operations and Maintenance	2,064,336.20	1,699,340.00	364,996.20	21.48%
Pupil Transportation	819,917.68	1,102,957.00	(283,039.32)	-25.66%
Unallocated Benefits	7,843,206.99	9,336,950.00	(1,493,743.01)	-16.00%
Transfer to Charter Schools	117,117.00	66,276.00	50,841.00	76.71%
Interest on Long-Term Debt	83,107.50	153,944.00	(70,836.50)	-46.01%
Unallocated Depreciation	549,445.27	574,493.00	(25,047.73)	-4.36%
Food Service	723,022.69	751,102.00	(28,079.31)	-3.74%
<b>Total Expenses</b>	<b>27,387,304.27</b>	<b>29,563,419.00</b>	<b>(2,176,114.73)</b>	<b>-7.36%</b>
Increase (Decrease) in Net Position	1,943,788.37	1,110,244.00	833,544.37	75.08%
Beginning Net Position (Restated)	1,878,356.18	1,093,742.55	784,613.63	71.74%
Restatements to Net Position	-	(325,630.37)	325,630.37	-100.00%
<b>Ending Net Position</b>	<b>\$ 3,822,144.55</b>	<b>\$ 1,878,356.18</b>	<b>\$ 1,618,158.00</b>	<b>86.15%</b>

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2019-2020, Governmental Activities Revenues were \$28,599,557.11 or 97.51% of total revenues.

In 2018-2019, Governmental Activities Revenues were \$29,855,378.00 or 97.43% of total revenues.

In 2019-2020, General Revenues - Property Taxes of \$6,503,786.00 made up 22.74%, and General Revenues - Federal and State Grants of \$14,865,988.31 made up 51.98% of Governmental Activities Revenues.

In 2018-2019, General Revenues - Property Taxes of \$6,308,478.00 made up 21.11%, and General Revenues - Federal and State Grants of \$15,304,232.00 made up 51.21% of Governmental Activities Revenues.

**Business-Type Activities**

In 2019-2020 Business-Type Activities Revenues were \$731,545.53 or 2.49% of total revenues.

In 2018-2019 Business-Type Activities Revenues were \$788,285.00 or 2.57% of total revenues.

Charges for Services for Business-Type Activities were \$23,655.85 in 2019-2020 compared to \$27,245.00 in 2018-2019, a decrease of \$3,589.15.

Operating Grants and Contributions for Business-Type Activities were \$707,889.68 in 2019-2020 compared to \$761,040.00 in 2018-2019, a decrease of \$53,150.32.

Expenses for Business-Type Activities were \$723,022.69 in 2019-2020 compared to \$751,102.00 in 2018-2019, a decrease of \$28,079.31.

**General Fund Budgeting Highlights**

During the fiscal 2020 school year, the Board of Education amended its general fund appropriation budget as needed. The fiscal year 2020 appropriation budget of \$22,316,717.50 was 2.63% greater than the final fiscal year 2019 appropriation budget of \$21,744,442.00.

The final budgetary basis revenue estimate was \$21,889,203.00, which was equal to the original budget.

The 2019-2020 General Fund Tax Levy was \$6,318,238.00 which was an increase of \$209,262.00 from the 2018-2019 General Fund Tax Levy.

The School District reported revenues and expenses of \$553,140.36, \$1,737,653.00, \$31,145.00, \$656,192.00 and \$1,408.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Normal Pension Contributions, T.P.A.F. Non-contributory Insurance, T.P.A.F. Post-Retirement Medical Contributions and T.P.A.F. Long-Term Disability Insurance, respectively.

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

**CAPITAL ASSETS**

At the end of fiscal year 2020 and 2019, the School District had \$9,144,467.72 and \$9,621,296.24, respectively, in capital assets less accumulated depreciation. Table 4 reflects the balances of capital assets, net of accumulated depreciation.

**TABLE 4**  
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 99,211.00	\$ 99,211.00
Construction in Progress	4,527,901.58	4,454,449.00
Building and Improvements	315,506.90	370,380.64
Land Improvements	2,750,962.06	2,904,891.24
Furniture, Fixtures and Equipment	<u>1,450,886.18</u>	<u>1,792,364.36</u>
 Total Capital Assets	 <u>\$ 9,144,467.72</u>	 <u>\$ 9,621,296.24</u>

Depreciation expense was \$550,281.10 and \$557,635.00 for fiscal years ended 2020 and 2019 respectively.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the School District had \$2,557,000.00 in bonded debt outstanding.

**FUND BALANCES – FUND LEVEL STATEMENTS**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$4,056,901.95, an increase of \$1,794,247.47 in comparison with the prior year.

Of the combined ending fund balances of \$4,056,901.95, \$872,190.00 constitutes unassigned fund balance deficits. The remainder of fund balance is made up of restricted for capital reserves of \$500,310.27, restricted excess surplus of \$3,125,487.06, restricted for debt service of \$2,795.92, restricted for capital projects of \$1,075,231.09 and assigned for various purposes of \$225,267.61.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$98,289.63 in total net position.

**PAULSBORO SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020  
(Unaudited) (Cont'd)

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**FACTORS ON THE SCHOOL DISTRICT'S FUTURE**

The District anticipates the approved 2020-2021 budget will be adequate to satisfy all 2020-2021 financial needs. With local and state tax revenues depleting it is anticipated that the district will continue to face difficult tasks when preparing subsequent years budgets.

The Paulsboro Board of Education and School District administration are committed to work within the boundary of the rules and regulations to provide a quality education to the residents of Paulsboro Borough. Our standard operating procedures and our internal controls will ensure continual success in today's economic environment.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at:

Paulsboro Board of Education, 662 North Delaware Street, Paulsboro, NJ 08066

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

## PAULSBORO SCHOOL DISTRICT

## Statement of Net Position

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,880,214.88	\$ 35,811.74	\$ 2,916,026.62
Receivables, net	1,494,554.30	37,681.43	1,532,235.73
Inventory		18,104.47	18,104.47
Internal Balances	(19,229.22)	19,229.22	
Restricted Cash and Cash Equivalents	699,431.77		699,431.77
Capital Assets, net (Note 7)	9,137,990.43	6,477.29	9,144,467.72
<b>Total Assets</b>	<b>14,192,962.16</b>	<b>117,304.15</b>	<b>14,310,266.31</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 11)	1,122,788.00		1,122,788.00
<b>LIABILITIES:</b>			
<b>Accounts Payable:</b>			
Related to Pension	275,888.00		275,888.00
Other	555,050.98		555,050.98
Unearned Revenue	401,785.80	1,151.35	402,937.15
Payable to State Government	41,233.00		41,233.00
Accrued Interest	23,805.24		23,805.24
<b>Noncurrent Liabilities (Note 9):</b>			
Due within One Year	370,950.24	8,662.50	379,612.74
Due beyond One Year	7,950,915.98	9,200.67	7,960,116.65
<b>Total Liabilities</b>	<b>9,619,629.24</b>	<b>19,014.52</b>	<b>9,638,643.76</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Related to Pensions (Note 11)	1,972,266.00		1,972,266.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	6,306,530.18	6,477.29	6,313,007.47
<b>Restricted for:</b>			
Debt Service	2,795.92		2,795.92
Capital Projects	1,575,541.36		1,575,541.36
Other Purposes	3,125,487.06		3,125,487.06
Unrestricted (Deficit)	(7,286,499.60)	91,812.34	(7,194,687.26)
<b>Total Net Position</b>	<b>\$ 3,723,854.92</b>	<b>\$ 98,289.63</b>	<b>\$ 3,822,144.55</b>

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

**PAULSBORO SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 5,143,584.41	\$ 1,373,213.26			\$ (3,770,371.15)		\$ (3,770,371.15)
Special Education	3,059,456.68		\$ 1,696,392.36		(1,363,064.32)		(1,363,064.32)
School Sponsored Activities	466,959.46				(466,959.46)		(466,959.46)
Other Instruction	49,366.63				(49,366.63)		(49,366.63)
Support Services:							
Tuition	2,348,774.41				(2,348,774.41)		(2,348,774.41)
Student and Instruction Related Services	2,539,625.98				(2,539,625.98)		(2,539,625.98)
School Administrative Services	784,146.69				(784,146.69)		(784,146.69)
Business Administrative Services	425,411.65				(425,411.65)		(425,411.65)
Central Services	257,664.76				(257,664.76)		(257,664.76)
Administrative Information Technology	112,160.27				(112,160.27)		(112,160.27)
Plant Operations and Maintenance	2,064,336.20				(2,064,336.20)		(2,064,336.20)
Pupil Transportation	819,917.68				(819,917.68)		(819,917.68)
Unallocated Benefits	7,843,216.99		4,045,992.36		(3,797,224.63)		(3,797,224.63)
Transfer to Charter School	117,117.00				(117,117.00)		(117,117.00)
Interest on Long-Term Debt	83,107.50				(83,107.50)		(83,107.50)
Unallocated Depreciation	549,445.27				(549,445.27)		(549,445.27)
<b>Total Governmental Activities</b>	<b>26,664,291.58</b>	<b>1,373,213.26</b>	<b>5,742,384.72</b>	<b>-</b>	<b>(19,548,693.60)</b>	<b>-</b>	<b>(19,548,693.60)</b>
<b>Business-Type Activities:</b>							
Food Service	723,022.69	23,655.85	707,889.68			\$ 8,522.84	8,522.84
<b>Total Business-Type Activities</b>	<b>723,022.69</b>	<b>23,655.85</b>	<b>707,889.68</b>	<b>-</b>	<b>-</b>	<b>8,522.84</b>	<b>8,522.84</b>
<b>Total Government</b>	<b>\$ 27,387,314.27</b>	<b>\$ 1,396,869.11</b>	<b>\$ 6,450,274.40</b>	<b>\$ -</b>	<b>(19,548,693.60)</b>	<b>8,522.84</b>	<b>(19,540,170.76)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					6,318,238.00		6,318,238.00
Property Taxes Levied for Debt Service					185,548.00		185,548.00
Federal and State Aid not Restricted					14,865,988.31		14,865,988.31
Miscellaneous Income					114,184.82		114,184.82
<b>Total General Revenues</b>					<b>21,483,959.13</b>		<b>21,483,959.13</b>
<b>Change in Net Position</b>					<b>1,935,265.53</b>	<b>8,522.84</b>	<b>1,943,788.37</b>
<b>Net Position - July 1 (Restated)</b>					<b>1,788,589.39</b>	<b>89,766.79</b>	<b>1,878,356.18</b>
<b>Net Position - June 30</b>					<b>\$ 3,723,854.92</b>	<b>\$ 98,289.63</b>	<b>\$ 3,822,144.55</b>

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



FUND FINANCIAL STATEMENTS

## PAULSBORO SCHOOL DISTRICT

Governmental Funds  
Balance Sheet  
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,880,214.88	\$ 438,311.95	\$ 261,119.82		\$ 3,579,646.65
Receivables, net:					
Interfunds Receivable:					
General Fund			374,273.00		374,273.00
Capital Projects Fund				\$ 2,795.92	2,795.92
Payroll Fund	468,005.52				468,005.52
Receivables from Other Governments:					
Federal Government		88,632.00			88,632.00
State of New Jersey	400,712.48	25,726.65	464,908.58		891,347.71
Other Receivables	46,569.07				46,569.07
<b>Total Assets</b>	<b>\$ 3,795,501.95</b>	<b>\$ 552,670.60</b>	<b>\$ 1,100,301.40</b>	<b>\$ 2,795.92</b>	<b>\$ 5,451,269.87</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 316,743.69	\$ 216,032.90	\$ 22,274.39		\$ 555,050.98
Interfunds Payable:					
Food Service Fund	19,229.22				19,229.22
Capital Projects Fund	374,273.00				374,273.00
Debt Service Fund			2,795.92		2,795.92
Payable to State Government		41,233.00			41,233.00
Unearned Revenue		401,785.80			401,785.80
<b>Total Liabilities</b>	<b>710,245.91</b>	<b>659,051.70</b>	<b>25,070.31</b>	<b>-</b>	<b>1,394,367.92</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	500,310.27				500,310.27
Excess Surplus - Current Year	2,316,822.06				2,316,822.06
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	808,665.00				808,665.00
Capital Projects			1,075,231.09		1,075,231.09
Debt Service				\$ 2,795.92	2,795.92
<b>Assigned:</b>					
Designated for Subsequent Years' Expenditures	181,106.00				181,106.00
Other Purposes	44,161.61				44,161.61
Unassigned	(765,808.90)	(106,381.10)			(872,190.00)
<b>Total Fund Balances (Deficit)</b>	<b>3,085,256.04</b>	<b>(106,381.10)</b>	<b>1,075,231.09</b>	<b>2,795.92</b>	<b>4,056,901.95</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,795,501.95</b>	<b>\$ 552,670.60</b>	<b>\$ 1,100,301.40</b>	<b>\$ 2,795.92</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,420,429.54 and the accumulated depreciation is \$12,282,439.11.	9,137,990.43
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(23,805.24)
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.	(3,606,318.22)
Net Pension Liability	(4,715,548.00)
Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not to be liquidated with current financial resources.	(275,888.00)
Deferred Outflows of Resources - Related to Pensions	1,122,788.00
Deferred Inflows of Resources - Related to Pensions	(1,972,266.00)
<b>Net Position of Governmental Activities</b>	<b>\$ 3,723,854.92</b>

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

**PAULSBORO SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 6,318,238.00			\$ 185,548.00	\$ 6,503,786.00
Tuition	1,373,213.26				1,373,213.26
Miscellaneous	112,732.15	\$ 201.75		1,250.92	114,184.82
State Sources	17,045,324.96	951,086.03	\$ 73,452.58		18,069,863.57
Federal Sources	53,131.96	1,418,923.50			1,472,055.46
<b>Total Revenues</b>	<u>24,902,640.33</u>	<u>2,370,211.28</u>	<u>73,452.58</u>	<u>186,798.92</u>	<u>27,533,103.11</u>
<b>EXPENDITURES:</b>					
Regular Instruction	5,282,751.91				5,282,751.91
Special Education Instruction	1,363,064.32	1,696,392.36			3,059,456.68
School Sponsored Activities	466,959.46				466,959.46
Other Instruction	49,366.63				49,366.63
Support Services and Undistributed Costs:					
Tuition	2,348,774.41				2,348,774.41
Student and Instruction Related Services	1,731,680.71	822,056.52			2,553,737.23
General Administration	472,847.74				472,847.74
School Administrative Services	789,819.19				789,819.19
Central Services	257,664.76				257,664.76
Administrative Information Technology	156,163.83				156,163.83
Plant Operations and Maintenance	2,064,436.24				2,064,436.24
Pupil Transportation	925,843.80				925,843.80
Unallocated Benefits	3,931,880.82				3,931,880.82
Reimbursed TPAF Pension and Social Security	2,979,538.36				2,979,538.36
Transfer to Charter School	117,117.00				117,117.00
Debt Service:					
Principal				125,000.00	125,000.00
Interest and Other Charges				84,045.00	84,045.00
Capital Outlay			73,452.58		73,452.58
<b>Total Expenditures</b>	<u>22,937,909.18</u>	<u>2,518,448.88</u>	<u>73,452.58</u>	<u>209,045.00</u>	<u>25,738,855.64</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,964,731.15</u>	<u>(148,237.60)</u>	<u>-</u>	<u>(22,246.08)</u>	<u>1,794,247.47</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer to Special Revenue Fund	(111,129.00)	111,129.00			
<b>Total Other Financing Sources (Uses)</b>	<u>(111,129.00)</u>	<u>111,129.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,853,602.15	(37,108.60)	-	(22,246.08)	1,794,247.47
Fund Balance (Deficit) - July 1 (Restated)	1,231,653.89	(69,272.50)	1,075,231.09	25,042.00	2,262,654.48
<b>Fund Balance (Deficit) - June 30</b>	<u>\$ 3,085,256.04</u>	<u>\$ (106,381.10)</u>	<u>\$ 1,075,231.09</u>	<u>\$ 2,795.92</u>	<u>\$ 4,056,901.95</u>

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

**PAULSBORO SCHOOL DISTRICT**  
 Governmental Funds  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 1,794,247.47
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (549,445.27)
Capital Outlays	<u>73,452.58</u>
	(475,992.69)
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.	125,000.00
Repayment of capital leases 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.	261,797.96
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	2,686.76
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	111,226.03
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceed the School District's pension contributions in the current period.	<u>116,300.00</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,935,265.53</u></u>

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

## PAULSBORO SCHOOL DISTRICT

 Proprietary Fund  
 Statement of Net Position  
 June 30, 2020

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 35,811.74
Interfund Accounts Receivable:	
General Fund	19,229.22
Accounts Receivable:	
State	2,413.04
Federal	27,439.80
Other	7,828.59
Inventories	<u>18,104.47</u>
Total Current Assets	<u>110,826.86</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	102,082.00
Less: Accumulated Depreciation	<u>(95,604.71)</u>
Total Noncurrent Assets	<u>6,477.29</u>
Total Assets	<u>117,304.15</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Unearned Revenue	1,151.35
Compensated Absences Payable	<u>8,662.50</u>
Total Current Liabilities	<u>9,813.85</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>9,200.67</u>
Total Liabilities	<u>19,014.52</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	6,477.29
Unrestricted	<u>91,812.34</u>
Total Net Position	<u>\$ 98,289.63</u>

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

**PAULSBORO SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 23,655.85
Total Operating Revenues	<u>23,655.85</u>
<b>OPERATING EXPENSES:</b>	
Salaries	248,347.42
Employee Benefits	67,764.28
Purchased Professional and Technical Services	2,139.00
Supplies and Materials	31,475.17
Depreciation	835.83
Cost of Sales - Reimbursable Programs	306,405.00
Cost of Sales - Non-Reimbursable Programs	10,108.09
Other Purchased Services	41,309.94
Direct Expenses	11,267.96
Miscellaneous	3,370.00
Total Operating Expenses	<u>723,022.69</u>
Operating Loss	<u>(699,366.84)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	8,990.40
Federal Sources:	
National School Lunch Program	435,407.00
National School Breakfast Program	192,332.80
Food Distribution Program	71,159.48
Total Nonoperating Revenues (Expenses)	<u>707,889.68</u>
Net Income (Loss)	<u>8,522.84</u>
Change in Net Position	8,522.84
Net Position - July 1	<u>89,766.79</u>
Net Position - June 30	<u><u>\$ 98,289.63</u></u>

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

**PAULSBORO SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 16,978.61
Payments to Employees	(61,070.86)
Payments to Management Company	(588,073.24)
Payments to Suppliers	<u>(67,720.29)</u>
Net Cash Provided by (used for) Operating Activities	<u>(699,885.78)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Operating Subsidies and Transfers to (from) Other Funds	17,920.78
State Sources	6,973.09
Federal Sources	<u>696,016.39</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>720,910.26</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,024.48
Cash and Cash Equivalents -- July 1	<u>14,787.26</u>
Cash and Cash Equivalents -- June 30	<u>\$ 35,811.74</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for)</b>	
Operating Activities:	
Operating Income (Loss)	\$ (699,366.84)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	835.83
(Increase) Decrease in Accounts Receivable, net	(7,828.59)
(Increase) Decrease in Inventories	650.30
Increase (Decrease) in Compensated Absences Payable	4,672.17
Increase (Decrease) in Unearned Revenue	<u>1,151.35</u>
Total Adjustments	<u>(518.94)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (699,885.78)</u>

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

**PAULSBORO SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2020

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>Scholarship Fund</u>	<u>Flexible Benefit Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 162,306.08	\$ 10,036.22	\$ 70,472.67	\$ 772,830.97
Total Assets	<u>162,306.08</u>	<u>10,036.22</u>	<u>\$ 70,472.67</u>	<u>\$ 772,830.97</u>
<b>LIABILITIES:</b>				
Payable to Student Groups			\$ 70,472.67	
Interfund Accounts Payable:				
Due General Fund				\$ 468,005.52
Payroll Deductions and Withholdings				<u>304,825.45</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 70,472.67</u>	<u>\$ 772,830.97</u>
<b>NET POSITION:</b>				
Restricted:				
Held in Trust for:				
Scholarships	162,306.08			
Payment of Claims		<u>10,036.22</u>		
Total Net Position	<u>\$ 162,306.08</u>	<u>\$ 10,036.22</u>		

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



**PAULSBORO SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2020

	Private-Purpose Trust Funds	
	Scholarship Trust	Flexible Benefit Trust
ADDITIONS:		
Interest on Investments	\$ 262.00	\$ 32.54
Employee Withholdings		9,155.00
Contributions	<u>68,905.00</u>	
Total Additions	<u>69,167.00</u>	<u>9,187.54</u>
DEDUCTIONS:		
Claims Paid		10,510.76
Scholarships Awarded	<u>32,162.51</u>	
Total Deductions	<u>32,162.51</u>	<u>10,510.76</u>
Change in Net Position	37,004.49	(1,323.22)
Net Position - July 1 (Restated)	<u>125,301.59</u>	<u>11,359.44</u>
Net Position - June 30	<u><u>\$ 162,306.08</u></u>	<u><u>\$ 10,036.22</u></u>

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

**PAULSBORO SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2020

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

The financial statements of the Borough of Paulsboro School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades pre-K through 12 at its four schools. The School District has an approximate enrollment at June 30, 2020 of 1,187.

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

**Government-wide and Fund Financial Statements**

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

The School District reports the following major governmental funds (cont'd):

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

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

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

Additionally, the School District reports the following fund types.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

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

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

The School District maintains the following fiduciary funds (cont'd):

***Private-Purpose Trust Funds*** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

***Scholarship Fund*** - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

***Flexible Benefit Trust Account*** - Revenues consist of employee contributions held in trust by the School District for medical claims.

As a general rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

**Budgets / Budgetary Control**

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

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

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

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

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

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

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

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020. The School District had no prepaid expenses for the fiscal year ended June 30, 2020.

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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

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

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 20 Years
Buildings and Improvements	30 - 50 Years
Land Improvements	10 - 50 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.



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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

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

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

**Interfund Activity**

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

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

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

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

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2020:

Statement 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. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement 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. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

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

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of June 30, 2020, the School District's bank balances of \$6,121,797.73 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 5,015,734.47
Uninsured and Uncollateralized	<u>1,106,063.26</u>
Total	<u><u>\$ 6,121,797.73</u></u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$1.00 on October 19, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 154,992.00
Increased by:	
Interest Earnings	\$ 310.27
Deposits:	
Board Resolution (June 29, 2020)	<u>500,000.00</u>
	<u>500,310.27</u>
	655,302.27
Decreased by:	
Withdrawals:	
Transfer to Capital Outlay	<u>154,992.00</u>
Ending Balance, June 30, 2020	<u><u>\$ 500,310.27</u></u>

The June 30, 2020 LRFP balance of local support costs of uncompleted projects at June 30, 2020 is \$3,640,621.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY**

During the fiscal year ended June 30, 2020, the School District transferred \$154,992.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

**Note 5: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2020 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 88,632.00		\$ 88,632.00	\$ 27,439.80	\$ 27,439.80	\$ 116,071.80
State Awards	\$ 400,712.48	25,726.65	\$464,908.58	891,347.71	2,413.04	2,413.04	893,760.75
Tuition Charges	46,569.07			46,569.07			46,569.07
Fiduciary Fund	468,005.52			468,005.52			468,005.52
Provided Services					7,828.59	7,828.59	7,828.59
Total	<u>\$ 915,287.07</u>	<u>\$ 114,358.65</u>	<u>\$ 464,908.58</u>	<u>\$ 1,494,554.30</u>	<u>\$ 37,681.43</u>	<u>\$ 37,681.43</u>	<u>\$ 1,532,235.73</u>

**Note 6: INVENTORY**

Inventory recorded at June 30, 2020 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 15,720.41
Supplies	<u>2,384.06</u>
	<u>\$ 18,104.47</u>

**Note 7: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities:</b>			
Capital Assets, not being Depreciated:			
Land	\$ 99,211.00		\$ 99,211.00
Construction in Progress	4,454,449.00	\$ 73,452.58	4,527,901.58
Total Capital Assets, not being Depreciated	4,553,660.00	73,452.58	4,627,112.58
Capital Assets, being Depreciated:			
Furniture, Fixtures and Equipment	4,728,394.84		4,728,394.84
Buildings and Improvements	10,044,215.70		10,044,215.70
Land Improvements	2,020,706.42		2,020,706.42
Total Capital Assets, being Depreciated	16,793,316.96	-	16,793,316.96
Total Capital Assets, Cost	21,346,976.96	73,452.58	21,420,429.54
Less Accumulated Depreciation for:			
Furniture, Fixtures and Equipment	(1,650,325.78)	(54,873.74)	(1,705,199.52)
Buildings and Improvements	(7,139,324.46)	(153,929.18)	(7,293,253.64)
Land Improvements	(2,943,343.60)	(340,642.35)	(3,283,985.95)
Total Accumulated Depreciation	(11,732,993.84)	(549,445.27)	(12,282,439.11)
Total Capital Assets, being Depreciated, Net	5,060,323.12	(549,445.27)	4,510,877.85
Governmental Activities Capital Assets, Net	\$ 9,613,983.12	\$ (475,992.69)	\$ 9,137,990.43
	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Business-Type Activities:</b>			
Capital Assets, being Depreciated:			
Furniture, Fixtures and Equipment	\$ 102,082.00		\$ 102,082.00
Total Capital Assets, Cost	102,082.00	-	102,082.00
Less Accumulated Depreciation for:			
Furniture, Fixtures and Equipment	(94,768.88)	\$ (835.83)	(95,604.71)
Total Accumulated Depreciation	(94,768.88)	(835.83)	(95,604.71)
Business-Type Activities Capital Assets, Net	\$ 7,313.12	\$ (835.83)	\$ 6,477.29

Depreciation expense was not allocated to the various functions / programs of the school district.

**Note 8: SHORT-TERM OBLIGATIONS**

**State School Aid Anticipation Note** - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 24, 2019, the School District issued a State School Aid Anticipation Note in the amount of \$1,287,355.00, at an annual interest rate of 1.60%, which matured on July 11, 2019. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

The following represents short-term debt activity for the fiscal year ended June 30, 2020:

<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Deductions</u>
State School Aid Anticipation Note	<u>\$1,287,355.00</u>	<u>\$1,287,355.00</u>

**Note 9: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 2,682,000.00		\$ (125,000.00)	\$ 2,557,000.00	\$ 125,000.00
Other Liabilities:					
Obligations under Capital Lease	536,129.29		(261,669.04)	274,460.25	125,258.44
Compensated Absences	886,084.00	\$ 12,569.40	(123,795.43)	774,857.97	120,691.80
Net Pension Liability	5,022,869.00	3,083,098.00	(3,390,419.00)	4,715,548.00	
Total Other Liabilities	<u>6,445,082.29</u>	<u>3,095,667.40</u>	<u>(3,775,883.47)</u>	<u>5,764,866.22</u>	<u>245,950.24</u>
Governmental Activities Long-Term Liabilities	<u>\$ 9,127,082.29</u>	<u>\$ 3,095,667.40</u>	<u>\$ (3,900,883.47)</u>	<u>\$ 8,321,866.22</u>	<u>\$ 370,950.24</u>

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

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due within One Year</u>
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 13,191.00	\$ 6,193.25	\$ (1,521.08)	\$ 17,863.17	\$ 8,662.50

Compensated absences are liquidated by the food service enterprise fund.

**Note 9: LONG-TERM LIABILITIES (CONT'D)**

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

On April 1, 2015, the School District issued \$3,132,000.00 general obligation bonds at interest rates varying from 3.00% to 3.50% for various construction and renovation projects. The final maturity of these bonds is April 1, 2035. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<b>Fiscal Year</b>				
<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2021	\$ 125,000.00	\$ 80,295.00	\$ 205,295.00	
2022	135,000.00	76,545.00	211,545.00	
2023	140,000.00	72,495.00	212,495.00	
2024	145,000.00	68,295.00	213,295.00	
2025	150,000.00	63,945.00	213,945.00	
2026-2030	850,000.00	248,175.00	1,098,175.00	
2031-2035	1,012,000.00	105,337.50	1,117,337.50	
Total	<u>\$ 2,557,000.00</u>	<u>\$ 715,087.50</u>	<u>\$ 3,272,087.50</u>	

**Bonds Authorized but not Issued** - As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

**Obligations under Capital Lease** - The School District is school buses, computer equipment and technology equipment with a total cost of \$1,229,038.86 under capital leases. All capital leases are for terms of four to six years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020.

<b>Fiscal Year</b>				
<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2021	\$ 125,258.44	\$ 7,585.38	\$ 132,843.82	
2022	80,974.41	4,220.60	85,195.01	
2023	68,227.40	1,491.44	69,718.84	
Total	<u>\$ 274,460.25</u>	<u>\$ 13,297.42</u>	<u>\$ 287,757.67</u>	

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 16 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 11. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.



**Note 10: OPERATING LEASES**

At June 30, 2020, the School District had operating lease agreements in effect for copy machines and mail machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<b>Fiscal Year</b> <b>Ending June 30,</b>	<b>Amount</b>
2021	\$ 1,896.04
2022	1,366.70
	<hr/>
	\$ 3,262.74
	<hr/> <hr/>

Rental payments under operating leases for the fiscal year ended June 30, 2020 were \$25,415.57.

**Note 11: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

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

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

**Note 11: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

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

**Note 11: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

**Note 11: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 21.57% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$1,709,260.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$608,063.60.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 17.87% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$254,563.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$117,374.32.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

**Note 11: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Defined Contribution Retirement Program (Cont'd)** - For the fiscal year ended June 30, 2020, employee contributions totaled \$17,241.58, and the School District recognized pension expense, which equaled the required contributions, of \$9,404,.84. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

**Pension Liability** - At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	52,171,826.00
	<u>\$ 52,171,826.00</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. For the June 30, 2019 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2019 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0850106294%, which was a decrease of 0.0020634753% from its proportion measured as of June 30, 2018.

**Pension Expense** - For the fiscal year ended June 30, 2020, the School District recognized \$3,077,234.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2019 measurement date.

**Note 11: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension Liability** - At June 30, 2020, the School District reported a liability of \$4,715,548.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the School District's proportion was 0.0261706155%, which was an increase of 0.0006602216% from its proportion measured as of June 30, 2018.

**Pension Expense** - For the fiscal year ended June 30, 2020, the School District recognized pension expense of \$138,263.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2019 measurement date.

**Deferred Outflows and Inflows of Resources** - At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 84,638.00	\$ 20,831.00
Changes of Assumptions	470,865.00	1,636,752.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	74,437.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	291,397.00	240,246.00
School District Contributions Subsequent to the Measurement Date	275,888.00	-
	<u>\$ 1,122,788.00</u>	<u>\$ 1,972,266.00</u>

**Note 11: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Deferred Outflows and Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$275,888.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	
2021	\$ (170,891.00)
2022	(385,153.00)
2023	(374,146.00)
2024	(325,711.00)
2025	130,535.00
	<u>\$ (1,125,366.00)</u>

Note 11: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

**Deferred Outflows and Inflows of Resources (Cont'd)** - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21



**Note 11: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2018. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Thereafter	2.75% - 5.65%	3.00% - 7.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Note 11: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	100.00%	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 11: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2019 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.60% as well as what the State's net pension 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:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	61,522,130.00	52,171,826.00	44,414,026.00
	<u>\$ 61,522,130.00</u>	<u>\$ 52,171,826.00</u>	<u>\$ 44,414,026.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 5,997,941.00	\$ 4,715,548.00	\$ 3,695,397.00

**Pension Plan Fiduciary Net Position**

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

**Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, 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 OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Contributions** - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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.

**Employees Covered by Benefit Terms** - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,943</u>

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

**Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020 was \$42,451,859.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.1017320725%, which was a decrease of 0.0050895219% from its proportion measured as of June 30, 2018.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
Thereafter	1.55 - 3.05%	3.00 - 7.00%	3.25 - 15.25%

Based on years of service

**Inflation Rate** - 2.50%.

**Mortality Rates** - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

**Experience Studies** - The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

**Discount Rate** - The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2019		\$ 49,256,327.00
Changes for the Year:		
Service Cost	\$ 1,474,162.00	
Interest Cost	1,939,034.00	
Difference Between Expected and Actual Experience	(9,586,108.00)	
Changes in Assumptions	632,961.00	
Gross Benefit Payments	(1,303,146.00)	
Member Contributions	<u>38,629.00</u>	
Net Changes		<u>(6,804,468.00)</u>
Balance at June 30, 2020		<u>\$ 42,451,859.00</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

Changes of assumptions reflect a decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 50,152,421.00</u>	<u>\$ 42,451,859.00</u>	<u>\$ 36,334,954.00</u>

**Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 34,978,440.00	\$ 42,451,859.00	\$ 52,345,132.00

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal year ended June 30, 2020, the School District recognized \$414,210.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2020, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 168,193.00	\$ 2,880,664.00
Difference Between Expected and Actual Experience	-	10,666,573.00
Changes of Assumptions	-	8,628,436.00
	<u>\$ 168,193.00</u>	<u>\$ 22,175,673.00</u>

**Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

**Deferred Outflows and Inflows of Resources (Cont'd)** - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending June 30,</b>	
2021	\$ (2,919,397.00)
2022	(2,919,397.00)
2023	(2,919,397.00)
2024	(2,919,397.00)
2025	(2,919,397.00)
Thereafter	<u>(7,410,495.00)</u>
	<u>\$ (22,007,480.00)</u>

**Note 13: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,737,653.00, \$31,145.00, \$656,192.00, and \$1,408.00, respectively.

**Note 14: RISK MANAGEMENT**

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

**Joint Insurance Fund** - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

- General and Auto Liability
- Property and Audit Physical Damage
- Boiler and Machinery
- Comprehensive Crime Coverage
- Environmental Impairment Liability
- Excess Liability
- School Leaders Professional Liability

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended June 30, 2020, which can be obtained from:

School Alliance Insurance Fund  
51 Everett Drive, Suite B-40  
West Windsor, New Jersey 08550



**Note 15: DEFERRED COMPENSATION**

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning  
AXA Equitable  
Thomas Seely Agency, Inc.  
Syracusa

**Note 16: 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 months 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 three personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2020, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$774,857.97 and \$17,863.17, respectively.

**Note 17: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 468,005.52	\$ 393,502.22
Capital Projects	374,273.00	2,795.92
Debt Service	2,795.92	
Food Service	19,229.22	
Fiduciary	<u>                    </u>	<u>468,005.52</u>
Totals	<u>\$ 864,303.66</u>	<u>\$ 864,303.66</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2021, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 17: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)**

**Transfers** - During the fiscal year ended June 30, 2020, the general fund transferred \$111,129.00 to the special revenue fund as a local contribution to the preschool education program.

	<u>Transfer In:</u>
	<b>Special Revenue Fund</b>
<u>Transfer Out:</u>	
General Fund	\$ 111,129.00
Total Transfers	<u>\$ 111,129.00</u>

**Note 18: CONTINGENCIES**

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

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

**Note 19: CONCENTRATIONS**

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

**Note 20: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$765,808.90 in the general fund and \$106,381.10 in the special revenue fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$872,190.00 is less than the June state aid payments.

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

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District does not have any non-spendable fund balances as of June 30, 2020.

**RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$2,316,822.06. Additionally, \$808,665.00 of excess fund balance generated during 2018-2019 has been restricted and designated for utilization in the 2020-2021 budget.

**For Capital Reserve Account** - As of June 30, 2020, the balance in the capital reserve account is \$500,310.27. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Capital Projects Fund** - As of June 30, 2020, the balance in the capital projects fund is \$1,075,231.09, which is restricted for approved projects.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$1,545.00 of the \$2,795.92 debt service fund balance at June 30, 2020.

**COMMITTED**

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The School District did not authorize any specific commitments of the School District's fund balance.

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

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$181,106.00 of general fund balance at June 30, 2020.

**Other Purposes** - As of June 30, 2020, the School District had \$44,161.61 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2020, the fund balance of the general fund was a deficit of \$765,808.90, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$765,808.90 is equal to the last state aid payment.

**Special Revenue Fund** - As of June 30, 2020, the fund balance of the special revenue fund was a deficit of \$106,381.10, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$106,381.10 is equal to the last state aid payment.

**Note 22: RESTATEMENT OF PRIOR PERIOD FUND BALANCE AND NET POSITION**

The School District restated its net position as of July 1, 2019 as a result of various prior period adjustments. The cumulative effect on net position of governmental activities and fiduciary net position as of July 1, 2019 is as follows:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at July 1, 2019	\$ 2,114,219.76
Prior Period Adjustments:	
<i>Receivables from Other Governments (Overstated)</i>	\$ (747,061.35)
<i>Unearned Revenue (Overstated)</i>	139,058.98
<i>Accounts Payable (Overstated)</i>	134,348.82
<i>Due to Other Governments (Overstated)</i>	10,534.66
<i>Cash and Cash Equivalents (Understated)</i>	33,248.72
<i>Payroll Deductions Payable (Understated)</i>	(75,774.30)
<i>Prepaid Expenses (Understated)</i>	316,903.51
<i>Obligations Under Capital Lease (Understated)</i>	<u>(136,889.41)</u>
Total Prior Period Adjustments	<u>(325,630.37)</u>
Net Position as Restated, July 1, 2019	<u>\$ 1,788,589.39</u>
	<u>Flexible Benefits Trust</u>
Beginning Net Position as Previously Reported at June 30, 2019	\$ -
Prior Period Adjustment:	
<i>Cash and Cash Equivalents (Understated)</i>	<u>11,359.44</u>
Net Position as Restated, July 1, 2019	<u>\$ 11,359.44</u>

**Note 22: RESTATEMENT OF PRIOR PERIOD FUND BALANCE AND NET POSITION (CONT'D)**

Additionally, the School District restated the fund balances of its General Fund, Special Revenue Fund and Capital Projects Fund as of July 1, 2019 as a result of several prior period adjustments as noted below. The cumulative effect on the financial statements as reported for July 1, 2019 is as follows:

	<u>General Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2019	\$ 604,061.00
Prior Period Adjustments:	
<i>Due to Other Governments (Overstated)</i>	\$ 10,534.66
<i>Accounts Payable (Overstated)</i>	101,784.88
<i>Payroll Deductions Payable (Understated)</i>	(75,774.30)
<i>Prepaid Expenses (Understated)</i>	316,903.51
<i>Cash and Cash Equivalents (Understated, net)</i>	<u>274,144.14</u>
Total Prior Period Adjustments	<u>627,592.89</u>
Fund Balance as Restated, July 1, 2019	<u>\$ 1,231,653.89</u>
	<u>Special Revenue Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2019	\$ -
Prior Period Adjustments:	
<i>Unearned Revenue (Overstated)</i>	\$ 139,058.98
<i>Accounts Payable (Overstated)</i>	32,563.94
<i>Cash and Cash Equivalents (Overstated)</i>	<u>(240,895.42)</u>
Total Prior Period Adjustments	<u>(69,272.50)</u>
Fund Balance as Restated, July 1, 2019	<u>\$ (69,272.50)</u>
	<u>Capital Projects Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2019	\$ 1,822,292.44
Prior Period Adjustment:	
<i>Receivables from Other Governments (Overstated)</i>	<u>(747,061.35)</u>
Fund Balance as Restated, July 1, 2019	<u>\$ 1,075,231.09</u>

**Note 23: SUBSEQUENT EVENTS**

**COVID-19** - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II



BUDGETARY COMPARISON SCHEDULES

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 6,318,238.00		\$ 6,318,238.00	\$ 6,318,238.00	
Tuition from Other LEAs Within the State	1,233,808.00		1,233,808.00	1,373,213.26	\$ 139,405.26
Unrestricted Miscellaneous Revenues	403,308.00		403,308.00	112,732.15	(290,575.85)
<b>Total - Local Sources</b>	<b>7,955,354.00</b>	<b>-</b>	<b>7,955,354.00</b>	<b>7,804,183.41</b>	<b>(151,170.59)</b>
State Sources:					
School Choice Aid	72,675.00		72,675.00	72,675.00	
Categorical Transportation Aid	179,476.00		179,476.00	179,476.00	
Categorical Special Education Aid	715,226.00		715,226.00	715,226.00	
Equalization Aid	12,267,901.00		12,267,901.00	12,267,901.00	
Categorical Security Aid	498,216.00		498,216.00	498,216.00	
Extraordinary Aid	150,000.00		150,000.00	277,929.00	127,929.00
Homeless Tuition Reimbursement				92,709.00	92,709.00
On-Behalf TPAF Pension Contributions (non-budgeted):					
Post Retirement Medical				656,192.00	656,192.00
Teacher's Pension and Annuity Fund				1,737,653.00	1,737,653.00
TPAF Non-Contributory Insurance				31,145.00	31,145.00
Long-Term Disability Insurance				1,408.00	1,408.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				553,140.36	553,140.36
<b>Total - State Sources</b>	<b>13,883,494.00</b>	<b>-</b>	<b>13,883,494.00</b>	<b>17,083,670.36</b>	<b>3,200,176.36</b>
Federal Sources:					
Medicaid Reimbursement	50,355.00		50,355.00	53,131.96	2,776.96
<b>Total - Federal Sources</b>	<b>50,355.00</b>	<b>-</b>	<b>50,355.00</b>	<b>53,131.96</b>	<b>2,776.96</b>
<b>Total Revenues</b>	<b>21,889,203.00</b>	<b>-</b>	<b>21,889,203.00</b>	<b>24,940,985.73</b>	<b>3,051,782.73</b>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 337,261.00	\$ 24,840.67	\$ 362,101.67	\$ 356,909.63	\$ 5,192.04
Grades 1-5	1,673,952.00	5,232.00	1,679,184.00	1,656,004.80	23,179.20
Grades 6-8	880,300.00	6,392.23	886,692.23	886,692.23	
Grades 9-12	1,949,836.00	(72,307.14)	1,877,528.86	1,846,759.67	30,769.19
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000.00	6,997.12	31,997.12	31,997.12	
Purchased Professional - Educational Services	35,000.00	(14,399.24)	20,600.76	20,600.76	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	18,900.00	(18,393.00)	507.00		507.00
Purchased Professional - Educational Services	190,264.00	66,966.00	257,230.00	121,091.15	136,138.85
Other Purchased Services (400-500 series)	171,437.00	7,419.00	178,856.00	161,297.72	17,558.28
General Supplies	245,540.00	587.78	246,127.78	188,557.87	57,569.91
Textbooks	237,536.00	(214,000.00)	23,536.00	1,242.41	22,293.59
Other Objects	1,350.00		1,350.00		1,350.00
Total Regular Programs - Instruction	<u>5,766,376.00</u>	<u>(200,664.58)</u>	<u>5,565,711.42</u>	<u>5,271,153.36</u>	<u>294,558.06</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	559,598.00	57,777.20	617,375.20	617,375.00	0.20
Other Salaries for Instruction	74,055.00	57,243.64	131,298.64	117,011.75	14,286.89
General Supplies	7,000.00	(2,103.00)	4,897.00	4,017.65	879.35
Total Learning and/or Language Disabilities	<u>640,653.00</u>	<u>112,917.84</u>	<u>753,570.84</u>	<u>738,404.40</u>	<u>15,166.44</u>
Behavioral Disabilities:					
Salaries of Teachers	182,761.00	(57,777.00)	124,984.00	124,984.00	
Other Salaries for Instruction	49,370.00	2,468.50	51,838.50	51,838.50	
Purchased Professional- Educational Services		1,531.50	1,531.50		1,531.50
General Supplies	5,000.00	(4,399.00)	601.00	600.60	0.40
Total Behavioral Disabilities	<u>237,131.00</u>	<u>(58,176.00)</u>	<u>178,955.00</u>	<u>177,423.10</u>	<u>1,531.90</u>
Multiple Disabilities:					
Salaries of Teachers	218,429.00	(40,005.10)	178,423.90	178,423.90	
Other Salaries for Instruction		92,519.25	92,519.25	74,120.00	18,399.25
General Supplies	1,700.00	142.00	1,842.00	1,107.55	734.45
Total Multiple Disabilities	<u>220,129.00</u>	<u>52,656.15</u>	<u>272,785.15</u>	<u>253,651.45</u>	<u>19,133.70</u>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 186,059.00	\$ 10.56	\$ 186,069.56	\$ 177,679.60	\$ 8,389.96
Other Salaries for Instruction	50,813.00	(41,638.51)	9,174.49	15,158.09	(5,983.60)
General Supplies	500.00	262.00	762.00	747.68	14.32
<b>Total Resource Room / Resource Center</b>	<b>237,372.00</b>	<b>(41,365.95)</b>	<b>196,006.05</b>	<b>193,585.37</b>	<b>2,420.68</b>
<b>Total Special Education - Instruction</b>	<b>1,335,285.00</b>	<b>66,032.04</b>	<b>1,401,317.04</b>	<b>1,363,064.32</b>	<b>38,252.72</b>
Basic Skills / Remedial - Instruction:					
Other Salaries for Instruction	49,304.00	(6,712.00)	42,592.00	30,839.75	11,752.25
General Supplies		640.00	640.00	630.88	9.12
<b>Total Basic Skills / Remedial - Instruction</b>	<b>49,304.00</b>	<b>(6,072.00)</b>	<b>43,232.00</b>	<b>31,470.63</b>	<b>11,761.37</b>
Bilingual Education - Instruction:					
Salaries of Teachers		4,532.00	4,532.00	3,496.00	1,036.00
<b>Total Bilingual Education - Instruction</b>	<b>-</b>	<b>4,532.00</b>	<b>4,532.00</b>	<b>3,496.00</b>	<b>1,036.00</b>
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	51,502.00	10,705.50	62,207.50	62,207.50	
Purchased Services (300-500 series)	2,000.00	360.00	2,360.00	1,055.34	1,304.66
Supplies and Materials	2,000.00	(360.00)	1,640.00		1,640.00
Transfers to Cover Deficit (Agency Funds)	4,000.00		4,000.00		4,000.00
<b>Total School Sponsored Co/Extra-Curricular Activities - Instruction</b>	<b>59,502.00</b>	<b>10,705.50</b>	<b>70,207.50</b>	<b>63,262.84</b>	<b>6,944.66</b>
School Sponsored Athletics - Instruction:					
Salaries	240,517.00	21,792.00	262,309.00	262,309.00	
Purchased Services (300-500 series)	96,195.00	(9,131.51)	87,063.49	81,602.32	5,461.17
Supplies and Materials	105,463.07	5,933.63	111,396.70	58,117.30	53,279.40
Other Objects	6,214.00	6,696.51	12,910.51	1,668.00	11,242.51
<b>Total School Sponsored Athletics - Instruction</b>	<b>448,389.07</b>	<b>25,290.63</b>	<b>473,679.70</b>	<b>403,696.62</b>	<b>69,983.08</b>
Before/After School Programs - Instruction					
Salaries		11,588.00	11,588.00		11,588.00
<b>Total Before/After School Programs - Instruction</b>	<b>-</b>	<b>11,588.00</b>	<b>11,588.00</b>	<b>-</b>	<b>11,588.00</b>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
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 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Summer School - Instruction:					
Salaries	\$ 21,568.00	\$ (6,884.00)	\$ 14,684.00	\$ 14,400.00	\$ 284.00
Total Summer School - Instruction	21,568.00	(6,884.00)	14,684.00	14,400.00	284.00
Total Instruction	7,680,424.07	(95,472.41)	7,584,951.66	7,150,543.77	434,407.89
Undistributed Expenditures:					
Instruction (Tuition):					
Tuition to Other LEA's Within State - Regular	183,719.00	(44,165.11)	139,553.89	130,390.55	9,163.34
Tuition to Other LEA's Within State - Special	68,339.00	36,459.54	104,798.54	79,814.81	24,983.73
Tuition to County Vocational School District - Regular	80,784.00	(11,029.60)	69,754.40	69,754.40	
Tuition to CSSD and Regional Day Schools	1,234,179.00	(432,371.07)	801,807.93	783,685.36	18,122.57
Tuition to Private Schools for the Disabled - Within State	283,796.00	853,929.60	1,137,725.60	1,097,911.29	39,814.31
Tuition - State Facilities	120,386.00		120,386.00	120,386.00	
Tuition - Other	68,798.00	(1,966.00)	66,832.00	66,832.00	
Total Instruction (Tuition)	2,040,001.00	400,857.36	2,440,858.36	2,348,774.41	92,083.95
Attendance and Social Work:					
Salaries	32,513.00	630.02	33,143.02	24,621.39	8,521.63
Purchased Professional and Technical Services	27,104.00	1,174.00	28,278.00	26,780.00	1,498.00
Other Purchased Services (400-500 series)	2,100.00	(2,100.00)			
Total Attendance and Social Work	61,717.00	(295.98)	61,421.02	51,401.39	10,019.63
Health Services:					
Salaries	174,239.00	5,292.48	179,531.48	174,238.80	5,292.68
Purchased Professional and Technical Services	175,115.00	73,159.85	248,274.85	109,515.01	138,759.84
Other Purchased Services (400-500 Series)	338.00	(10.00)	328.00		328.00
Supplies and Materials	14,318.27	(5,743.00)	8,575.27	5,002.66	3,572.61
Total Health Services	364,010.27	72,699.33	436,709.60	288,756.47	147,953.13
Speech, OT, PT & Related Services:					
Salaries	133,274.00	(393.00)	132,881.00	131,124.20	1,756.80
Purchased Professional - Educational Services	69,774.00	16,406.67	86,180.67	84,505.02	1,675.65
Supplies and Materials	1,246.00	3,583.00	4,829.00	2,331.78	2,497.22
Total Speech, OT, PT & Related Services	204,294.00	19,596.67	223,890.67	217,961.00	5,929.67

**PAULSBORO SCHOOL DISTRICT**  
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 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 167,000.00	\$ (40,387.11)	\$ 126,612.89	\$ 118,296.98	\$ 8,315.91
Purchased Professional - Educational Services	1,900.00	(1,900.00)			
Total Other Support Services - Students - Extraordinary Services	<u>168,900.00</u>	<u>(42,287.11)</u>	<u>126,612.89</u>	<u>118,296.98</u>	<u>8,315.91</u>
Guidance:					
Salaries of Other Professional Staff	248,982.00		248,982.00	248,982.00	
Salaries of Secretarial and Clerical Assistants	20,289.00	9,151.00	29,440.00	28,738.60	701.40
Purchased Professional - Educational Services	5,950.00	375.00	6,325.00	3,911.00	2,414.00
Other Purchased Services (400-500)	5,000.00	(2,984.60)	2,015.40	750.00	1,265.40
Supplies and Materials	146.00	3,057.00	3,203.00	2,510.77	692.23
Other Objects	475.00	325.00	800.00	550.00	250.00
Total Guidance	<u>280,842.00</u>	<u>9,923.40</u>	<u>290,765.40</u>	<u>285,442.37</u>	<u>5,323.03</u>
Child Study Team:					
Salaries of Other Professional Staff	308,284.00	8,384.69	316,668.69	312,477.36	4,191.33
Salaries of Secretarial and Clerical Assistants	43,722.00		43,722.00	43,722.00	
Unused Vacation Payment to Terminated/Retired Staff		5,291.00	5,291.00	5,291.00	
Unused Sick Payment to Terminated/Retired Staff		6,000.00	6,000.00	6,000.00	
Purchased Professional - Educational Services	23,085.00	6,993.00	30,078.00	28,717.40	1,360.60
Other Purchased Services (400-500 series)	2,655.00	(2,655.00)			
Misc. Purchased Services (400-500 series other than Residential Costs)		171.00	171.00	170.51	0.49
Supplies and Materials	6,938.00	(749.19)	6,188.81	5,699.93	488.88
Other Objects	3,500.00	(3,500.00)			
Total Child Study Team	<u>388,184.00</u>	<u>19,935.50</u>	<u>408,119.50</u>	<u>402,078.20</u>	<u>6,041.30</u>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	7,840.00	(7,827.00)	13.00		13.00
Salaries of Other Professional Staff	106,023.00	(379.34)	105,643.66	89,314.14	16,329.52
Salaries of Secretarial and Clerical Assistants	26,928.00		26,928.00	26,928.00	
Unused Vacation Leave Payments		5,291.00	5,291.00	5,291.00	
Unused Sick Payment to Terminated/Retired Staff		6,000.00	6,000.00	6,000.00	
Other Purchased Services (400-500)	2,000.00	(1,749.52)	250.48	91.53	158.95
Supplies and Materials	5,087.00	(1,715.00)	3,372.00	3,298.50	73.50
Other Objects	2,019.00	(354.57)	1,664.43	1,523.00	141.43
Total Improvement of Instruction Services	<u>149,897.00</u>	<u>(734.43)</u>	<u>149,162.57</u>	<u>132,446.17</u>	<u>16,716.40</u>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
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 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Educational Media Services / School Library:					
Salaries	\$ 81,394.00		\$ 81,394.00	\$ 81,394.00	
Salaries of Technology Coordinators	104,064.00	\$ 2,741.46	106,805.46	103,987.06	\$ 2,818.40
Purchased Professional and Technical Services	78,497.00	(77,498.16)	998.84	998.25	0.59
Other Purchased Services (400-500)	28,477.00	(24,889.30)	3,587.70		3,587.70
Supplies and Materials	13,061.00	(10,045.00)	3,016.00	87.17	2,928.83
<b>Total Educational Media Services / School Library</b>	<b>305,493.00</b>	<b>(109,691.00)</b>	<b>195,802.00</b>	<b>186,466.48</b>	<b>9,335.52</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	27,469.00	(13,281.40)	14,187.60	14,187.60	
Salaries of Secretaries and Clerical Associates	26,928.00		26,928.00	26,928.00	
Unused Vacation Leave Payments		2,645.50	2,645.50	2,645.50	
Unused Sick Payment to Terminated/Retired Staff		3,000.00	3,000.00	3,000.00	
Other Purchased Services	8,885.00	(3,701.10)	5,183.90	2,070.55	3,113.35
Supplies and Materials	500.00		500.00		500.00
<b>Total Instructional Staff Training Services</b>	<b>63,782.00</b>	<b>(11,337.00)</b>	<b>52,445.00</b>	<b>48,831.65</b>	<b>3,613.35</b>
Support Services - General Administration:					
Salaries	189,073.00	6,365.20	195,438.20	194,887.85	550.35
Unused Vacation Payment to Terminated/Retired Staff	3,546.00	(1,301.00)	2,245.00		2,245.00
Legal Services	60,813.00	5,181.74	65,994.74	54,317.32	11,677.42
Audit Fees	25,886.00	17,685.68	43,571.68	39,395.84	4,175.84
Architectural / Engineering Fees	23,500.00	(23,500.00)			
Other Purchased Professional Services	39,375.00	8,320.55	47,695.55	2,281.00	45,414.55
Communications / Telephone	145,771.00	(23,361.31)	122,409.69	60,058.31	62,351.38
BOE Other Purchased Services	10,655.00	(4,858.72)	5,796.28	4,513.70	1,282.58
Miscellaneous Purchased Services (400-500 Other than 530 & 594)	98,447.00	(16,752.00)	81,695.00	78,875.81	2,819.19
General Supplies	7,329.00	(84.00)	7,245.00	8,201.82	(956.82)
BOE In-House Training / Meeting Supplies	2,000.00	84.00	2,084.00	1,316.00	768.00
Judgments against the School District		10,000.00	10,000.00	10,000.00	
Miscellaneous Expenditures	3,670.00	(175.00)	3,495.00	2,454.69	1,040.31
BOE Membership Dues and Fees	12,000.00	(2,750.00)	9,250.00	9,074.40	175.60
<b>Total Support Services - General Administration</b>	<b>622,065.00</b>	<b>(25,144.86)</b>	<b>596,920.14</b>	<b>465,376.74</b>	<b>131,543.40</b>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
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 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Support Services - School Administration:					
Salaries of Principals / Assistant Principals / Program Director	\$ 570,081.00	\$ 38,635.75	\$ 608,716.75	\$ 597,652.38	\$ 11,064.37
Salaries of Other Professional Staff	5,120.00	7,712.00	12,832.00	12,832.00	
Salaries of Secretarial and Clerical Assistants	121,587.00	37,553.00	159,140.00	157,594.19	1,545.81
Other Purchased Services (400-500)	10,000.00	(1,584.66)	8,415.34	8,157.85	257.49
Supplies and Materials	11,102.00	(144.70)	10,957.30	8,270.77	2,686.53
Other Objects	5,260.00	895.00	6,155.00	5,312.00	843.00
<b>Total Support Services - School Administration</b>	<b>723,150.00</b>	<b>83,066.39</b>	<b>806,216.39</b>	<b>789,819.19</b>	<b>16,397.20</b>
Central Services:					
Salaries	240,098.00	(5,962.48)	234,135.52	226,672.64	7,462.88
Unused Vacation Leave Payments	24,106.00	(24,000.00)	106.00		106.00
Purchased Professional Services	321.00		321.00		321.00
Purchased Technical Services	32,750.00	(3,000.00)	29,750.00	28,870.00	880.00
Miscellaneous Purchased Services	6,440.00	(4,000.00)	2,440.00		2,440.00
Supplies and Materials	3,500.00	164.00	3,664.00	2,022.12	1,641.88
Interest on Lease Purchase Agreements	47,751.00	(18,162.70)	29,588.30		29,588.30
Miscellaneous Expenditures	1,490.00	(1,390.00)	100.00	100.00	
<b>Total Central Services</b>	<b>356,456.00</b>	<b>(56,351.18)</b>	<b>300,104.82</b>	<b>257,664.76</b>	<b>42,440.06</b>
Administrative Information Technology:					
Salaries	67,490.00	(28,016.00)	39,474.00	16,450.00	23,024.00
Purchased Professional Services	41,333.00		41,333.00	22,856.50	18,476.50
Other Purchased Services (400-500 series)	65,833.24	5,000.00	70,833.24	65,858.65	4,974.59
Supplies and Materials	1,800.00	(100.00)	1,700.00	1,399.55	300.45
Other Objects		100.00	100.00	80.00	20.00
<b>Total Administrative Information Technology</b>	<b>176,456.24</b>	<b>(23,016.00)</b>	<b>153,440.24</b>	<b>106,644.70</b>	<b>46,795.54</b>
Required Maintenance for School Facilities:					
Salaries	108,628.00	219.47	108,847.47	97,484.40	11,363.07
Unused Vacation Payment to Terminated/Retired Staff	6,120.00	(3,763.50)	2,356.50		2,356.50
Cleaning, Repair and Maintenance Services	237,251.45	7,664.00	244,915.45	234,430.91	10,484.54
General Supplies	42,451.02		42,451.02	37,465.73	4,985.29
<b>Total Required Maintenance for School Facilities</b>	<b>394,450.47</b>	<b>4,119.97</b>	<b>398,570.44</b>	<b>369,381.04</b>	<b>29,189.40</b>



**PAULSBORO SCHOOL DISTRICT**  
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 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Custodial Services:					
Salaries	\$ 638,637.00	\$ (63,113.37)	\$ 575,523.63	\$ 442,392.38	\$ 133,131.25
Salaries of Non-Instructional Aid	71,489.00	(45,513.34)	25,975.66	25,975.66	
Purchased Professional and Technical Services	3,000.00	(367.00)	2,633.00	2,113.75	519.25
Cleaning, Repair and Maintenance Services	25,000.00	12,304.00	37,304.00	27,789.27	9,514.73
Other Purchased Property Services	164,460.50	(61,266.82)	103,193.68	36,451.55	66,742.13
Insurance	281,782.00	(1,086.85)	280,695.15	278,475.15	2,220.00
Miscellaneous Purchased Services		1,100.00	1,100.00	1,100.00	
General Supplies	86,082.99	860.81	86,943.80	85,837.12	1,106.68
Energy (Natural Gas)	178,615.00	(6,628.00)	171,987.00	127,531.51	44,455.49
Energy (Electricity)	211,184.00	4,627.82	215,811.82	197,737.67	18,074.15
Other Objects	125.00	(69.96)	55.04		55.04
<b>Total Custodial Services</b>	<u>1,660,375.49</u>	<u>(159,152.71)</u>	<u>1,501,222.78</u>	<u>1,225,404.06</u>	<u>275,818.72</u>
Care and Upkeep of Grounds:					
Salaries	51,902.00	5,830.04	57,732.04	53,042.55	4,689.49
Cleaning, Repair and Maintenance Services	81,485.60	(19,323.02)	62,162.58	33,989.42	28,173.16
General Supplies	11,130.00	11,627.00	22,757.00	21,757.27	999.73
<b>Total Care and Upkeep of Grounds</b>	<u>144,517.60</u>	<u>(1,865.98)</u>	<u>142,651.62</u>	<u>108,789.24</u>	<u>33,862.38</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	123,860.00	(14,875.91)	108,984.09	61,297.34	47,686.75
Salaries for Pupil Transportation (Between Home and School) - Regular	202,973.00	(70,165.58)	132,807.42	67,219.99	65,587.43
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	120,550.00	4,979.78	125,529.78	50,512.50	75,017.28
Salaries for Pupil Transportation (Other than Between Home and School)	30,363.00	15,153.25	45,516.25	42,910.05	2,606.20
Cleaning, Repair and Maintenance Services	31,400.00		31,400.00	23,516.04	7,883.96
Lease Purchase Payments - School Buses	107,083.00	173.00	107,256.00	107,255.10	0.90
Contracted Services - Aid in Lieu of Payments - Choice School	33,660.00	(173.00)	33,487.00	21,027.92	12,459.08
Contracted Services - (Between Home and School) - Vendors	20,000.00	(7,369.00)	12,631.00	1,870.46	10,760.54
Contracted Services - (Other than Between Home and School) - Vendors	25,000.00	(7,513.50)	17,486.50	10,956.50	6,530.00
Contracted Services - (Between Home and School) - Joint Agreements	6,000.00	(1,839.00)	4,161.00		4,161.00
Contracted Services - (Special Ed Students) - Joint Agreements	605,092.00	(30,533.36)	574,558.64	502,007.78	72,550.86
Miscellaneous Purchased Services - Transportation	40,512.00		40,512.00	37,150.12	3,361.88
General Supplies	1,000.00	1,536.50	2,536.50		2,536.50
Transportation Supplies	17,639.36	(8,700.00)	8,939.36		8,939.36
Other Objects	400.00		400.00	120.00	280.00
<b>Total Student Transportation Services</b>	<u>1,365,532.36</u>	<u>(119,326.82)</u>	<u>1,246,205.54</u>	<u>925,843.80</u>	<u>320,361.74</u>

**PAULSBORO SCHOOL DISTRICT**  
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	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Regular Programs - Instruction - Employee Benefits:					
Health Benefits	\$ 2,135,902.00	\$ (2,135,902.00)			
Tuition Reimbursement	16,876.00	(5,017.00)	\$ 11,859.00	\$ 11,598.55	\$ 260.45
Unused Sick Payment to Terminated/Retired Staff	18,106.00		18,106.00		18,106.00
	<u>2,170,884.00</u>	<u>(2,140,919.00)</u>	<u>29,965.00</u>	<u>11,598.55</u>	<u>18,366.45</u>
Total Regular Programs - Instruction - Employee Benefits:					
Special Programs - Instruction - Employee Benefits:					
Health Benefits	292,569.00	(292,569.00)			
Tuition Reimbursement	1,800.00		1,800.00		1,800.00
Unused Sick Payment to Terminated/Retired Staff	1,013.00		1,013.00		1,013.00
	<u>295,382.00</u>	<u>(292,569.00)</u>	<u>2,813.00</u>	<u>-</u>	<u>2,813.00</u>
Total Special Programs - Instruction - Employee Benefits:					
Other Programs - Instruction - Employee Benefits:					
Health Benefits	13,596.00	(13,596.00)			
Health Services - Employee Benefits:					
Health Benefits	78,184.00	(78,184.00)			
Guidance - Employee Benefits:					
Health Benefits	49,458.00	(49,458.00)			
Child Study Teams - Employee Benefits:					
Health Benefits	191,437.00	(191,437.00)			
General Administration - Employee Benefits:					
Health Benefits	29,719.00	(29,719.00)			
School Administration - Employee Benefits:					
Health Benefits	139,304.00	(139,304.00)			
Central Services - Employee Benefits:					
Health Benefits	94,427.00	(94,427.00)			
Administrative Information Technology - Employee Benefits:					
Health Benefits	6,073.00	(6,073.00)			
Required Maintenance - Employee Benefits:					
Unused Sick Payment to Terminated/Retired Staff	7,180.00	(7,180.00)			
Total Allocated Benefits	<u>3,075,644.00</u>	<u>(3,042,866.00)</u>	<u>32,778.00</u>	<u>11,598.55</u>	<u>21,179.45</u>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 241,141.00	\$ 52,074.48	\$ 293,215.48	\$ 293,215.48	
Other Retirement Contributions - PERS	285,387.00	(29,000.00)	256,387.00	255,559.00	\$ 828.00
Unemployment Compensation	60,883.00	(16,924.00)	43,959.00	43,761.43	197.57
Workmen's Compensation	286,033.00	(22,002.00)	264,031.00	263,592.61	438.39
Health Benefits	577,622.00	3,080,592.43	3,658,214.43	3,066,347.46	591,866.97
Other Employee Benefits	63,656.00	(57,773.05)	5,882.95	9,404.84	(3,521.89)
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,514,722.00</b>	<b>3,006,967.86</b>	<b>4,521,689.86</b>	<b>3,931,880.82</b>	<b>589,809.04</b>
On-Behalf TPAF Post Retirement Medical (non-budgeted)				656,192.00	(656,192.00)
On-Behalf Teacher's Pension and Annuity Fund (non-budgeted)				1,737,653.00	(1,737,653.00)
On-Behalf TPAF Non-Contributory Insurance (non-budgeted)				31,145.00	(31,145.00)
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,408.00	(1,408.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				553,140.36	(553,140.36)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,979,538.36</b>	<b>(2,979,538.36)</b>
<b>Total Undistributed Expenditures</b>	<b>14,060,489.43</b>	<b>25,097.41</b>	<b>14,085,586.84</b>	<b>15,252,396.38</b>	<b>(1,166,809.54)</b>
<b>Total Current Expense</b>	<b>21,740,913.50</b>	<b>(70,375.00)</b>	<b>21,670,538.50</b>	<b>22,402,940.15</b>	<b>(732,401.65)</b>
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Admin Information Technology	49,572.00		49,572.00	49,519.13	52.87
<b>Total Equipment</b>	<b>49,572.00</b>	<b>-</b>	<b>49,572.00</b>	<b>49,519.13</b>	<b>52.87</b>
Facilities Acquisition and Construction Services:					
Construction Services	332,890.00	28,000.00	360,890.00	360,861.90	28.10
Assessment for Debt Service on SDA Funding	7,471.00		7,471.00	7,471.00	
<b>Total Facilities Acquisition and Construction Services</b>	<b>340,361.00</b>	<b>28,000.00</b>	<b>368,361.00</b>	<b>368,332.90</b>	<b>28.10</b>
<b>Total Capital Outlay</b>	<b>389,933.00</b>	<b>28,000.00</b>	<b>417,933.00</b>	<b>417,852.03</b>	<b>80.97</b>
Transfer of Funds to Charter School	74,742.00	42,375.00	117,117.00	117,117.00	
<b>Total Expenditures</b>	<b>22,205,588.50</b>	<b>-</b>	<b>22,205,588.50</b>	<b>22,937,909.18</b>	<b>(732,320.68)</b>

**PAULSBORO SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (316,385.50)	-	\$ (316,385.50)	\$ 2,003,076.55	\$ 2,319,462.05
Other Financing Sources (Uses):					
Operating Transfers Out:					
Local Contributions - Transfers to Special Revenue - Regular	(22,964.00)		(22,964.00)	(22,964.00)	
Local Contributions - Transfers to Special Revenue - Inclusion	(88,165.00)		(88,165.00)	(88,165.00)	
Total Other Financing Sources (Uses)	(111,129.00)	-	(111,129.00)	(111,129.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(427,514.50)	-	(427,514.50)	1,891,947.55	2,319,462.05
Fund Balances, July 1 (Restated)	2,488,436.39	-	2,488,436.39	2,488,436.39	
Fund Balances, June 30	\$ 2,060,921.89	\$ -	\$ 2,060,921.89	\$ 4,380,383.94	\$ 2,319,462.05
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 500,310.27	
Excess Surplus - Current Year				2,316,822.06	
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures				808,665.00	
Assigned:					
Designated for Subsequent Year's Expenditures				181,106.00	
Year-End Encumbrances				44,161.61	
Unassigned				529,319.00	
				4,380,383.94	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,295,127.90)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,085,256.04	

**PAULSBORO SCHOOL DISTRICT**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
<b>State Sources:</b>					
Preschool Education Aid	\$ 595,624.00	\$ 468,187.00	\$ 1,063,811.00	\$ 889,715.24	\$ (174,095.76)
Nonpublic Aid		139,711.00	139,711.00	98,479.39	(41,231.61)
<b>Total - State Sources</b>	<u>595,624.00</u>	<u>607,898.00</u>	<u>1,203,522.00</u>	<u>988,194.63</u>	<u>(215,327.37)</u>
<b>Federal Sources:</b>					
Title I	887,544.00	88,091.00	975,635.00	922,736.07	(52,898.93)
Title I Reallocated		22,604.00	22,604.00	22,604.00	
Title I SIA		62,874.00	62,874.00	11,169.20	(51,704.80)
Title II-A	73,011.00	17,657.00	90,668.00	80,511.85	(10,156.15)
Title III		2,383.00	2,383.00	2,383.00	
Title IV		60,526.00	60,526.00	6,005.68	(54,520.32)
I.D.E.A., Part B Basic	268,237.00	107,245.00	375,482.00	367,795.75	(7,686.25)
I.D.E.A. Preschool		15,707.00	15,707.00	9,386.72	(6,320.28)
CARES Act		674,486.00	674,486.00		(674,486.00)
Perkins		1,050.00	1,050.00	1,050.00	
<b>Total - Federal Sources</b>	<u>1,228,792.00</u>	<u>1,052,623.00</u>	<u>2,281,415.00</u>	<u>1,423,642.27</u>	<u>(857,772.73)</u>
<b>Local Sources</b>		<u>201.75</u>	<u>201.75</u>	<u>201.75</u>	
<b>Total Revenues</b>	<u>\$ 1,824,416.00</u>	<u>\$ 1,660,722.75</u>	<u>\$ 3,485,138.75</u>	<u>\$ 2,412,038.65</u>	<u>\$ (1,073,100.10)</u>

(Continued)

EXPENDITURES:

**PAULSBORO SCHOOL DISTRICT**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Instruction:</b>					
Salaries of Teachers	\$ 1,117,342.00	\$ 87,484.00	\$ 1,204,826.00	\$ 1,181,272.42	\$ 23,553.58
Purchased Professional - Technical Services	51,146.00	123,772.00	174,918.00	140,863.51	34,054.49
Other Purchased Services	227,085.00	95,755.00	322,840.00	321,221.47	1,618.53
General Supplies	27,827.00	774,516.00	802,343.00	57,753.73	744,589.27
		1,205.00	1,205.00		1,205.00
Total Instruction	<u>1,423,400.00</u>	<u>1,082,732.00</u>	<u>2,506,132.00</u>	<u>1,701,111.13</u>	<u>805,020.87</u>
<b>Support Services:</b>					
Salaries of Other Professional Staff	273,814.00	100,974.00	374,788.00	305,757.64	69,030.36
Personal Services - Employee Benefits	211,496.00	407,966.00	619,462.00	513,047.13	106,414.87
Other Purchased Services	4,312.00	5,043.00	9,355.00	2,000.00	7,355.00
Supplies and Materials	22,523.00	56,207.75	78,730.75	1,251.75	77,479.00
Total Support Services	<u>512,145.00</u>	<u>570,190.75</u>	<u>1,082,335.75</u>	<u>822,056.52</u>	<u>260,279.23</u>
<b>Facilities Acquisition and Construction Services:</b>					
Non Instructional Equipment		<u>7,800.00</u>	<u>7,800.00</u>		<u>7,800.00</u>
Total Expenditures	1,935,545.00	1,660,722.75	3,596,267.75	2,523,167.65	1,073,100.10
<b>OTHER FINANCING SOURCES:</b>					
Transfer from General Fund	<u>111,129.00</u>		<u>111,129.00</u>	<u>111,129.00</u>	
Total Expenditures and Other Financing Sources	<u>\$ 1,824,416.00</u>	<u>\$ 1,660,722.75</u>	<u>\$ 3,485,138.75</u>	<u>\$ 2,412,038.65</u>	<u>\$ 1,073,100.10</u>

**PAULSBORO SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Notes to Required Supplementary Information - Part II  
 For the Fiscal Year Ended June 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 24,940,985.73	\$ 2,412,038.65
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(4,718.77)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,256,782.50	69,272.50
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,295,127.90)</u>	<u>(106,381.10)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 24,902,640.33</u>	<u>\$ 2,370,211.28</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 22,937,909.18	\$ 2,523,167.65
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(4,718.77)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 22,937,909.18</u>	<u>\$ 2,518,448.88</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III



**PAULSBORO SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Seven Plan Years

	<u>Measurement Date Ending June 30,</u>						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0261706155%	0.0255103939%	0.0265283683%	0.0248342579%	0.0247735397%	0.0281227628%	0.0289695975%
School District's Proportionate Share of the Net Pension Liability	\$ 4,715,548.00	\$ 5,022,869.00	\$ 6,175,380.00	\$ 7,355,195.00	\$ 5,561,163.00	\$ 5,265,350.00	\$ 5,536,666.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,943,852.00	\$ 1,996,016.00	\$ 1,981,212.00	\$ 1,867,260.00	\$ 1,877,272.00	\$ 2,114,596.00	\$ 2,165,568.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	242.59%	251.64%	311.70%	393.90%	296.24%	249.00%	255.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<b>Fiscal Year Ended June 30,</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 275,888.00	\$ 254,563.00	\$ 253,746.00	\$ 245,757.00	\$ 220,624.00	\$ 212,986.00	\$ 231,840.00
Contributions in Relation to the Contractually Required Contribution	<u>(275,888.00)</u>	<u>(254,563.00)</u>	<u>(253,746.00)</u>	<u>(245,757.00)</u>	<u>(220,624.00)</u>	<u>(212,986.00)</u>	<u>(231,840.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,544,202.00	\$ 1,803,009.00	\$ 1,720,978.00	\$ 1,831,650.00	\$ 1,781,473.00	\$ 1,718,919.00	\$ 1,826,655.00
Contributions as a Percentage of School District's Covered Payroll	17.87%	14.12%	14.74%	13.42%	12.38%	12.39%	12.69%

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.

**PAULSBORO SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Seven Plan Years

	<u>Measurement Date Ending June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>52,171,826.00</u>	<u>55,394,675.00</u>	<u>58,712,203.00</u>	<u>70,233,961.00</u>
	<u>\$ 52,171,826.00</u>	<u>\$ 55,394,675.00</u>	<u>\$ 58,712,203.00</u>	<u>\$ 70,233,961.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 10,083,344.00	\$ 10,676,572.00	\$ 10,632,404.00	\$ 10,503,636.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	517.41%	518.84%	552.20%	668.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>57,207,332.00</u>	<u>50,441,713.00</u>	<u>48,472,777.00</u>
	<u>\$ 57,207,332.00</u>	<u>\$ 50,441,713.00</u>	<u>\$ 48,472,777.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 10,456,336.00	\$ 10,630,680.00	\$ 10,724,484.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	547.11%	474.49%	451.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

**PAULSBORO SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**PAULSBORO SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2020

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

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017, 4.86% 2018 and 5.60% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2015 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males, and a 100.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

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

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

REQUIRED SUPPLEMENTARY INFORMATION  
PART IV

**PAULSBORO SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios  
 Last Three Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>			
Changes for the Year:			
Service Cost	\$ 1,474,162.00	\$ 1,656,113.00	\$ 1,994,487.00
Interest Cost	1,939,034.00	2,081,211.00	1,798,960.00
Difference Between Expected and Actual Experience	(9,586,108.00)	(4,665,486.00)	
Changes in Assumptions	632,961.00	(5,652,410.00)	(7,170,387.00)
Gross Benefit Payments	(1,303,146.00)	(1,317,097.00)	(1,322,753.00)
Member Contributions	<u>38,629.00</u>	<u>45,521.00</u>	<u>48,707.00</u>
Net Change in Total Non-Employer OPEB Liability	(6,804,468.00)	(7,852,148.00)	(4,650,986.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>49,256,327.00</u>	<u>57,108,475.00</u>	<u>61,759,461.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 42,451,859.00</u>	<u>\$ 49,256,327.00</u>	<u>\$ 57,108,475.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 10,147,798.00</u>	<u>\$ 10,285,983.00</u>	<u>\$ 10,867,407.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	418.34%	478.87%	525.50%

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.

**PAULSBORO SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2020

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Changes of Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - 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. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.



OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**PAULSBORO SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	E.S.E.A.							Total Brought Forward
	Total	Title I	Title I Reallocated	Title I SIA	Title II-A	Title III	Title IV	
<b>REVENUES:</b>								
Federal Sources	\$ 1,423,642.27	\$ 922,736.07	\$ 22,604.00	\$ 11,169.20	\$ 80,511.85	\$ 2,383.00	\$ 6,005.68	\$ 378,232.47
State Sources	988,194.63							988,194.63
Local Sources	201.75							201.75
<b>Total Revenues</b>	<b><u>\$ 2,412,038.65</u></b>	<b><u>\$ 922,736.07</u></b>	<b><u>\$ 22,604.00</u></b>	<b><u>\$ 11,169.20</u></b>	<b><u>\$ 80,511.85</u></b>	<b><u>\$ 2,383.00</u></b>	<b><u>\$ 6,005.68</u></b>	<b><u>\$ 1,366,628.85</u></b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 1,181,272.42	\$ 620,598.07			\$ 56,161.80	\$ 1,454.00		\$ 503,058.55
Purchased Professional - Technical Services	140,863.51	21,575.00			4,138.05			115,150.46
Other Purchased Services	321,221.47							321,221.47
General Supplies	57,753.73	1,300.00	\$ 22,604.00	\$ 11,169.20		929.00	\$ 4,005.68	17,745.85
<b>Total Instruction</b>	<b><u>1,701,111.13</u></b>	<b><u>643,473.07</u></b>	<b><u>22,604.00</u></b>	<b><u>11,169.20</u></b>	<b><u>60,299.85</u></b>	<b><u>2,383.00</u></b>	<b><u>4,005.68</u></b>	<b><u>957,176.33</u></b>
<b>Support Services:</b>								
Salaries of Other Professional Staff	305,757.64	84,796.00						220,961.64
Personal Services - Employee Benefits	513,047.13	194,467.00			20,212.00			298,368.13
Other Purchased Services	2,000.00						2,000.00	
Supplies and Materials	1,251.75							1,251.75
<b>Total Support Services</b>	<b><u>822,056.52</u></b>	<b><u>279,263.00</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>20,212.00</u></b>	<b><u>-</u></b>	<b><u>2,000.00</u></b>	<b><u>520,581.52</u></b>
<b>Total Expenditures</b>	<b><u>2,523,167.65</u></b>	<b><u>922,736.07</u></b>	<b><u>22,604.00</u></b>	<b><u>11,169.20</u></b>	<b><u>80,511.85</u></b>	<b><u>2,383.00</u></b>	<b><u>6,005.68</u></b>	<b><u>1,477,757.85</u></b>
<b>OTHER FINANCING SOURCES:</b>								
Transfer from General Fund	111,129.00							111,129.00
<b>Total Expenditures and Other Financing Sources</b>	<b><u>\$ 2,412,038.65</u></b>	<b><u>\$ 922,736.07</u></b>	<b><u>\$ 22,604.00</u></b>	<b><u>\$ 11,169.20</u></b>	<b><u>\$ 80,511.85</u></b>	<b><u>\$ 2,383.00</u></b>	<b><u>\$ 6,005.68</u></b>	<b><u>\$ 1,366,628.85</u></b>

(Continued)

**PAULSBORO SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2020

	Total Carried Forward	IDEA Part B			Non-Public Textbook Aid	N.J. Non-Public Auxiliary Services Chapter 192			Total Brought Forward
		Basic	Preschool	Perkins		Compensatory Education	Transportation	ESL	
<b>REVENUES:</b>									
Federal Sources	\$ 378,232.47	\$ 367,795.75	\$ 9,386.72	\$ 1,050.00					
State Sources	988,194.63				\$ 6,087.50	\$ 31,799.04	\$ 1,824.33	\$ 4,632.32	\$ 943,851.44
Local Sources	201.75								201.75
<b>Total Revenues</b>	<b>\$ 1,366,628.85</b>	<b>\$ 367,795.75</b>	<b>\$ 9,386.72</b>	<b>\$ 1,050.00</b>	<b>\$ 6,087.50</b>	<b>\$ 31,799.04</b>	<b>\$ 1,824.33</b>	<b>\$ 4,632.32</b>	<b>\$ 944,053.19</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 503,058.55	\$ 18,740.50							\$ 484,318.05
Purchased Professional - Technical Services	115,150.46	26,958.50				\$ 31,799.04	\$ 1,824.33	\$ 4,632.32	49,936.27
Other Purchased Services	321,221.47	312,602.75	\$ 8,618.72						
General Supplies	17,745.85				\$ 6,087.50				11,658.35
<b>Total Instruction</b>	<b>957,176.33</b>	<b>358,301.75</b>	<b>8,618.72</b>	<b>-</b>	<b>6,087.50</b>	<b>31,799.04</b>	<b>1,824.33</b>	<b>4,632.32</b>	<b>545,912.67</b>
<b>Support Services:</b>									
Salaries of Other Professional Staff	220,961.64		768.00						220,193.64
Personal Services - Employee Benefits	298,368.13	9,494.00							288,874.13
Other Purchased Services									
Supplies and Materials	1,251.75			\$ 1,050.00					201.75
<b>Total Support Services</b>	<b>520,581.52</b>	<b>9,494.00</b>	<b>768.00</b>	<b>1,050.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>509,269.52</b>
<b>Total Expenditures</b>	<b>1,477,757.85</b>	<b>367,795.75</b>	<b>9,386.72</b>	<b>1,050.00</b>	<b>6,087.50</b>	<b>31,799.04</b>	<b>1,824.33</b>	<b>4,632.32</b>	<b>1,055,182.19</b>
<b>OTHER FINANCING SOURCES:</b>									
Transfer from General Fund	111,129.00								111,129.00
<b>Total Expenditures and Other Financing Sources</b>	<b>\$ 1,366,628.85</b>	<b>\$ 367,795.75</b>	<b>\$ 9,386.72</b>	<b>\$ 1,050.00</b>	<b>\$ 6,087.50</b>	<b>\$ 31,799.04</b>	<b>\$ 1,824.33</b>	<b>\$ 4,632.32</b>	<b>\$ 944,053.19</b>

(Continued)

**PAULSBORO SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Total Carried Forward	Non-Public Nursing	Non-Public Technology	N.J. Non-Public Handicapped Services Chapter 193			Preschool Education Aid	G&T Exxon Mobil
				Examination and Classification	Corrective Speech	Supplemental Instruction		
<b>REVENUES:</b>								
Federal Sources								
State Sources	\$ 943,851.44	\$ 11,349.00	\$ 4,199.93	\$ 14,296.00	\$ 8,020.32	\$ 16,270.95	\$ 889,715.24	
Local Sources	201.75							\$ 201.75
<b>Total Revenues</b>	<b>\$ 944,053.19</b>	<b>\$ 11,349.00</b>	<b>\$ 4,199.93</b>	<b>\$ 14,296.00</b>	<b>\$ 8,020.32</b>	<b>\$ 16,270.95</b>	<b>\$ 889,715.24</b>	<b>\$ 201.75</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	\$ 484,318.05						\$ 484,318.05	
Purchased Professional - Technical Services	49,936.27	\$ 11,349.00		\$ 14,296.00	\$ 8,020.32	\$ 16,270.95		
Other Purchased Services								
General Supplies	11,658.35		\$ 4,199.93				7,458.42	
<b>Total Instruction</b>	<b>545,912.67</b>	<b>11,349.00</b>	<b>4,199.93</b>	<b>14,296.00</b>	<b>8,020.32</b>	<b>16,270.95</b>	<b>491,776.47</b>	<b>-</b>
Support Services:								
Salaries of Other Professional Staff	220,193.64						220,193.64	
Personal Services - Employee Benefits	288,874.13						288,874.13	
Other Purchased Services								
Supplies and Materials	201.75							\$ 201.75
<b>Total Support Services</b>	<b>509,269.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>509,067.77</b>	<b>201.75</b>
<b>Total Expenditures</b>	<b>1,055,182.19</b>	<b>11,349.00</b>	<b>4,199.93</b>	<b>14,296.00</b>	<b>8,020.32</b>	<b>16,270.95</b>	<b>1,000,844.24</b>	<b>201.75</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfer from General Fund	111,129.00						111,129.00	
<b>Total Expenditures and Other Financing Sources</b>	<b>\$ 944,053.19</b>	<b>\$ 11,349.00</b>	<b>\$ 4,199.93</b>	<b>\$ 14,296.00</b>	<b>\$ 8,020.32</b>	<b>\$ 16,270.95</b>	<b>\$ 889,715.24</b>	<b>\$ 201.75</b>

**PAULSBORO SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 347,854.00	\$ 347,854.00	
Other Salaries for Instruction	142,110.00	136,464.05	\$ 5,645.95
General Supplies	25,426.00	7,458.42	17,967.58
	<u>515,390.00</u>	<u>491,776.47</u>	<u>23,613.53</u>
Support Services:			
Salaries of Program Directors	19,667.00	10,413.96	9,253.04
Salaries of Other Professional Staff	124,397.12	124,397.12	
Salaries of Secretarial and Clerical Assistants	10,144.25	5,112.01	5,032.24
Other Salaries	17,381.75	17,381.55	0.20
Salaries of Community Parent Involvement Specialists	88,370.88	62,889.00	25,481.88
Personal Services - Employee Benefits	399,589.00	288,874.13	110,714.87
	<u>659,550.00</u>	<u>509,067.77</u>	<u>150,482.23</u>
Total Expenditures	<u>\$ 1,174,940.00</u>	<u>\$ 1,000,844.24</u>	<u>\$ 174,095.76</u>
<b>Calculation of Budget and Carryover:</b>			
Total Revised 2019-2020 Preschool Education Aid Allocation			\$ 1,063,811.00
Add: Actual ECPA/PEA Carryover (June 30, 2019)			147,288.00
Add: Budgeted Transfer from the General Fund 2019-2020			<u>111,129.00</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget			1,322,228.00
Less: 2019-2020 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)			<u>(1,174,940.00)</u>
Available and Unbudgeted Preschool Education Funds as of June 30, 2020			147,288.00
Add: June 30, 2020 Unexpended Preschool Education Aid			<u>174,095.76</u>
2019-2020 Carryover - Preschool Education Aid Programs			<u>\$ 321,383.76</u>
2019-2020 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-2021			<u>\$ -</u>

CAPITAL PROJECTS FUND

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2020

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2020
			Prior Years	Current Year	
Renovations to High School Gymnasium	10-28-09	\$ 341,927.00	\$ 316,993.00		\$ 24,934.00
Paulsboro High School HVAC Replacement	06-07-11	314,643.00	307,615.00		7,028.00
Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing	06-02-15	2,498,969.00	1,580,729.15	\$ 15,897.74	902,342.11
Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing	06-02-15	729,479.00	435,421.97	6,376.65	287,680.38
Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing	06-02-15	3,771,750.00	2,380,620.79	51,178.19	1,339,951.02
Paulsboro High School Track Improvements	04-01-15	798,272.00	57,384.00		740,888.00
Loudenslager Elementary School Basketball Courts	04-01-15	<u>325,000.00</u>	<u>22,619.00</u>		<u>302,381.00</u>
<b>Total</b>		<u>\$ 8,780,040.00</u>	<u>\$ 5,101,382.91</u>	<u>\$ 73,452.58</u>	<u>\$ 3,605,204.51</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Unexpended Balance as of June 30, 2020					\$ 3,605,204.51
SDA Grant Revenue Not Recognized on GAAP Basis					<u>(2,529,973.42)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ 1,075,231.09</u>



**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2020

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**Expenditures and Other Financing Uses**

Construction Services	<u>\$ 73,452.58</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,452.58)
Fund Balance - July 1	<u>3,678,657.09</u>
Fund Balance - June 30	<u><u>\$ 3,605,204.51</u></u>
Reconciliation to Governmental Funds Statements (GAAP):	
Fund Balance as of June 30, 2020	\$ 3,605,204.51
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(2,529,973.42)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 1,075,231.09</u></u>

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Renovations to High School Gymnasium  
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 243,428.00		\$ 243,428.00	\$ 243,428.00
Transfers	98,499.00		98,499.00	98,499.00
Total Revenues and Other Financing Sources	<u>341,927.00</u>	<u>-</u>	<u>341,927.00</u>	<u>341,927.00</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	316,993.00		316,993.00	341,927.00
Total Expenditures	<u>316,993.00</u>	<u>-</u>	<u>316,993.00</u>	<u>341,927.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 24,934.00</u>	<u>\$ -</u>	<u>\$ 24,934.00</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4020-050-09-1001
Grant Date	10-28-09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 420,000.00
Cancelation	(78,073.00)
Revised Authorized Cost	341,927.00
Percentage Decrease over Original Authorized Cost	-18.59%
Percentage Completion	92.71%
Original Target Completion Date	12-31-11
Revised Target Completion Date	N/A

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Paulsboro High School HVAC  
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 229,643.00		\$ 229,643.00	\$ 229,643.00
Transfers	85,000.00		85,000.00	85,000.00
Total Revenues and Other Financing Sources	<u>314,643.00</u>		<u>314,643.00</u>	<u>314,643.00</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>307,615.00</u>		<u>307,615.00</u>	<u>314,643.00</u>
Total Expenditures	<u>307,615.00</u>		<u>307,615.00</u>	<u>314,643.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,028.00</u>	<u>\$ -</u>	<u>\$ 7,028.00</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4020-050-10-1001
Grant Date	06-03-15
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 385,000.00
Additional Authorized Cost	(70,357.00)
Revised Authorized Cost	314,643.00
Percentage Decrease over Original Authorized Cost	-18.27%
Percentage Completion	97.77%
Original Target Completion Date	12-31-12
Revised Target Completion Date	N/A

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing  
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 717,087.00		\$ 717,087.00	\$ 717,087.00
State Sources - SDA Grant	1,781,882.00		1,781,882.00	1,781,882.00
<b>Total Revenues and Other Financing Sources</b>	<b>2,498,969.00</b>	<b>-</b>	<b>2,498,969.00</b>	<b>2,498,969.00</b>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	219,340.15		219,340.15	226,830.00
Construction Services	1,360,767.00	\$ 15,897.74	1,376,664.74	2,267,307.00
Miscellaneous Services	622.00		622.00	4,832.00
<b>Total Expenditures</b>	<b>1,580,729.15</b>	<b>15,897.74</b>	<b>1,596,626.89</b>	<b>2,498,969.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 918,239.85</u>	<u>\$ (15,897.74)</u>	<u>\$ 902,342.11</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4020-070-14-G3GQ
Grant Date	06-02-15
Bond Authorization Date	04-01-15
Bonds Authorized	\$ 717,087.00
Bonds Issued	717,087.00
Original Authorized Cost	2,469,969.00
Cancelation	-
Revised Authorized Cost	2,469,969.00
Percentage Decrease over Original Authorized Cost	
Percentage Completion	63.89%
Original Target Completion Date	12/31/16
Revised Target Completion Date	N/A

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing  
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 209,326.00		\$ 209,326.00	\$ 209,326.00
State Sources - SDA Grant	520,153.00		520,153.00	520,153.00
Total Revenues and Other Financing Sources	<u>729,479.00</u>	<u>-</u>	<u>729,479.00</u>	<u>729,479.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	101,807.97		101,807.97	88,308.00
Miscellaneous	133.00		133.00	1,342.00
Construction Services	333,481.00	\$ 6,376.65	339,857.65	639,829.00
Total Expenditures	<u>435,421.97</u>	<u>6,376.65</u>	<u>441,798.62</u>	<u>729,479.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 294,057.03</u>	<u>\$ (6,376.65)</u>	<u>\$ 287,680.38</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4020-060-14-G3GP
Grant Date	06-02-15
Bond Authorization Date	04-01-15
Bonds Authorized	\$ 209,326.00
Bonds Issued	209,326.00
Original Authorized Cost	729,749.00
Cancelation	(270.00)
Revised Authorized Cost	729,479.00
Percentage Decrease over Original Authorized Cost	-0.04%
Percentage Completion	60.56%
Original Target Completion Date	12/17/18
Revised Target Completion Date	N/A

## PAULSBORO SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing

From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 1,082,315.00		\$ 1,082,315.00	\$ 1,082,315.00
State Sources - SDA Grant	2,689,435.00		2,689,435.00	2,689,435.00
Total Revenues and Other Financing Sources	<u>3,771,750.00</u>	<u>-</u>	<u>3,771,750.00</u>	<u>3,771,750.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	290,159.79		290,159.79	244,183.00
Miscellaneous	163.00		163.00	7,247.00
Construction Services	2,090,298.00	\$ 51,178.19	2,141,476.19	3,520,320.00
Total Expenditures	<u>2,380,620.79</u>	<u>51,178.19</u>	<u>2,431,798.98</u>	<u>3,771,750.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,391,129.21</u>	<u>\$ (51,178.19)</u>	<u>\$ 1,339,951.02</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4020-050-14-G3G0
Grant Date	06-02-15
Bond Authorization Date	04-01-15
Bonds Authorized	\$ 1,082,315.00
Bonds Issued	1,082,315.00
Original Authorized Cost	3,771,750.00
Cancelation	-
Revised Authorized Cost	3,771,750.00
Percentage Decrease over Original Authorized Cost	
Percentage Completion	64.47%
Original Target Completion Date	12/31/16
Revised Target Completion Date	N/A

**PAULSBORO SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Paulsboro High School Track Improvements  
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 798,272.00		\$ 798,272.00	\$ 798,272.00
Total Revenues and Other Financing Sources	798,272.00	-	798,272.00	798,272.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	57,384.00		57,384.00	63,900.00
Construction Services				734,327.00
Total Expenditures	57,384.00	-	57,384.00	798,272.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 740,888.00	\$ -	\$ 740,888.00	\$ -

**Additional Project Information:**

Project Number	4020-050-1000
Grant Date	N/A
Bond Authorization Date	04-01-15
Bonds Authorized	\$ 798,272.00
Bonds Issued	798,272.00
Original Authorized Cost	798,272.00
Additional Authorized Cost	-
Revised Authorized Cost	798,272.00
Percentage Decrease over Original Authorized Cost	
Percentage Completion	7.19%
Original Target Completion Date	12/31/16
Revised Target Completion Date	N/A

## PAULSBORO SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Loudenslager Elementary School Basketball Courts

From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 325,000.00		\$ 325,000.00	\$ 325,000.00
Total Revenues and Other Financing Sources	325,000.00	-	325,000.00	325,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	22,619.00		22,619.00	26,000.00
Construction Services				299,000.00
Total Expenditures	22,619.00	-	22,619.00	325,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 302,381.00	\$ -	\$ 302,381.00	\$ -

**Additional Project Information:**

Project Number	4020-070-15-1000
Grant Date	N/A
Bond Authorization Date	04-01-15
Bonds Authorized	\$ 325,000.00
Bonds Issued	325,000.00
Original Authorized Cost	325,000.00
Cancelation	-
Revised Authorized Cost	325,000.00
Percentage Decrease over Original Authorized Cost	
Percentage Completion	6.96%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A



PROPRIETARY FUNDS

**PAULSBORO SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2020

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 35,811.74
Interfund Accounts Receivable:	
General Fund	19,229.22
Accounts Receivable:	
State	2,413.04
Federal	27,439.80
Other	7,828.59
Inventories	18,104.47
Total Current Assets	110,826.86
Noncurrent Assets:	
Furniture, Fixtures and Equipment	102,082.00
Less: Accumulated Depreciation	(95,604.71)
Total Noncurrent Assets	6,477.29
Total Assets	117,304.15
<b>LIABILITIES:</b>	
Current Liabilities:	
Unearned Revenue	1,151.35
Compensated Absences Payable	8,662.50
Total Current Liabilities	9,813.85
Noncurrent Liabilities:	
Compensated Absences Payable	9,200.67
Total Liabilities	19,014.52
<b>NET POSITION:</b>	
Net Investment in Capital Assets	6,477.29
Unrestricted	91,812.34
Total Net Position	\$ 98,289.63

**PAULSBORO SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 23,655.85
<b>Total Operating Revenues</b>	<u>23,655.85</u>
<b>OPERATING EXPENSES:</b>	
Salaries	248,347.42
Employee Benefits	67,764.28
Purchased Professional and Technical Services	2,139.00
Supplies and Materials	31,475.17
Depreciation	835.83
Cost of Sales - Reimbursable Programs	306,405.00
Cost of Sales - Non-Reimbursable Programs	10,108.09
Other Purchased Services	41,309.94
Direct Expenses	11,267.96
Miscellaneous	3,370.00
<b>Total Operating Expenses</b>	<u>723,022.69</u>
<b>Operating Loss</b>	<u>(699,366.84)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	8,990.40
Federal Sources:	
National School Lunch Program	435,407.00
National School Breakfast Program	192,332.80
Food Distribution Program	71,159.48
<b>Total Nonoperating Revenues (Expenses)</b>	<u>707,889.68</u>
<b>Net Income</b>	<u>8,522.84</u>
<b>Change in Net Position</b>	8,522.84
<b>Net Position - July 1</b>	<u>89,766.79</u>
<b>Net Position - June 30</b>	<u><u>\$ 98,289.63</u></u>

**PAULSBORO SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 16,978.61
Payments to Employees	(61,070.86)
Payments to Management Company	(588,073.24)
Payments to Suppliers	<u>(67,720.29)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(699,885.78)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Operating Subsidies and Transfers to (from) Other Funds	17,920.78
State Sources	6,973.09
Federal Sources	<u>696,016.39</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>720,910.26</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,024.48
Cash and Cash Equivalents - July 1	<u>14,787.26</u>
Cash and Cash Equivalents - June 30	<u><u>\$ 35,811.74</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for)</b>	
Operating Activities:	
Operating Income (Loss)	\$ (699,366.84)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	835.83
(Increase) Decrease in Accounts Receivable, net	(7,828.59)
(Increase) Decrease in Inventories	650.30
Increase (Decrease) in Compensated Absences Payable	4,672.17
Increase (Decrease) in Unearned Revenue	<u>1,151.35</u>
Total Adjustments	<u>(518.94)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (699,885.78)</u></u>

FIDUCIARY FUNDS

**PAULSBORO SCHOOL DISTRICT**  
Fiduciary Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2020

	Private-Purpose Trust Funds			Agency Funds			Total
	Scholarship Trust	Flexible Benefit Trust	Total Private-Purpose Trust	Student Activity	Payroll	Total Agency	
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 162,306.08	\$ 10,036.22	\$ 172,342.30	\$ 70,472.67	\$ 772,830.97	\$ 843,303.64	\$ 1,015,645.94
Total Assets	<u>162,306.08</u>	<u>10,036.22</u>	<u>172,342.30</u>	<u>\$ 70,472.67</u>	<u>\$ 772,830.97</u>	<u>\$ 843,303.64</u>	<u>1,015,645.94</u>
<b>LIABILITIES:</b>							
Payable to Student Groups				\$ 70,472.67		\$ 70,472.67	70,472.67
Interfund Accounts Payable:							
Due General Fund					\$ 468,005.52	468,005.52	468,005.52
Payroll Deductions and Withholdings					304,825.45	304,825.45	304,825.45
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 70,472.67</u>	<u>\$ 772,830.97</u>	<u>\$ 843,303.64</u>	<u>843,303.64</u>
<b>NET POSITION:</b>							
Restricted:							
Held in Trust for:							
Scholarships	162,306.08		162,306.08				162,306.08
Payment of Claims		10,036.22	10,036.22				10,036.22
Total Net Position	<u>\$ 162,306.08</u>	<u>\$ 10,036.22</u>	<u>\$ 172,342.30</u>				<u>\$ 172,342.30</u>

**PAULSBORO SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2020

	<u>Private-Purpose Trust Funds</u>		<u>Total</u>
	<u>Scholarship Trust</u>	<u>Flexible Benefit Trust</u>	
ADDITIONS:			
Interest on Investments	\$ 262.00	\$ 32.54	\$ 294.54
Employee Withholdings Contributions	68,905.00	9,155.00	9,155.00
	<u>68,905.00</u>	<u>9,155.00</u>	<u>68,905.00</u>
Total Additions	<u>69,167.00</u>	<u>9,187.54</u>	<u>78,354.54</u>
DEDUCTIONS:			
Claims Paid		10,510.76	10,510.76
Scholarships Awarded	32,162.51		32,162.51
	<u>32,162.51</u>	<u>10,510.76</u>	<u>42,673.27</u>
Total Deductions	<u>32,162.51</u>	<u>10,510.76</u>	<u>42,673.27</u>
Change in Net Position	37,004.49	(1,323.22)	35,681.27
Net Position - July 1 (Restated)	<u>125,301.59</u>	<u>11,359.44</u>	<u>136,661.03</u>
Net Position - June 30	<u>\$ 162,306.08</u>	<u>\$ 10,036.22</u>	<u>\$ 172,342.30</u>

**PAULSBORO SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Statement of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2020

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	Balance <u>June 30, 2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2020</u>
Billingsport Early Childhood Center	\$ 7,719.13	\$ 680.12	\$ 673.92	\$ 7,725.33
Loudenslager Elementary School	482.68	784.19		1,266.87
Paulsboro High School	<u>57,621.00</u>	<u>114,013.87</u>	<u>110,154.40</u>	<u>61,480.47</u>
Total All Schools	<u>\$ 65,822.81</u>	<u>\$ 115,478.18</u>	<u>\$ 110,828.32</u>	<u>\$ 70,472.67</u>



**PAULSBORO SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Statement of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 126,489.01	\$ 12,202,495.22	\$ 11,556,153.26	\$ 772,830.97
Total Assets	<u>\$ 126,489.01</u>	<u>\$ 12,202,495.22</u>	<u>\$ 11,556,153.26</u>	<u>\$ 772,830.97</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 125,226.31	\$ 4,556,170.13	\$ 4,376,570.99	\$ 304,825.45
Net Payroll		7,178,314.95	7,178,314.95	
Interfund Accounts Payable:				
General Fund	<u>1,262.70</u>	<u>468,010.14</u>	<u>1,267.32</u>	<u>468,005.52</u>
Total Liabilities	<u>\$ 126,489.01</u>	<u>\$ 12,202,495.22</u>	<u>\$ 11,556,153.26</u>	<u>\$ 772,830.97</u>

LONG-TERM DEBT

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
School District Bonds -- Series 2015	04-01-15	\$ 3,132,000.00	04-01-21	\$ 125,000.00	3.00%			
			04-01-22	135,000.00	3.00%			
			04-01-23	140,000.00	3.00%			
			04-01-24	145,000.00	3.00%			
			04-01-25	150,000.00	3.00%			
			04-01-26	155,000.00	3.00%			
			04-01-27	165,000.00	3.00%			
			04-01-28	170,000.00	3.00%			
			04-01-29	180,000.00	3.00%			
			04-01-30	180,000.00	3.00%			
			04-01-31	190,000.00	3.25%			
			04-01-32	195,000.00	3.25%			
			04-01-33	205,000.00	3.25%			
			04-01-34	210,000.00	3.50%			
			04-01-35	212,000.00	3.50%	\$ 2,682,000.00	\$ 125,000.00	\$ 2,557,000.00
						<u>\$ 2,682,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 2,557,000.00</u>

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2020

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>(Restated) Amount Outstanding June 30, 2019 (a)</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020 (a)</u>
			<u>Principal</u>	<u>Interest</u>				
Two 54 Passenger School Buses	07-15-17	5 Years	\$ 232,396.32	\$ 15,701.92	2.19%	\$ 166,455.21	\$ 32,037.17	\$ 134,418.04
Technology Equipment	09-02-16	4 Years	462,369.11	10,436.17	1.47%	116,555.00	116,555.00	
Two 54 Passenger School Buses	09-02-16	5 Years	199,768.24	7,327.00	1.56%	93,176.00	46,259.08	46,916.92
Two 24 Passenger School Buses	10-09-15	5 Years	106,098.20	5,302.12	2.34%	23,182.59	23,182.59	
One Computer Server	04-01-18	5 Years	228,407.00	19,188.66	4.20%	136,889.41	43,764.12	93,125.29
						<u>\$ 536,258.21</u>	<u>\$ 261,797.96</u>	<u>\$ 274,460.25</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

**PAULSBORO SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Miscellaneous				\$ 1,250.92	\$ 1,250.92
Local Tax Levy	\$ 185,548.00		\$ 185,548.00	185,548.00	
<b>Total Revenues</b>	<u>185,548.00</u>	<u>-</u>	<u>185,548.00</u>	<u>186,798.92</u>	<u>1,250.92</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	84,045.00		84,045.00	84,045.00	
Redemption of Principal	125,000.00		125,000.00	125,000.00	
<b>Total Expenditures</b>	<u>209,045.00</u>	<u>-</u>	<u>209,045.00</u>	<u>209,045.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,497.00)</u>	<u>-</u>	<u>(23,497.00)</u>	<u>(22,246.08)</u>	<u>1,250.92</u>
Fund Balance, July 1	<u>25,042.00</u>		<u>25,042.00</u>	<u>25,042.00</u>	
Fund Balance, June 30	<u>\$ 1,545.00</u>	<u>\$ -</u>	<u>\$ 1,545.00</u>	<u>\$ 2,795.92</u>	<u>\$ 1,250.92</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

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

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 6,306,530.18	\$ 6,532,615.00	\$ 6,760,026.00	\$ 5,392,191.00	\$ 4,333,068.00	\$ 2,302,241.00	\$ 5,290,964.00	\$ 5,253,341.00	\$ 5,695,960.00	\$ 5,522,026.00
Restricted	4,703,824.34	2,063,929.65	1,848,782.00	2,455,511.00	2,777,753.00	3,213,715.00	639,243.00	195,093.00	89,965.00	32,235.00
Unrestricted (Deficit)	(7,286,499.60)	(6,807,955.26)	(7,567,649.00)	(6,047,910.00)	(4,795,265.00)	(4,852,931.00)	(18,864.00)	246,981.00	634,785.00	815,668.00
<b>Total Governmental Activities Net Position</b>	<b>\$ 3,723,854.92</b>	<b>\$ 1,788,589.39</b>	<b>\$ 1,041,159.00</b>	<b>\$ 1,799,792.00</b>	<b>\$ 2,315,556.00</b>	<b>\$ 663,025.00</b>	<b>\$ 5,911,343.00</b>	<b>\$ 5,695,415.00</b>	<b>\$ 6,420,710.00</b>	<b>\$ 6,369,929.00</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 6,477.29	\$ 7,313.12	\$ 8,149.00	\$ 8,985.00	\$ 9,821.00	\$ 5,234.00	\$ 7,464.00	\$ 15,955.00	\$ 17,515.00	\$ 25,441.00
Unrestricted	91,812.34	82,453.67	44,435.00	144,045.00	105,832.00	78,339.00	(2,390.00)	96,785.00	96,583.00	143,129.00
<b>Total Business-type Activities Net Position</b>	<b>\$ 98,289.63</b>	<b>\$ 89,766.79</b>	<b>\$ 52,584.00</b>	<b>\$ 153,030.00</b>	<b>\$ 115,653.00</b>	<b>\$ 83,573.00</b>	<b>\$ 5,074.00</b>	<b>\$ 112,740.00</b>	<b>\$ 114,098.00</b>	<b>\$ 168,570.00</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 6,313,007.47	\$ 6,539,928.12	\$ 6,768,175.00	\$ 5,401,176.00	\$ 4,342,889.00	\$ 2,307,475.00	\$ 5,298,428.00	\$ 5,269,296.00	\$ 5,713,475.00	\$ 5,547,467.00
Restricted	4,703,824.34	2,063,929.65	1,848,782.00	2,455,511.00	2,777,753.00	3,213,715.00	639,243.00	195,093.00	89,965.00	32,235.00
Unrestricted (Deficit)	(7,194,687.26)	(6,725,501.59)	(7,523,214.00)	(5,903,865.00)	(4,689,433.00)	(4,774,592.00)	(21,254.00)	343,766.00	731,368.00	958,797.00
<b>Total District-wide Net Position</b>	<b>\$ 3,822,144.55</b>	<b>\$ 1,878,356.18</b>	<b>\$ 1,093,743.00</b>	<b>\$ 1,952,822.00</b>	<b>\$ 2,431,209.00</b>	<b>\$ 746,598.00</b>	<b>\$ 5,916,417.00</b>	<b>\$ 5,808,155.00</b>	<b>\$ 6,534,808.00</b>	<b>\$ 6,538,499.00</b>

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

Source: Exhibit A-1



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

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 5,143,584.41	\$ 5,387,277.00	\$ 5,858,718.00	\$ 5,648,527.00	\$ 6,058,930.00	\$ 5,864,909.00	\$ 5,348,121.00	\$ 5,034,386.00	\$ 5,205,071.00	\$ 4,763,317.00
Special Education	3,059,456.68	3,478,543.00	2,911,933.00	3,247,102.00	3,159,325.00	3,049,687.00	3,143,366.00	2,868,367.00	3,063,340.00	3,111,445.00
School Sponsored Activities	466,959.46									
Other Instruction	49,366.63	407,557.00	490,712.00	565,651.00	548,956.00	615,464.00	1,065,131.00	1,054,958.00	1,037,756.00	1,032,190.00
Support Services:										
Tuition	2,348,774.41	3,409,709.00	3,282,778.00	2,717,272.00	1,843,059.00	1,525,656.00	1,669,618.00	1,834,598.00	1,727,154.00	1,664,571.00
Student and Instruction Related Services	2,539,625.98	1,559,922.00	1,963,307.00	2,211,805.00	1,898,373.00	1,978,961.00	2,064,512.00	2,029,477.00	10,603,057.00	9,981,652.00
School Administrative Services	784,146.69	680,649.00	751,436.00	953,041.00	925,178.00	912,215.00	868,322.00	864,657.00	16,382.00	
General and Business Administrative Services	425,411.65	556,070.00	577,922.00	409,890.00	451,708.00	437,673.00	380,548.00	402,263.00	568,229.00	514,984.00
Central Services	257,664.76	266,463.00	239,446.00	262,821.00	247,573.00	236,181.00	232,388.00	239,882.00		
Administrative Information Technology	112,160.27	132,167.00	144,582.00	68,743.00	73,473.00	102,135.00	105,689.00	96,763.00	31,854.00	42,310.00
Plant Operations and Maintenance	2,064,336.20	1,699,340.00	1,565,345.00	1,393,830.00	1,609,360.00	1,545,376.00	1,447,747.00	1,519,474.00	430,263.00	410,167.00
Pupil Transportation	819,917.68	1,102,957.00	930,714.00	849,518.00	678,201.00	743,131.00	602,489.00	557,207.00		
Unallocated Benefits	7,843,216.99	9,336,950.00	11,918,534.00	6,767,235.00	8,068,790.00	8,058,016.00	5,590,178.00	6,089,312.00		
Transfer to Charter School	117,117.00	66,276.00	137,545.00					18,365.00		
Interest on Long-term Debt	83,107.50	153,944.00	113,641.00	102,702.00	99,550.00	27,734.00	18,580.00	21,399.00		
Unallocated Adjustment to Comp. Absences					31,242.00	29,261.00	(86,990.00)	16,334.00		
Unallocated Depreciation	549,445.27	574,493.00	635,942.00	496,048.00	518,503.00	362,438.00	342,411.00	974,617.00		
Total Governmental Activities Expenses	<u>26,664,291.58</u>	<u>28,812,317.00</u>	<u>31,522,555.00</u>	<u>25,694,185.00</u>	<u>26,212,221.00</u>	<u>25,460,197.00</u>	<u>22,884,392.00</u>	<u>23,615,676.00</u>	<u>22,683,106.00</u>	<u>21,520,636.00</u>
Business-type Activities:										
Food Service	723,022.69	751,102.00	883,504.00	765,941.00	756,712.00	714,814.00	754,692.00	678,722.00	653,091.00	626,024.00
Total Business-type Activities Expense	<u>723,022.69</u>	<u>751,102.00</u>	<u>883,504.00</u>	<u>765,941.00</u>	<u>756,712.00</u>	<u>714,814.00</u>	<u>754,692.00</u>	<u>678,722.00</u>	<u>653,091.00</u>	<u>626,024.00</u>
Total District Expenses	<u>\$ 27,387,314.27</u>	<u>\$ 29,563,419.00</u>	<u>\$ 32,406,059.00</u>	<u>\$ 26,460,126.00</u>	<u>\$ 26,968,933.00</u>	<u>\$ 26,175,011.00</u>	<u>\$ 23,639,084.00</u>	<u>\$ 24,294,398.00</u>	<u>\$ 23,336,197.00</u>	<u>\$ 22,146,660.00</u>
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,742,384.72	\$ 6,349,007.00	\$ 9,353,972.00	\$ 4,352,068.00	\$ 6,667,295.00	\$ 5,835,066.00	\$ 3,490,926.00	\$ 3,637,019.00	\$ 1,817,188.00	\$ 1,958,327.00
Charges for Services	1,373,213.26									
Total Governmental Activities Program Revenues	<u>7,115,597.98</u>	<u>6,349,007.00</u>	<u>9,353,972.00</u>	<u>4,352,068.00</u>	<u>6,667,295.00</u>	<u>5,835,066.00</u>	<u>3,490,926.00</u>	<u>3,637,019.00</u>	<u>1,817,188.00</u>	<u>1,958,327.00</u>
Business-type activities:										
Charges for Services:										
Food Service	23,655.85	27,245.00	32,690.00	37,214.00	29,850.00	24,624.00	62,328.00	71,973.00	71,266.00	83,878.00
Operating Grants and Contributions										
Food Service	707,889.68	761,040.00	750,368.00	766,104.00	758,942.00	768,689.00	584,698.00	535,391.00	527,353.00	454,218.00
Total Business-type Activities Program Revenues	<u>731,545.53</u>	<u>788,285.00</u>	<u>783,058.00</u>	<u>803,318.00</u>	<u>788,792.00</u>	<u>793,313.00</u>	<u>647,026.00</u>	<u>607,364.00</u>	<u>598,619.00</u>	<u>538,096.00</u>
Total District Program Revenues	<u>\$ 7,847,143.51</u>	<u>\$ 7,137,292.00</u>	<u>\$ 10,137,030.00</u>	<u>\$ 5,155,386.00</u>	<u>\$ 7,456,087.00</u>	<u>\$ 6,628,379.00</u>	<u>\$ 4,137,952.00</u>	<u>\$ 4,244,383.00</u>	<u>\$ 2,415,807.00</u>	<u>\$ 2,496,423.00</u>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (19,548,693.60)	\$ (22,463,310.00)	\$ (22,168,583.00)	\$ (21,342,117.00)	\$ (19,544,926.00)	\$ (19,625,131.00)	\$ (19,393,466.00)	\$ (19,978,657.00)	\$ (20,865,918.00)	\$ (19,562,309.00)
Business-type Activities	8,522.84	37,183.00	(100,446.00)	37,377.00	32,080.00	78,499.00	(107,666.00)	(71,358.00)	(54,472.00)	(87,928.00)
Total District-wide Net Expense	<u>\$ (19,540,170.76)</u>	<u>\$ (22,426,127.00)</u>	<u>\$ (22,269,029.00)</u>	<u>\$ (21,304,740.00)</u>	<u>\$ (19,512,846.00)</u>	<u>\$ (19,546,632.00)</u>	<u>\$ (19,501,132.00)</u>	<u>\$ (20,050,015.00)</u>	<u>\$ (20,920,390.00)</u>	<u>\$ (19,650,237.00)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Total Governmental Activities	\$ 21,483,959.13	\$ 23,536,371.00	\$ 21,409,950.00	\$ 20,826,353.00	\$ 21,197,457.00	\$ 19,913,478.00	\$ 19,609,394.00	\$ 19,253,362.00	\$ 20,916,699.00	\$ 20,068,855.00
Total Business-type Activities								70,000.00		150,000.00
Total District-wide	<u>\$ 21,483,959.13</u>	<u>\$ 23,536,371.00</u>	<u>\$ 21,409,950.00</u>	<u>\$ 20,826,353.00</u>	<u>\$ 21,197,457.00</u>	<u>\$ 19,913,478.00</u>	<u>\$ 19,609,394.00</u>	<u>\$ 19,323,362.00</u>	<u>\$ 20,916,699.00</u>	<u>\$ 20,218,855.00</u>

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

	Fiscal Year Ended June 30,									
	<u>2020</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>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 1,935,265.53	\$ 1,073,061.00	\$ (758,633.00)	\$ (515,764.00)	\$ 1,652,531.00	\$ 288,347.00	\$ 215,928.00	\$ (725,295.00)	\$ 50,781.00	\$ 506,546.00
Business-type Activities	<u>8,522.84</u>	<u>37,183.00</u>	<u>(100,446.00)</u>	<u>37,377.00</u>	<u>32,080.00</u>	<u>78,499.00</u>	<u>(107,666.00)</u>	<u>(1,358.00)</u>	<u>(54,472.00)</u>	<u>62,072.00</u>
Total District	<u>\$ 1,943,788.37</u>	<u>\$ 1,110,244.00</u>	<u>\$ (859,079.00)</u>	<u>\$ (478,387.00)</u>	<u>\$ 1,684,611.00</u>	<u>\$ 366,846.00</u>	<u>\$ 108,262.00</u>	<u>\$ (726,653.00)</u>	<u>\$ (3,691.00)</u>	<u>\$ 568,618.00</u>

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

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

Source: Exhibit A-2

**PAULSBORO SCHOOL DISTRICT**  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 3,625,797.33	\$ 963,657.00	\$ -	\$ 254,599.00	\$ 272,979.00	\$ 121,823.00	\$ 176,509.00	\$ 173,066.00	\$ 100,000.00	\$ 45,754.00
Assigned	225,267.61	272,523.00	406,587.00	1,842,073.00	1,752,539.00	1,649,640.00	1,335,222.00 #	1,257,387.48	1,590,172.00	1,463,127.00
Unassigned	<u>(765,808.90)</u>	<u>(4,526.11)</u>	<u>(1,019,217.00)</u>	<u>(986,695.00)</u>				<u>15,181.00</u>		
Total General Fund	<u>\$ 3,085,256.04</u>	<u>\$ 1,231,653.89</u>	<u>\$ (612,630.00)</u>	<u>\$ 1,109,977.00</u>	<u>\$ 2,025,518.00</u>	<u>\$ 1,771,463.00</u>	<u>\$ 1,511,731.00</u>	<u>\$ 1,445,634.48</u>	<u>\$ 1,690,172.00</u>	<u>\$ 1,508,881.00</u>
All Other Governmental Funds:										
Restricted	\$ 1,078,027.01	\$ 1,100,273.09	\$ 1,848,782.00	\$ 2,182,995.00	\$ 2,511,467.00	\$ 3,092,671.00	\$ 16,894.00	\$ 13,399.00	\$ 20,382.00	\$ 386,600.00
Assigned										
Unassigned (Deficit), Reported in: Special Revenue Fund	<u>(106,381.10)</u>	<u>(69,272.50)</u>								
Total All Other Governmental Funds	<u>\$ 971,645.91</u>	<u>\$ 1,031,000.59</u>	<u>\$ 1,848,782.00</u>	<u>\$ 2,182,995.00</u>	<u>\$ 2,511,467.00</u>	<u>\$ 3,092,671.00</u>	<u>\$ 16,894.00</u>	<u>\$ 13,399.00</u>	<u>\$ 20,382.00</u>	<u>\$ 386,600.00</u>

Source: Exhibit B-1

**PAULSBORO SCHOOL DISTRICT**  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>REVENUES:</b>										
Tax Levy	\$ 6,503,786.00	\$ 6,308,478.00	\$ 6,020,338.00	\$ 5,908,377.00	\$ 5,790,151.00	\$ 5,602,592.00	\$ 5,519,831.00	\$ 5,285,708.00	\$ 4,956,902.00	\$ 4,867,925.00
Tuition Charges	1,373,213.26	1,523,090.00	1,215,109.00	1,326,895.00	1,562,693.00	1,496,167.00	1,566,297.00	1,613,147.00	1,762,911.00	1,710,901.00
Transportation								3,330.00		
Miscellaneous	114,184.82	400,571.00	507,917.00	270,497.00	768,046.00	501,712.00	371,979.00	256,116.00	349,509.00	141,419.00
State Sources	18,069,863.57	17,090,825.00	16,627,971.00	15,938,942.00	15,987,493.00	14,544,749.00	14,215,136.00	14,357,076.00	13,873,198.00	13,757,771.00
Federal Sources	1,472,055.46	1,998,293.00	1,491,452.00	1,733,710.00	1,829,312.00	1,378,426.00	1,334,795.00	1,445,004.00	1,884,895.00	1,709,567.00
<b>Total Revenue</b>	<b>27,533,103.11</b>	<b>27,321,257.00</b>	<b>25,862,787.00</b>	<b>25,178,421.00</b>	<b>25,937,695.00</b>	<b>23,523,646.00</b>	<b>23,008,038.00</b>	<b>22,960,381.00</b>	<b>22,827,415.00</b>	<b>22,187,583.00</b>
<b>EXPENDITURES:</b>										
<b>Instruction</b>										
Regular Instruction	5,282,751.91	5,387,277.00	5,858,718.00	5,648,527.00	6,058,930.00	5,864,909.00	5,348,121.00	5,034,386.00	5,205,071.00	4,763,317.00
Special Education Instruction	3,059,456.68	3,478,543.00	2,911,933.00	3,247,102.00	3,159,325.00	3,049,687.00	3,143,366.00	2,868,367.00	3,063,340.00	3,111,445.00
School Sponsored Activities	466,959.46									
Other Special Instruction	49,366.63	407,557.00	490,712.00	565,651.00	548,956.00	615,464.00	1,065,131.00	1,054,958.00	1,037,756.00	1,032,190.00
<b>Support Services:</b>										
Tuition	2,348,774.41	3,409,709.00	3,282,778.00	2,717,272.00	1,843,059.00	1,525,656.00	1,669,618.00	1,834,598.00	1,727,154.00	1,664,571.00
Student and Instruction Related Services	2,553,737.23	1,674,788.00	1,963,307.00	2,211,805.00	1,898,373.00	1,978,961.00	2,064,512.00	2,029,477.00	11,188,942.00	10,490,565.00
School Administrative Services	789,819.19	680,649.00	751,436.00	953,041.00	925,178.00	912,215.00	868,322.00	864,657.00		
General and Business Admin. Services	472,847.74	556,070.00	577,922.00	409,890.00	451,708.00	437,673.00	380,548.00	402,263.00		
Central Services	257,664.76	266,463.00	239,446.00	262,821.00	247,573.00	236,181.00	232,388.00	239,882.00		
Administrative Info. Technology	156,163.83	132,167.00	144,582.00	68,743.00	73,473.00	102,135.00	105,689.00	96,763.00		
Plant Operations and Maintenance	2,064,436.24	1,512,572.00	1,565,345.00	1,393,830.00	1,609,360.00	1,545,376.00	1,447,747.00	1,514,629.00		
Pupil Transportation	925,843.80	1,202,479.00	930,714.00	849,518.00	678,201.00	743,131.00	602,489.00	557,207.00		
Unallocated Benefits	3,931,880.82	3,785,773.00	6,952,370.00	6,434,487.00	6,127,742.00	5,819,504.00	5,590,178.00	6,089,312.00		
<b>On Behalf TPAF Pension &amp; Social Security Contributions</b>										
Security Contributions	2,979,538.36	3,071,422.00								
Transfer to Charter School	117,117.00	66,276.00	137,545.00					18,365.00	16,382.00	
Capital Outlay	73,452.58	204,462.00	1,906,429.00	1,951,677.00	2,552,899.00	249,545.00	204,417.00	250,090.00	306,171.00	424,855.00
<b>Debt Service:</b>										
Principal	125,000.00	115,000.00	329,744.00	265,631.00	110,000.00	235,000.00	275,370.00	280,370.00	280,370.00	280,370.00
Interest and Other Charges	84,045.00	87,495.00	109,022.00	104,576.00	86,165.00	4,700.00	14,528.00	24,884.00	35,339.00	45,795.00
<b>Total Expenditures</b>	<b>25,738,855.64</b>	<b>26,038,702.00</b>	<b>28,152,003.00</b>	<b>27,084,571.00</b>	<b>26,370,942.00</b>	<b>23,320,137.00</b>	<b>23,012,424.00</b>	<b>23,160,208.00</b>	<b>22,860,525.00</b>	<b>21,813,108.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,794,247.47	1,282,555.00	(2,289,216.00)	(1,906,150.00)	(433,247.00)	203,509.00	(4,386.00)	(199,827.00)	(33,110.00)	374,475.00
<b>OTHER FINANCING SOURCES (USES):</b>										
Cancellation of PY Receivables									(151,815.00)	
Bond Proceeds						3,132,000.00				
Insurance Recovery Related to Impaired Capital Asset							92,282.00			
Capital Lease			232,396.00	662,137.00	106,098.00					
Interest on Capital Note		(67,312.00)								
Transfers In	111,129.00									
Transfers Out	(111,129.00)							(70,000.00)		(150,000.00)
<b>Total Other Financing Sources (Uses)</b>		<b>(67,312.00)</b>	<b>232,396.00</b>	<b>662,137.00</b>	<b>106,098.00</b>	<b>3,132,000.00</b>	<b>92,282.00</b>	<b>(70,000.00)</b>	<b>(151,815.00)</b>	<b>(150,000.00)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,794,247.47</b>	<b>\$ 1,215,243.00</b>	<b>\$ (2,056,820.00)</b>	<b>\$ (1,244,013.00)</b>	<b>\$ (327,149.00)</b>	<b>\$ 3,335,509.00</b>	<b>\$ 87,896.00</b>	<b>\$ (269,827.00)</b>	<b>\$ (184,925.00)</b>	<b>\$ 224,475.00</b>
Debt Service as a Percentage of Noncapital Expenditures	0.81%	0.78%	1.67%	1.47%	0.82%	1.04%	1.27%	1.33%	1.40%	1.52%

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	<u>2020</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>
Interest on Investments	\$ 8,265.99	\$ 4,031.00	\$ 4,867.00	\$ 4,867.00	\$ 6,951.00	\$ 10,753.00	\$ 9,441.00	\$ 13,538.00	\$ 30,262.00	\$ 28,425.00
Tuition	1,373,213.26	1,523,090.00	1,215,109.00	1,326,895.00	1,562,693.00	1,496,167.00	1,566,297.00	1,613,147.00	1,710,901.00	1,330,571.00
Claims and Settlement	95,627.08									
Prior Year Refunds		43,166.00	1,587.00	1,587.00	18,764.00	57,503.00	34,864.00	12,756.00		
Sale of Assets/Supplies	881.00									
Student Activity		9,647.00	27,827.00	27,827.00	27,345.00	32,524.00	15,267.00	28,058.00		
Transportation	385.00	5,355.00						3,330.00		
Miscellaneous	<u>7,573.08</u>	<u>315,541.00</u>	<u>416,615.00</u>	<u>152,884.00</u>	<u>224,288.00</u>	<u>46,257.00</u>	<u>31,893.00</u>	<u>2,589.00</u>	<u>111,157.00</u>	<u>36,339.00</u>
Total Miscellaneous Revenues	<u>\$ 1,485,945.41</u>	<u>\$ 1,900,830.00</u>	<u>\$ 1,666,005.00</u>	<u>\$ 1,514,060.00</u>	<u>\$ 1,840,041.00</u>	<u>\$ 1,643,204.00</u>	<u>\$ 1,657,762.00</u>	<u>\$ 1,673,418.00</u>	<u>\$ 1,852,320.00</u>	<u>\$ 1,395,335.00</u>

Source: District Records

## Revenue Capacity Information

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

**PAULSBORO SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized ) Value
2020	\$ 3,792,600.00	\$ 202,557,500.00	\$ 26,400.00	\$ 27,249,800.00	\$ 96,965,300.00	\$ 8,819,700.00	\$ 339,411,300.00	-	\$ 339,411,300.00	1.951	\$ 339,111,585.00
2019	3,835,000.00	202,918,600.00	14,500.00	27,560,300.00	96,965,300.00	8,446,600.00	339,740,300.00	-	339,740,300.00	1.885	334,445,341.00
2018	4,072,900.00	204,644,100.00	14,500.00	27,603,200.00	113,205,300.00	8,469,400.00	358,009,400.00	-	358,009,400.00	1.722	372,165,290.00
2017	5,042,500.00	205,022,200.00	14,500.00	27,239,100.00	113,205,300.00	8,404,400.00	358,928,000.00	-	358,928,000.00	1.705	372,326,549.00
2016	4,921,000.00	205,603,800.00	14,100.00	27,709,800.00	113,205,300.00	8,404,400.00	359,858,400.00	\$ 1,438,112.00	361,296,512.00	1.576	361,296,512.00
2015	3,988,500.00	205,881,500.00	19,300.00	27,467,300.00	115,355,300.00	8,404,400.00	361,116,300.00	1,465,264.00	362,581,564.00	1.571	387,272,513.00
2014	4,329,400.00	223,713,100.00	19,300.00	30,984,100.00	127,402,300.00	4,367,700.00	390,815,900.00	1,417,859.00	392,233,759.00	1.294	409,133,443.00
2013*	4,774,900.00	225,189,900.00	18,800.00	31,971,100.00	128,484,600.00	8,453,500.00	398,892,800.00	1,622,710.00	400,515,510.00	1.310	446,122,607.00
2012	3,183,800.00	141,684,900.00	19,000.00	49,472,600.00	47,463,800.00	5,894,500.00	247,718,600.00	1,140,017.00	248,858,617.00	2.120	450,989,485.00
2011	3,301,000.00	141,909,600.00	19,000.00	49,918,600.00	48,309,232.00	5,894,500.00	249,351,932.00	1,063,294.00	250,415,226.00	1.960	495,092,817.00

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

(2) Tax Rates are per \$100 of Assessed Valuation

\* Reassessment

Source: Municipal Tax Assessor

**PAULSBORO SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended <u>Dec. 31</u>	<u>School District Direct Rate</u>		<u>Overlapping Rates</u>				Total Direct and Overlapping <u>Tax Rate</u>
	<u>Local School</u>	<u>Total Direct Tax Rate</u>	<u>Paulsboro Borough</u>	<u>Local Library</u>	<u>Gloucester County</u>	<u>County Open Space</u>	
2020	\$ 1.951	\$ 1.951	\$ 1.524	\$ 0.034	\$ 0.657	\$ 0.040	\$ 4.206
2019	1.885	1.885	1.494	0.034	0.622	0.039	4.074
2018	1.722	1.722	1.375	0.035	0.667	0.042	3.841
2017	1.722	1.722	1.383	0.034	0.661	0.042	3.842
2016	1.705	1.705	1.354	0.034	0.638	0.042	3.773
2015	1.576	1.576	1.315	0.035	0.657	0.045	3.628
2014	1.571	1.571	1.294	0.030	0.594	0.042	3.531
2013	1.294	1.294	1.272	0.040	0.628	0.046	3.280
2012	1.310	1.310	1.970	-	0.920	0.070	4.270
2011	2.120	2.120	2.035	-	1.016	0.082	5.253

Source: Municipal Tax Collector



**PAULSBORO SCHOOL DISTRICT**  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
*Unaudited*

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
PBF Logistics Products Terminals	\$ 38,333,400.00	1	11.29%	\$ 3,225,600.00	4	1.29%
Exxon/Mobil Oil Corporation	30,612,600.00	2	9.02%	18,106,432.00	3	7.26%
CPI Operations LLC	22,500,000.00	3	6.63%			
Paulsboro Gardens	4,500,000.00	4	1.33%	2,634,700.00	5	1.06%
ESP Group LLC	2,075,700.00	5	0.61%			
Sunoco Inc	1,880,100.00	6	0.55%			
Dependable Management LLC	1,500,000.00	7	0.44%	1,175,000.00	8	0.47%
J&A Properties of NJ LLC	1,490,000.00	8	0.44%	1,299,000.00	6	0.52%
Rite-Aid	1,400,000.00	9	0.41%			
Paulsboro Equities LLC c/o CVS	1,400,000.00	10	0.41%			
NuStar Asphalt Refining LLC				28,800,000.00	1	11.55%
RE McElroy LLC				25,510,200.00	2	10.23%
AV Paulsboro LLC				1,293,100.00	7	0.52%
Bell Atlantic				1,140,017.00	9	0.46%
Wawa				916,000.00	10	0.37%
Total	<u>\$ 105,691,800.00</u>		<u>31.14%</u>	<u>\$ 84,100,049.00</u>		<u>33.73%</u>

Source: Municipal Chief Financial Officer

**PAULSBORO SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)	
		Amount	Percentage of Levy
2020	\$ 6,503,786.00	\$ 6,503,786.00	100.00%
2019	6,308,478.00	6,308,478.00	100.00%
2018	6,020,338.00	6,020,338.00	100.00%
2017	6,117,249.00	6,117,249.00	100.00%
2016	5,696,372.00	5,696,372.00	100.00%
2015	5,696,372.00	5,696,372.00	100.00%
2014	5,561,211.00	5,561,211.00	100.00%
2013	5,246,100.00	5,246,100.00	100.00%
2012	5,277,976.00	5,277,976.00	100.00%
2011	4,914,995.00	4,914,995.00	100.00%

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

# Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

**PAULSBORO SCHOOL DISTRICT**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities (1)			Total District Debt	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds	Loans Payable	Capital Leases			
2020	\$ 2,557,000.00		\$ 274,460.25	\$ 2,831,460.25	Unavailable	Unavailable
2019	2,682,000.00		536,129.29	3,218,129.29	0.97%	\$ 56.96
2018	2,797,000.00		613,756.00	3,410,756.00	1.07%	62.76
2017	2,912,000.00		596,104.00	3,508,104.00	1.13%	66.83
2016	3,022,000.00		89,598.00	3,111,598.00	1.03%	61.25
2015	3,132,000.00			3,132,000.00	1.06%	63.12
2014	235,000.00			235,000.00	0.08%	4.96
2013	480,000.00	\$ 30,370.00		510,370.00	0.19%	11.12
2012	790,740.00			790,740.00	0.29%	17.61
2011	1,071,110.00			1,071,110.00	0.40%	24.48

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income
- (3) Per Capita personal income data provided by the NJ Dept. of Labor and Workforce

**PAULSBORO SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Net General Bonded Debt Outstanding (1)		
2020	\$ 2,557,000.00	\$ 2,557,000.00	0.75%	Unavailable
2019	2,682,000.00	2,682,000.00	0.79%	\$ 458.15
2018	2,797,000.00	2,797,000.00	0.78%	475.68
2017	2,912,000.00	2,912,000.00	0.81%	494.06
2016	3,022,000.00	3,022,000.00	0.84%	509.87
2015	3,132,000.00	3,132,000.00	0.86%	525.06
2014	235,000.00	235,000.00	0.06%	39.22
2013	480,000.00	480,000.00	0.12%	79.92
2012	790,740.00	790,740.00	0.32%	131.05
2011	1,071,110.00	1,071,110.00	0.43%	176.63

## Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce Development

**PAULSBORO SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2019  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Paulsboro Borough</u>
Municipal Debt: (1)				
Paulsboro School District	\$ 2,682,000.00	\$ 2,682,000.00		
Self Liquidating Debt	19,172,271.92	19,172,271.92		
Paulsboro Borough	<u>9,631,946.64</u>	<u>1,470,000.00</u>	\$ 8,161,946.64	\$ 8,161,946.64
	<u>31,486,218.56</u>	<u>23,324,271.92</u>	<u>8,161,946.64</u>	<u>8,161,946.64</u>
Overlapping Debt Apportioned to the Municipality:				
County of Gloucester: (1)				
General:				
Bonds	238,747,000.00	13,868,446.00	224,878,554.00	2,766,006.21 (3)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>192,032,966.00</u>	<u>192,032,966.00</u> (2)		
	<u>430,779,966.00</u>	<u>205,901,412.00</u>	<u>224,878,554.00</u>	<u>2,766,006.21</u>
	<u>\$ 462,266,184.56</u>	<u>\$ 229,225,683.92</u>	<u>\$ 233,040,500.64</u>	<u>\$ 10,927,952.85</u>

## Sources:

- (1) 2019 Annual Debt Statement
- (2) Deductible in accordance with N.J.S. 40:37A-80.
- (3) Such debt is allocated as a proportion of the Borough's share of the total 2019 Equalized Value, which is 1.23%.  
The source for this computation was the 2019 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**PAULSBORO SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2020:**

## Equalized Valuation Basis (1):

2019	\$	336,509,806
2018		348,971,050
2017		369,800,124
	\$	<u>1,055,280,980</u>

\$	<u>351,760,326.67</u>	Average equalized valuation of taxable property
\$	14,070,413	Debt limit (4% of average equalization value) (2)
	<u>2,557,000</u>	Net bonded school debt (3)
\$	<u>11,513,413</u>	Legal Debt Margin

	Fiscal Year Ended June 30,									
	<u>2020</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>
Debt Limit	\$ 14,070,413	\$ 14,550,605	\$ 14,812,309	\$ 14,983,610	\$ 15,453,720	\$ 16,409,873	\$ 17,282,194	\$ 18,083,203	\$ 18,377,158	\$ 18,842,344
Total Net Debt Applicable to Limit (3)	<u>2,557,000</u>	<u>2,682,000</u>	<u>2,797,000</u>	<u>2,912,000</u>	<u>3,022,000</u>	<u>3,132,000</u>	<u>235,000</u>	<u>480,000</u>	<u>790,740</u>	<u>1,071,110</u>
Legal Debt Margin	\$ <u>11,513,413</u>	\$ <u>11,868,605</u>	\$ <u>12,015,309</u>	\$ <u>12,071,610</u>	\$ <u>12,431,720</u>	\$ <u>13,277,873</u>	\$ <u>17,047,194</u>	\$ <u>17,603,203</u>	\$ <u>17,586,418</u>	\$ <u>17,771,234</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.17%	18.43%	18.88%	19.43%	19.56%	19.09%	1.36%	2.65%	4.30%	5.68%

## Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district.
- (3) District Records

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.



**PAULSBORO SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	Unavailable	Unavailable	Unavailable	3.1%
2019	5,854	\$ 330,745,146.00	\$ 56,499.00	3.7%
2018	5,880	319,542,720.00	54,344.00	3.7%
2017	5,894	309,411,424.00	52,496.00	4.1%
2016	5,927	301,115,308.00	50,804.00	4.9%
2015	5,965	295,965,405.00	49,617.00	7.8%
2014	5,992	283,811,080.00	47,365.00	8.8%
2013	6,006	275,543,268.00	45,878.00	8.6%
2012	6,034	270,999,008.00	44,912.00	8.8%
2011	6,064	265,360,640.00	43,760.00	8.6%

## Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.



## Operating Information

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

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

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2020</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>
Instruction:										
Instruction	154	154	153	167	160	156	161	166	159	N/A
Support Services:										
Administrative Info. Technology	2	2	3	3	3	2	2	2	3	N/A
School Administrative Services	14	14	14	18	18	20	20	18	19	N/A
General & Business Administrative Services	3.5	3.5	3.5	3.6	3	3	3	3	2	N/A
Plant Operations and Maintenance	19.5	19.5	18	18	17	17	16	19	19	N/A
Pupil Transportation	9.5	9.5	6.5	6	6	4	5	5	6	N/A
Business and Other Support Services	4	4	4	4	4	4	9	11	12	N/A
<b>Total</b>	<u>206.5</u>	<u>206.5</u>	<u>202</u>	<u>219.6</u>	<u>211</u>	<u>206</u>	<u>216</u>	<u>224</u>	<u>220</u>	<u>0</u>

Source: District Personnel Records

**PAULSBORO SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended <u>June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>Senior High School</u>				
2020	1,187	\$ 25,456,358.06	\$ 21,445.96	-6.12%	120	1:13	1:06	1:09	1,162	1,083	0.26%	93.20%
2019	1,122	25,631,745.00	22,844.69	-1.56%	106	1:13	1:14	1:09	1,159	1,076	3.76%	92.84%
2018	1,112	25,806,808.00	23,207.56	5.81%	107	1:11	1:13	1:09	1,117	1,029	-1.06%	92.12%
2017	1,129	24,762,687.00	21,933.29	7.52%	117	1:12	1:07	1:09	1,129	1,045	-1.31%	92.56%
2016	1,158	23,621,878.00	20,398.86	3.64%	117	1:12	1:07	1:09	1,144	1,067	-1.55%	93.27%
2015	1,160	22,830,892.00	19,681.80	10.52%	116	1:12	1:15	1:08	1,162	1,078	13.04%	92.77%
2014	1,166	20,764,310.00	17,808.00	-1.63%	116	1:12	1:15	1:08	1,028	954	-11.53%	92.80%
2013	1,158	20,964,294.00	18,104.00	7.93%	116	1:12	1:15	1:08	1,162	1,072	-3.49%	92.25%
2012	1,216	20,396,880.00	16,774.00	8.35%	116	1:12	1:15	1:08	1,204	1,162	-1.55%	96.51%
2011	1,234	19,103,761.00	15,481.00	5.94%	119	1:12	1:15	1:07	1,223	1,104	-5.41%	90.27%

Sources: District Records

**PAULSBORO SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>District Building:</b>										
<u>Elementary:</u>										
Billingsport (1923):										
Square Feet	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863	39,863
Capacity (students)	390	390	390	390	390	390	390	390	390	390
Enrollment	360	370	343	343	369	330	333	334	347	358
Loudenslager (1926):										
Square Feet	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244	39,244
Capacity (students)	367	367	367	367	367	367	367	367	367	367
Enrollment	322	325	270	270	282	305	315	315	322	302
Junior High School:										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	143	162	180	180	149	150	N/A	N/A	N/A	N/A
<u>High School:</u>										
Paulsboro High School (1916):										
Square Feet	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863
Capacity (students)	717	717	717	717	717	717	717	717	717	717
Enrollment	259	317	319	336	323	366	510	509	547	574
Other Buildings:										
Central Administration (1920):										
Square Feet	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551	7,551

Number of Schools at June 30, 2020:

Elementary = 2  
 Junior High School = 1  
 High School = 1  
 Other = 1

Source: District Records

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

**PAULSBORO 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> :	Fiscal Year Ended June 30,									
	<u>2020</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>
High School	\$ 265,193.00	\$ 186,915.00	\$ 198,114.00	\$ 159,793.00	\$ 153,631.00	\$ 173,753.00	\$ 145,462.00	\$ 143,733.00	\$ 193,144.00	\$ 163,381.00
Billingsport	40,067.67	26,733.00	45,500.00	35,021.00	41,714.00	41,484.00	36,712.00	87,883.00	50,610.00	57,730.00
Loudenslager	64,120.37	30,757.00	51,830.00	39,636.00	82,998.00	68,345.00	40,266.00	61,277.00	55,626.00	44,156.00
Total School Facilities	<u>\$ 369,381.04</u>	<u>\$ 244,405.00</u>	<u>295,444.00</u>	<u>\$ 234,450.00</u>	<u>\$ 278,343.00</u>	<u>\$ 283,582.00</u>	<u>\$ 222,440.00</u>	<u>\$ 292,893.00</u>	<u>\$ 299,380.00</u>	<u>\$ 265,267.00</u>

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

Source: District Records

## PAULSBORO SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

*Unaudited*


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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)		
Limits of Liability per Occurrence	\$ 500,000,000.00	\$ 3,500.00
Boiler and Machinery	100,000,000.00	2,500.00
General Liability including Automobile and		
Employee Benefits	5,000,000.00	
Fire Damage	2,500,000.00	
Environmental Impairment Liability	1,000,000.00	5,000.00
Crime Coverage	50,000.00	
Blanket Dishonasty Bond	500,000.00	
Excess Liability	15,000,000.00	10,000.00
School Board Legal Liability	5,000,000.00	10,000.00
Surety Bonds (2):		
Treasurer	215,000.00	
Board Secretary	215,000.00	
Student Accident Policy (2)	6,000,000.00	

(1) School Alliance Insurance Fund

(2) Selective Insurance Company of America

Source: District Records



SINGLE AUDIT SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Paulsboro School District  
Paulsboro, New Jersey 08066

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

We have audited the Paulsboro School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the Paulsboro School District, in the County of Gloucester, 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, 2020.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2020-005, Finding No. 2020-006, Finding No. 2020-007, Finding No. 2020-008 and Finding No. 2020-009. Our opinion on each major federal and state program is not modified with respect to these matters.

The Paulsboro School District's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

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

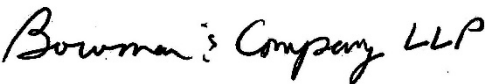
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2020-005, Finding No. 2020-006, Finding No. 2020-007, Finding No. 2020-008 and Finding No. 2020-009, that we consider to be significant deficiencies.

The Paulsboro School District's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Paulsboro School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Public School Accountant No. CS 01113

Voorhees, New Jersey  
February 2, 2021

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards - Schedule A  
For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2019
					From	To	
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Special Education Medicaid Initiative Cluster	93.778	2005NJ5MAP	Unavailable	\$ 53,131.96	07-01-19	06-30-20	
Total General Fund							-
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I - Grants to Local Educational Agencies	84.010	S010A190030	ESEA402020	847,132.00	07-01-19	09-30-20	
Title I - Grants to Local Educational Agencies	84.010	S010A180030	ESEA402019	888,833.00	07-01-18	06-30-19	\$ 57,316.00
Total Title I Grants to Local Educational Agencies							57,316.00
Title I - Grants to Local Educational Agencies - Reallocated	84.010	S010A190030	ESEA402020	22,604.00	07-01-19	09-30-20	
Title IA - SIA - School Improvement	84.010	S010A190030	ESEA402020	28,400.00	07-01-19	09-30-20	
Title IA - SIA - School Improvement	84.010	S010A180030	ESEA402019	35,239.00	07-01-18	06-30-19	(179.00)
Total Title IA - School Improvement							(179.00)
Title II - Supporting Effective Instruction State Grants	84.367	S367A190029	ESEA402020	69,968.00	07-01-19	09-30-20	
Title II - Supporting Effective Instruction State Grants	84.367	S367A180029	ESEA402019	79,598.00	07-01-18	06-30-19	(7,256.00)
Total Supporting Effective Instruction State Grants							(7,256.00)
Title III - English Language Acquisition	84.365	S365A190030	ESEA402020	2,383.00	07-01-19	09-30-20	
Title III - English Language Acquisition	84.365	S365A180030	ESEA402019	11,710.00	07-01-18	06-30-19	631.00
Total Title III - English Language Acquisition							631.00
Title IV - Student Support and Academic Enrichment	84.424	S424A190031	ESEA402020	51,878.00	07-01-19	09-30-20	
Total Title IV - Student Support and Academic Enrichment							-
Education Stabilization Fund (CARES Act)	84.425	S425D200027	N/A	674,486.00	03-13-20	09-30-22	
Individuals with Disabilities Act (IDEA):							
Special Education Cluster:							
Special Education Grants to States	84.027	H027A190100	FT402020	375,308.00	07-01-19	09-30-20	
Special Education Grants to States	84.027	H027A180100	FT402019	357,799.00	07-01-18	06-30-19	174.00
Special Education Preschool Grants	84.173	H173A190114	PS402020	14,011.00	07-01-19	09-30-20	
Special Education Preschool Grants	84.173	H173A180114	PS402019	13,603.00	07-01-18	06-30-19	1,696.00
Total Special Education Cluster (IDEA)							1,870.00
Career and Technical Education (Perkins)	84.048	V048A150030	Unavailable	22,789.00	07-01-03	06-30-04	1,050.00
Total Special Revenue Fund							53,432.00
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through the State Department of Education:							
Child Nutrition Cluster:							
Food Distribution Program (Non-Cash Assistance)	10.555	201NJ304N1099	Unavailable	62,248.29	07-01-19	06-30-20	
Food Distribution Program (Non-Cash Assistance)	10.555	191NJ304N1099	Unavailable	54,899.00	07-01-18	06-30-19	8,911.19
National School Lunch Program	10.555	201NJ304N1099	Unavailable	435,407.00	07-01-19	06-30-20	
National School Lunch Program	10.555	191NJ304N1099	Unavailable	465,132.00	07-01-18	06-30-19	(22,380.57)
School Breakfast Program	10.553	201NJ304N1099	Unavailable	192,332.80	07-01-19	06-30-20	
School Breakfast Program	10.553	191NJ304N1099	Unavailable	216,554.00	07-01-18	06-30-19	(10,928.28)
After School Snack Program	10.555	201NJ304N1099	Unavailable	8,065.00	07-01-18	06-30-19	(159.25)
Total Child Nutrition Cluster							(24,556.91)
Total Enterprise Fund							(24,556.91)
Total Federal Financial Assistance							\$ 28,875.09

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Adjustments (A)	Budgetary Expenditures			Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2020		
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 53,131.96		\$ 53,131.96		\$ 53,131.96					
-	53,131.96		53,131.96		53,131.96	-	-	-	-	-
\$ 128,503.00 (128,503.00)	715,751.00 71,187.00	\$ 0.07	922,736.07		922,736.07			\$ (131,381.00)	\$ 52,899.00	
-	786,938.00	0.07	922,736.07	-	922,736.07	-	-	(131,381.00)	52,899.00	-
	22,604.00		22,604.00		22,604.00					
	678.00 179.00	0.20	11,169.20		11,169.20			(62,196.00)	51,705.00	
-	857.00	0.20	11,169.20	-	11,169.20	-	-	(62,196.00)	51,705.00	-
20,700.00 (20,700.00)	55,120.00 27,956.00	(0.15)	80,511.85		80,511.85			(14,848.00)	10,156.00	
-	83,076.00	(0.15)	80,511.85	-	80,511.85	-	-	(14,848.00)	10,156.00	-
	1,000.00	(1,631.00)	2,383.00		2,383.00			(2,383.00)		
-	1,000.00	(1,631.00)	2,383.00	-	2,383.00	-	-	(2,383.00)	-	-
	2,000.00	(0.32)	6,005.68		6,005.68			(58,526.00)	54,520.00	
-	2,000.00	(0.32)	6,005.68	-	6,005.68	-	-	(58,526.00)	54,520.00	-
								(674,486.00)	674,486.00	
174.00 (174.00)	372,951.00	(0.25)	367,795.75		367,795.75			(2,357.00)	7,686.00	
1,696.00 (1,696.00)	13,784.00	(0.28)	9,386.72		9,386.72			(227.00)	6,320.00	
-	386,735.00	(0.53)	377,182.47	-	377,182.47	-	-	(2,584.00)	14,006.00	-
			1,050.00		1,050.00					
-	1,283,210.00	(1,631.73)	1,423,642.27	-	1,423,642.27	-	-	(946,404.00)	857,772.00	-
	62,248.29		62,248.29		62,248.29					
	418,558.00		8,911.19		8,911.19			(16,849.00)		
	22,380.57		435,407.00		435,407.00					
	181,742.00		192,332.80		192,332.80			(10,590.80)		
	10,928.28									
	159.25									
-	696,016.39	-	698,899.28	-	698,899.28	-	-	(27,439.80)	-	-
-	696,016.39	-	698,899.28	-	698,899.28	-	-	(27,439.80)	-	-
\$ -	\$ 2,032,358.35	\$ (1,631.73)	\$ 2,175,673.51	\$ -	\$ 2,175,673.51	\$ -	\$ -	\$ (973,843.80)	\$ 857,772.00	\$ -

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2020

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019	
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
<b>General Fund:</b>						
New Jersey State Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	495-034-5120-078	\$ 12,267,901.00	07-01-19	06-30-20		
Equalization Aid	495-034-5120-078	11,611,950.00	07-01-18	06-30-19	\$ (1,116,728.45)	
Categorical Aid Special Education Aid	495-034-5120-089	715,226.00	07-01-19	06-30-20		
Categorical Aid Special Education Aid	495-034-5120-089	715,226.00	07-01-18	06-30-19	(68,783.73)	
Categorical Aid Security Aid	495-034-5120-084	498,216.00	07-01-19	06-30-20		
Categorical Aid Security Aid	495-034-5120-084	498,216.00	07-01-18	06-30-19	(47,913.74)	
School Choice Aid	495-034-5120-068	72,675.00	07-01-19	06-30-20		
School Choice Aid	495-034-5120-068	63,390.00	07-01-18	06-30-19	(6,096.26)	
<b>Total State Aid - Public Cluster</b>					<b>(1,239,522.18)</b>	<b>-</b>
Transportation Aid:						
Categorical Transportation Aid	495-034-5120-014	179,476.00	07-01-19	06-30-20	(17,260.32)	
Categorical Transportation Aid	495-034-5120-014	179,476.00	07-01-18	06-30-19		
<b>Total Transportation Aid</b>					<b>(17,260.32)</b>	<b>-</b>
Extraordinary Aid						
Extraordinary Aid	495-034-5120-044	277,929.00	07-01-19	06-30-20		
Extraordinary Aid	495-034-5120-044	372,122.00	07-01-18	06-30-19	(372,122.00)	
<b>Total Extraordinary Aid</b>					<b>(372,122.00)</b>	<b>-</b>
Reimbursed TPAF Social Security Contributions						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	553,140.36	07-01-19	06-30-20		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	588,286.00	07-01-18	06-30-19	(28,859.40)	
<b>Total Reimbursed TPAF Social Security Contributions</b>					<b>(28,859.40)</b>	<b>-</b>
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement						
Medical (non-budgeted)	495-034-5094-001	656,192.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	1,737,653.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	31,145.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	1,408.00	07-01-19	06-30-20		
<b>Total On-Behalf TPAF Pension Contributions (non-budgeted)</b>					<b>-</b>	<b>-</b>
Homeless Tuition Reimbursement Aid						
Homeless Tuition Reimbursement Aid	495-034-5120-005	92,709.00	07-01-19	06-30-20		
Homeless Tuition Reimbursement Aid	495-034-5120-005	136,093.00	07-01-18	06-30-19	(136,093.00)	
<b>Total Homeless Tuition Reimbursement Aid</b>					<b>(136,093.00)</b>	<b>-</b>
<b>Total General Fund</b>					<b>(1,793,856.90)</b>	<b>-</b>
<b>Special Revenue Fund:</b>						
New Jersey Department of Education:						
Nonpublic Aid:						
Nursing Services						
Nursing Services	100-034-5120-070	11,349.00	07-01-19	06-30-20	-	-
Textbook Aid (Ch. 194, L. 1977)						
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	6,167.00	07-01-19	06-30-20		
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	6,461.00	07-01-18	06-30-19	\$	10.00
<b>Total Textbook Aid (Ch. 194, L. 1977)</b>					<b>-</b>	<b>10.00</b>
Technology Initiative Aid						
Technology Initiative Aid	100-034-5120-373	4,212.00	07-01-19	06-30-20		
Technology Initiative Aid	100-034-5120-373	4,356.00	07-01-18	06-30-19		211.00
<b>Total Technology Initiative Aid</b>					<b>-</b>	<b>211.00</b>
Security						
Security	100-034-5120-509	17,550.00	07-01-19	06-30-20		
Security	100-034-5120-509	18,150.00	07-01-18	06-30-19		17.00
<b>Total Security</b>					<b>-</b>	<b>17.00</b>
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
Compensatory Education	100-034-5120-067	36,504.00	07-01-19	06-30-20		
Compensatory Education	100-034-5120-067	46,193.00	07-01-18	06-30-19		1,693.00
English as a Second Language	100-034-5120-067	4,963.00	07-01-19	06-30-20		
English as a Second Language	100-034-5120-067	4,314.00	07-01-18	06-30-19		
Transportation	100-034-5120-067	4,361.00	07-01-19	06-30-20		
Transportation	100-034-5120-067	5,054.00	07-01-18	06-30-19		2,828.00
<b>Total Auxiliary Services (Ch. 192, L. 1977)</b>					<b>-</b>	<b>4,521.00</b>
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Corrective Speech	100-034-5120-066	8,203.00	07-01-19	06-30-20		
Corrective Speech	100-034-5120-066	13,392.00	07-01-18	06-30-19		8,124.00
Examination and Classification	100-034-5120-066	28,432.00	07-01-19	06-30-20		
Supplementary Instruction	100-034-5120-066	17,970.00	07-01-19	06-30-20		
<b>Total Handicapped Services (Ch. 193, L. 1977)</b>					<b>-</b>	<b>8,124.00</b>
Preschool Education Aid						
Preschool Education Aid	495-034-5120-086	1,063,811.00	07-01-19	06-30-20		
Preschool Education Aid	495-034-5120-086	692,725.00	07-01-18	06-30-19	78,015.50	
					<b>78,015.50</b>	<b>-</b>

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2020			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2020	Cumulative Total Expenditures
	\$ 11,110,984.86		\$ 12,267,901.00			\$ (1,156,916.14)			\$ (1,156,916.14)	\$ 12,267,901.00
	1,116,728.45									
	647,777.09		715,226.00			(67,448.91)			(67,448.91)	715,226.00
	68,783.73									
	451,232.08		498,216.00			(46,983.92)			(46,983.92)	498,216.00
	47,913.74									
	65,821.43		72,675.00			(6,853.57)			(6,853.57)	72,675.00
	6,096.26									
-	13,515,337.64	-	13,554,018.00	-	-	(1,278,202.54)	-	-	(1,278,202.54)	13,554,018.00
	17,260.32									
	162,550.64		179,476.00			(16,925.36)			(16,925.36)	179,476.00
-	179,810.96	-	179,476.00	-	-	(16,925.36)	-	-	(16,925.36)	179,476.00
			277,929.00							
	372,122.00					(277,929.00)				277,929.00
-	372,122.00	-	277,929.00	-	-	(277,929.00)	-	-	-	277,929.00
	523,065.88		553,140.36							
	28,859.40					(30,074.48)				553,140.36
-	551,925.28	-	553,140.36	-	-	(30,074.48)	-	-	-	553,140.36
	656,192.00		656,192.00							656,192.00
	1,737,653.00		1,737,653.00							1,737,653.00
	31,145.00		31,145.00							31,145.00
	1,408.00		1,408.00							1,408.00
-	2,426,398.00	-	2,426,398.00	-	-	-	-	-	-	2,426,398.00
			92,709.00							
	136,093.00					(92,709.00)				92,709.00
-	136,093.00	-	92,709.00	-	-	(92,709.00)	-	-	-	92,709.00
-	17,181,686.88	-	17,083,670.36	-	-	(1,695,840.38)	-	-	(1,295,127.90)	17,083,670.36
-	11,349.00	-	11,349.00	-	-	-	-	-	-	11,349.00
	6,167.00	\$ 0.50	6,087.50		\$ 10.00		\$ 80.00			6,087.50
-	6,167.00	0.50	6,087.50	-	10.00	-	-	80.00	-	6,087.50
	4,212.00	(0.07)	4,199.93					12.00		4,199.93
-	4,212.00	(0.07)	4,199.93	-	211.00	-	-	12.00	-	4,199.93
	17,550.00							17,550.00		
-	17,550.00	-	-	-	17.00	-	-	17,550.00	-	-
	34,084.00	0.04	31,799.04			(2,420.00)		4,705.00		31,799.04
	3,200.00	0.32	4,632.32		1,693.00	(1,763.00)		331.00		4,632.32
	3,925.00	0.33	1,824.33			(436.00)		2,537.00		1,824.33
-	41,209.00	0.69	38,255.69	-	2,828.00	(4,619.00)	-	7,573.00	-	38,255.69
	4,661.00	0.32	8,020.32			(3,542.00)		183.00		8,020.32
	28,385.00		14,296.00		8,124.00	(47.00)		14,136.00		14,296.00
	14,693.00	(0.05)	16,270.95			(3,277.00)		1,699.00		16,270.95
-	47,739.00	0.27	38,587.27	-	8,124.00	(6,866.00)	-	16,018.00	-	38,587.27
	957,429.90		889,715.24			(106,381.10)	\$ 174,095.76		(106,381.10)	889,715.24
	69,272.50						147,288.00			
-	1,026,702.40	-	889,715.24	-	-	(106,381.10)	321,383.76	-	(106,381.10)	889,715.24

(Continued)



**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2020

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019	
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
Special Revenue Fund (Continued):						
Improving Literacy Achievement	Unavailable	\$ 20,000.00	07-01-13	06-30-14	\$ (14,241.65)	
Total Special Revenue Fund					63,773.85	\$ 12,883.00
Capital Projects Fund:						
New Jersey Economic Development Authority:						
School Development Authority	4020-050-14-1001	2,689,435.00	07-01-14	Completion	(222,532.00)	
School Development Authority	4020-050-14-1002	520,153.00	07-01-14	Completion	(18,034.80)	
School Development Authority	4020-050-14-1003	1,781,882.00	07-01-14	Completion	(150,889.20)	
Total Capital Projects Fund					(391,456.00)	-
Enterprise Fund:						
State School Lunch Aid	100-010-3350-023	8,990.40	07-01-19	06-30-20		
State School Lunch Aid	100-010-3350-023	8,373.00	07-01-18	06-30-19	(395.73)	
Total Enterprise Fund					(395.73)	-
Total State Financial Assistance					(2,121,934.78)	12,883.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf Contributions:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement						
Medical (non-budgeted)	495-034-5094-001	656,192.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	1,737,653.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	31,145.00	07-01-19	06-30-20		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	1,408.00	07-01-19	06-30-20		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total State Financial Assistance					\$ (2,121,934.78)	\$ 12,883.00

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2020			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2020	Cumulative Total Expenditures
						\$ (14,241.65)				
-	\$ 1,154,928.40	\$ 1.39	\$ 988,194.63	-	\$ 12,883.00	(132,107.75)	\$ 321,383.76	\$ 41,233.00	\$ (106,381.10)	\$ 988,194.63
			51,178.19			(273,710.19)				1,349,484.19
			6,376.65			(24,411.45)				232,472.65
			15,897.74			(166,786.94)				879,539.74
-	-	-	73,452.58	-	-	(464,908.58)	-	-	-	2,461,496.58
	6,577.36		8,990.40			(2,413.04)				8,990.40
	395.73									
-	6,973.09	-	8,990.40	-	-	(2,413.04)	-	-	-	8,990.40
-	18,343,588.37	1.39	18,154,307.97	-	12,883.00	(2,295,269.75)	321,383.76	41,233.00	(1,401,509.00)	20,542,351.97
	656,192.00		656,192.00							656,192.00
	1,737,653.00		1,737,653.00							1,737,653.00
	31,145.00		31,145.00							31,145.00
	1,408.00		1,408.00							1,408.00
-	2,426,398.00	-	2,426,398.00	-	-	-	-	-	-	2,426,398.00
\$ -	\$ 15,917,190.37	\$ 1.39	\$ 15,727,909.97	\$ -	\$ 12,883.00	\$ (2,295,269.75)	\$ 321,383.76	\$ 41,233.00	\$ (1,401,509.00)	\$ 18,115,953.97

**PAULSBORO SCHOOL DISTRICT**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2020

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**Note 1: BASIS OF PRESENTATION**

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

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

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

**Note 3: INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Notes to the Schedules of Expenditures of Federal Awards  
and State Financial Assistance (Cont'd)**

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$38,345.40 for the general fund and \$41,827.37 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 53,131.96	\$ 17,045,324.96	\$ 17,098,456.92
Special Revenue	1,418,923.50	951,086.03	2,370,009.53
Capital Projects		73,452.58	73,452.58
Food Service	698,899.28	8,990.40	707,889.68
	<u>2,170,954.74</u>	<u>18,078,853.97</u>	<u>20,249,808.71</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		75,454.00	75,454.00
Encumbrances	4,718.77		4,718.77
	<u>4,718.77</u>	<u>75,454.00</u>	<u>80,172.77</u>
Total Awards and Financial Assistance Expended	<u>\$ 2,175,673.51</u>	<u>\$ 18,154,307.97</u>	<u>\$ 20,329,981.48</u>

**Note 5: 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 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent canceled prior year balances and minor rounding adjustments.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2020, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: MAJOR PROGRAMS**

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? x yes \_\_\_ no
Significant deficiency(ies) identified? x yes \_\_\_ none reported
Noncompliance material to financial statements noted? \_\_\_ yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes x no
Significant deficiency(ies) identified? x yes \_\_\_ none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? x yes \_\_\_ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 84.010, S010A190030, Title I - Grants to Local Educational Agencies.

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00
Auditee qualified as low-risk auditee? \_\_\_ yes x no

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes \_\_\_ x no

Significant deficiency(ies) identified? \_\_\_ x yes \_\_\_ 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 New Jersey Circular 15-08-OMB? \_\_\_ x yes \_\_\_ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include State Aid Public Cluster, Equalization Aid, Special Education Categorical Aid, School Choice Aid, and Preschool Education Aid.

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ x no

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

**Finding No. 2020-001**

**Criteria or Specific Requirement**

As a function of effective internal controls, an accurate general ledger should be maintained and reconciled to subsidiary records in accordance with N.J.S.A. 18A:17-9.

**Condition**

The School District's general ledger was not properly maintained. Material adjustments were required to properly reflect the School District's financial position as of June 30, 2020.

**Context**

Our review of the accounting records revealed the following:

1. The general ledger was not reconciled to subsidiary records for various accounts.
2. Disbursement adjustments were not properly posted in the general ledger.
3. Several budget lines were over-expended at year-end by immaterial amounts.
4. The capital projects budget report is not detailed by project and the subsidiary balances do not agree to the audited expenditures by project.
5. Various accounts payable could not be substantiated. As a result, the accounts payable required an adjustment to cancel the items without substantiation.

**Effect or Potential Effect**

That controls over the financial accounts may not be effective to reduce the likelihood that errors could occur and not be detected.

**Cause**

Control procedures are not in place to review the financial reports prior to closing. In addition, during the fiscal year, the School District experienced turnover in the business office.

**Recommendation**

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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***Section 2- Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2020-002**

**Criteria or Specific Requirement**

N.J.S.A. 18A:17-9 requires that accurate monthly reconciliations of all bank accounts are prepared prior to the completion of the Board Secretary's monthly report.

**Condition**

Bank reconciliations for various funds were not prepared in accordance with N.J.S.A. 18A:17-9 and several bank reconciliations were not prepared in a timely manner on a monthly basis.

**Context**

Formal bank reconciliations were not prepared by fiscal year-end for the warrant, current, payroll and payroll agency accounts. Several other account reconciliations required adjustments.

**Effect or Potential Effect**

That controls over the financial accounts may not be effective to reduce the likelihood that errors could occur and not be detected.

**Cause**

Control procedures are not in place to review the financial reports prior to closing. In addition, during the fiscal year, the School District experienced turnover in the business office.

**Recommendation**

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports and that formal monthly cash reconciliations for all School District funds be prepared on a timely basis.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.



**PAULSBORO SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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**Section 2- Schedule of Financial Statement Findings (Cont'd)**

**Finding No. 2020-003**

**Criteria or Specific Requirement**

The School Business Administrator must submit a certification of implementation when all corrective actions for the fiscal year ended June 30, 2019 have been fully implemented, no later than June 30 of the subsequent fiscal year.

The Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation for Certain Employees (E-CERT1) is required to be filed by March 15 of the current fiscal year.

Contracts that exceed \$2 million but are less than \$10 million are required to be reported post-award to the Office of the State Comptroller.

**Condition**

The School District did not file timely the Certification of Implementation of the Correction Action Plan for the fiscal year ended June 30, 2019, the Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation for Certain Employees (E-CERT1) and the reporting requirements of the Office of State Comptroller were not met.

**Context**

The following errors were noted during the audit:

1. The Certification of Implementation of the Corrective Action Plan for the 2019 audit was not filed by June 30, 2020.
2. The Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation for Certain Employees (E-CERT1) was not filed by March 15, 2020, however, was filed on December 9, 2020.
3. The value of the contract with School Health Insurance Fund exceeded \$2 million but was not reported to the Office of the State Comptroller.

**Effect or Potential Effect**

The School District is not compliant with the applicable statutes and regulations regarding reporting and filing requirements.

**Cause**

Oversight by the responsible official due to changes in personnel during the year. In addition, during the fiscal year, the School District experienced turnover in the business office.

**Recommendation**

The School District should implement procedures to ensure compliance with statutory deadlines for reports required to be filed with the State of New Jersey.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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***Section 2- Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2020-004**

**Criteria or Specific Requirement**

The payroll process should follow statutory guidelines and School District policies.

**Condition**

The School District did not process payroll in accordance with established statutory guidelines and School District policies.

**Context**

The following items were found during a test of payroll disbursements and reporting:

1. Task specific documentation for split salaries charged to required maintenance was not available.
2. One employee tested did not have a pre-tax deduction for federal taxes in accordance with their request.
3. Two food service employees appear to have been paid the incorrect amount of hours worked on timesheets, based on support provided.
4. One administrator's retro pay for regular salary was charged to a non-administrative salary line.
5. Two of the 24 biweekly TPAF reimbursement forms did not agree to support in payroll records provided.
6. Dental deductions were withheld in excess of the required amount for one employee tested.
7. Two health benefit waiver payments were not calculated correctly; the state calculation is more restrictive than the contract, therefore, the amounts were in excess of the state requirement.
8. One employee hired after September 2011 living outside New Jersey did not have an exemption waiver, in accordance with New Jersey statutes.
9. An analysis of payroll deductions payable was not maintained.

**Effect or Potential Effect**

Inaccurate and untimely payroll reports were filed with the respective agencies and employees did not receive proper deductions.

**Cause**

There was a change in personnel in the business office and there was an oversight by the responsible official.

**Recommendation**

That the School District review procedures with respect to the payroll process, and adhere to healthcare and pension deduction guidelines.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Finding No. 2020-005**

**Information on the Federal Program**

U.S. Department of Education, passed through N.J. State Department of Education, E.S.S.A. Title I Grants to Local Education Agencies; CFDA No. 84.010; FAIN S010A180030; 7/1/2019 – 9/30/2020

**Criteria or Specific Requirement**

Reporting - As a condition of receiving Title I, Part A funds, the School District must ensure that state and local funds are used to provide comparable services for Title I and non-Title I schools. The School District is required to submit a comparability report to the Department of Education. Final reports are required to be submitted in a timely manner. Detailed time and activity reports are required to be prepared for Title I funded personnel.

**Condition**

The School District's 2019-2020 Title I Comparability Report was not accurately prepared. There were several discrepancies regarding time and effort reporting for Title I funded employees. The Final Expenditure Report was not filed by the applicable due date.

**Questioned Costs**

None.

**Context**

Our tests of 2019-2020 Title I program disclosed the following:

1. The enrollment numbers used on the Comparability Report did not agree to the numbers from the October 15, 2019 ASSA Report.
2. Full-time equivalent staff as reported on the Comparability Report could not be traced to supporting documentation for the schools.
3. The Title I Final Expenditure Report was filed on October 5, 2020. It was due on September 30, 2020.
4. Time and activity reports were not signed/certified by a supervisory official for two employees tested.
5. Time and effort reporting was done quarterly, not monthly, for two partially Title I funded employees tested.

**Effect or Potential Effect**

Inaccurate reporting of comparability data could result in the State reporting program miscalculating various ratios, which could lead to the School District failing in one of more attendance center's summary report card. The School District is not compliant with reporting requirements.

**Cause**

Oversight by the responsible officials.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District prepare and submit the Title I Comparability Report accurately and timely.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

**Finding No. 2020-006**

**Information on the State Program**

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Categorical Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)

**Criteria or Specific Requirement**

Special Tests and Provisions - N.J.A.C. 6A:23A-16 requires that the School District file the Board Secretary and Treasurer reports with the County within sixty days of December. N.J.S.A. 18A:17-10 requires the School District file the Board Secretary's annual report with the executive county superintendent on or before August 1.

**Condition**

Monthly Treasurer of School Monies reports were not prepared for the fiscal year ended June 30, 2020. In addition, the Board Secretary's annual report was not filed with the executive county superintendent by August 1.

**Questioned Costs**

None.

**Context**

During the fiscal year, monthly Board Secretary's reports were prepared, however, the Treasurer of School Monies reports were not prepared nor reconciled with the Board Secretary's reports. Filings were not submitted to the executive county superintendent by the required dates.

**Effect or Potential Effect**

The School District did not fully comply with applicable statutes and regulations and there is an increased possibility of the misappropriation of assets or errors not being detected in a timely manner.

**Cause**

There was a change in personnel in the business office and there was an oversight by the responsible official.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the Treasurer's reports be completed and reconciled to the board secretary's reports on a monthly basis, and the appropriate reports be filed with the executive county superintendent by the applicable due dates.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)***

**Finding No. 2020-007**

**Information on the State Program**

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Categorical Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)

**Criteria or Specific Requirement**

Special Tests and Provisions - Public School Contracts Law (N.J.S.A. 18A:18A et seq.) requires that quotes are solicited for certain purchases in excess of the quote threshold.

**Condition**

Quotes were not obtained for several expenditures that exceeded the quote threshold.

**Questioned Costs**

None.

**Context**

Quotations were not solicited for six expenditures tested that exceeded the quote threshold.

**Effect or Potential Effect**

The School District did not fully comply with the Public School Contracts Law.

**Cause**

There was a change in personnel in the business office and there was an oversight by the responsible official.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That effective control procedures be established to ensure compliance with all facets of the regulations set forth in the Public School Contracts Law.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)***

**Finding No. 2020-008**

**Information on the State Program**

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Categorical Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)

**Criteria or Specific Requirement**

Special Tests and Provisions – In accordance with N.J.A.C. 6A:23A-13.3, Executive County Superintendent approval should be requested for any transfer to an advertised administrative account [general administration (230), school administration (240), central services (251), or administrative information technology (252)] that is cumulatively more than 10 percent of that amount. Approval should also be requested for line-item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes. The school district should maintain documentation that substantiates the request was received by the Executive County Superintendent when written approval is not received.

**Condition**

Cumulative transfers to/from several budget accounts did not comply with applicable statutes and regulations.

**Questioned Costs**

None.

**Context**

Cumulative transfers over 10 percent to general administration and transfers to capital outlay – construction services did not receive the proper approval from the Executive County Superintendent.

**Effect or Potential Effect**

The School District did not comply with the provisions of N.J.A.C. 6A:23A-13.3.

**Cause**

There was a change in personnel in the business office and there was an oversight by the responsible official.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District obtain Executive County Superintendent approval for the transfers to administration and capital outlay accounts when applicable, in accordance with New Jersey Administrative Code requirements.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PAULSBORO SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)***

**Finding No. 2020-009**

**Information on the State Program**

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Categorical Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- School Choice Aid (GMIS No. 495-034-5120-068)

**Criteria or Specific Requirement**

Eligibility - School Districts must complete the Application for State School Aid (ASSA) in accordance with instructions provided by the Office of School Finance, Department of Education. School Districts must complete a set of supporting workpapers that document the compilation of data and provide an audit trail for testing the enrollments reported on the ASSA report.

**Condition**

Various discrepancies were noted in the School District's supporting workpapers when compared to the Application for State School Aid (ASSA) report.

**Questioned Costs**

None.

**Context**

The following errors were noted during our tests of the ASSA report:

1. Written procedures related to the Application were not available. As a result, the reported numbers for on-roll students do not agree to School District work-papers (difference of 96), and three on-roll students did not agree to school registers.
2. Choice student applications and notice of intent to enroll forms could not be located for 10 of 10 students tested.
3. 25 students were listed on the ASSA report as speech only, however the school registers only list 19 students.
4. Low Income (LEP) students do not appear to be accurately reported on the ASSA report.
5. Documentation used to substantiate the low income status of 9 students reported as low income on the ASSA report was not available.

**Effect or Potential Effect**

The student counts reported on the ASSA report were not accurate which could result in a future reduction of state aid – public.

**Cause**

There was a change in personnel in the business office and as a result, information used to prepare the ASSA report was not readily available. Other records were provided to support the report, however, they did not agree to the ASSA report.

**Identification as a Repeat Finding**

Not applicable.

**Recommendation**

That the School District follow their written procedures and maintain adequate workpapers to support student enrollment data reported in each category of the Application for State School Aid report.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2019-001**

**Condition**

The general ledger of the School District was not properly maintained. Material adjustments were necessary in order to properly reflect the School District's financial position at June 30, 2019.

**Current Status**

This condition still exists. See Finding 2020-001.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**Finding No. 2019-002**

**Condition**

The School District bank reconciliations for various funds were not prepared in accordance with N.J.S.A. 18A:17-9 and were not prepared in a timely manner on a monthly basis due to lack of maintaining a general ledger.

**Current Status**

This condition still exists. See Finding 2020-002.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**Finding No. 2019-003**

**Condition**

The School District accumulated absence balances were not tracked during the 2018-2019 year.

**Current Status**

This condition has been resolved.

**Planned Corrective Action**

Not applicable.



**PAULSBORO SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management (Cont'd)

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**FINANCIAL STATEMENT FINDINGS (CONT'D)**

**Finding No. 2019-004**

**Condition**

The Board of Education incurred obligations in excess of the amount appropriated by the Board in the applicable line-item account or program category account before line item transfers were approved.

**Current Status**

This condition has been partially resolved. See Finding No. 2020-001.

**Planned Corrective Action**

The responsible officials will address the matter as part of their corrective action plan.

**FEDERAL AWARDS**

No prior year findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No prior year findings.