

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Penns Grove-Carneys Point Regional Board of Education
Penns Grove, New Jersey**

For the Fiscal Year Ended June 30, 2020

Prepared by
Penns Grove-Carneys Point Board of Education
Finance Department

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OF THE PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

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December 22, 2020

Honorable President and Members
of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem
Penns Grove, N.J. 08069-2057

Dear Board Members:

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional 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 operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

We are an Equal Opportunity Employer - E/M

General

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

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

Facilities

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

Staff

The facility for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 343 full-time teachers/professional positions serving a total enrollment of 2,171 students, as of October 15, 2020. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 20 instructional and non-instructional aides, 29 cafeteria workers, 35 full-time secretaries, 36 maintenance/custodial staff, and technology staff.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	2,171	0.05 %
2018-19	2,170	5.49 %
2017-18	2,057	(4.77)%
2016-17	2,160	(2.33)%
2015-16	2,212	(3.36)%
2014-15	2,289	(2.26)%
2013-14	2,342	1.17%
2012-13	2,315	(3.02)%
2011-12	2,387	0.63%
2010-11	2,372	(2.63)%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

1a. District Statement of Priorities

- **Maintaining Our School System**

Expanding the security cameras in hallways and outside the school building to increase safety and security for our students and staff. Adding Panic buttons to the schools as required by Law. Adding two additional part-time Security Aides, one for High School and one for Fields Street, to monitor hallways, doors and parking lots.

- **Raising Standards and Expanding Opportunities**

Internet connectivity to provide the bandwidth to support instruction in school and at home. Replacement of various technical appliances, routers, and servers used in the district for internet connectivity. Various replacement parts, cartridges, batteries, devices for instructional purposes. Textbooks for students that align with the instruction of the NJ Learning Standards. Continuation of the ACHIEVE BEYOND Program for at-risk High School students to complete the NJDOE mandated requirements for graduation.

- **Building Professionalism**

Contracted services providers to provide professional development to teachers in the areas of data analysis, NJ Learning Standards, assessment, and best practices in classroom instruction. In addition, Equity, Growth Mindset, Social and Emotional Learning, and wellness are areas of focus.

- **Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve)**

Through the approval of Regular Operating District (ROD) Grants, the Board of Education continues to address the needs of the facilities and transferring funds into the capital reserve funds. We are currently in the second phase of the approved referendum by the communities of Penns Grove and Carneys Point to make our buildings more cost-efficient and energy saving.

- **CARES Act – Response to Pandemic and Reopening Schools**

The CARES Act monies received from the Department were used to support student technology at the home including Chromebooks and hotspots for internet access. Additionally, monies were used for PPE such as facemasks, gloves and other supplies for custodial and professional staff. Dividers, signage, and other social distancing measures were supported with purchases during the FY20. FY21 monies continue to support the same.

- Planning for the Future

Increase the number of students graduating from high school and pursuing further studies or a career. Further the Early College programs in our High School, a collaboration between the Carver Foundation, Salem County Community College and the Penns Grove High School. Accelerate the replacement of old and antiquated technology in the classroom and ensure a 1 to 1 student to device ratio for the future, p-12.

2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the New Jersey Student Learning Standards in the 2019-2020 school year.

Content Standards

New Programs/Enhancements

1. Math

2019-2020 was the final year of a three-year payment plan for implementation of the K-5 Mathematics program. 2019-2020 was the first year of a three-year payment plan for implementation of the grades 6-11 Mathematics Program. Programs align with NJSLs, includes intervention resources, enrichment activities, real-world connections including careers, ability to modify assignments, and the ability to translate text to Spanish. All of the texts include annual consumable textbooks for student use.

2. Science

Mystery Science is a project-based curriculum for the elementary school utilizing kits to provide hands-on learning in science. The elementary science program alignment to NJ - Next Generation Science Standards were designed to integrate cross-curricular content with a focus on mathematics and literacy. Students research phenomena found in the environment and produce experiments to determine cause and effect.

3. Language Arts Literacy

English - Language Arts standards continue to be implemented p-12. The curriculum continues to utilize various resources to support the NJSLs, including Benchmark Education, Reading Horizon, Lexia, Achieve3000, Accelerated Reader.

4. Social Studies

Social studies course continue to utilize the district approved resources to support the NJSLs in the history classes, K-12.

5. 21st Century Life and Careers

Gateway curriculum and College Seminar have been introduced at the Middle School and High School respectively to support a pathway to Early College.

6. Visual and Performing Arts

Curriculum for visual and performing arts continues to expand. Choir was expanded at the middle school, while the high school is in the second year of additional instrumental classes and technologically enhanced music classes.

7. Comprehensive Health and Physical Education

Health and Physical Education adjusts as needed as the department of education adds additional content as required for the curriculum.

8. World Languages

The High School French classes were provided with a new textbook. The updated resource was selected by a small committee including the teacher, principal and supervisor of the content.

9. Technological Literacy

The Google Suite has become the core resource to support digital and online learning. Starting in March 2020, the district has initiated providing every student access to a computer at home to support virtual learning.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. GENERAL FUND BALANCE:

General Fund Balance (budgetary basis) of \$5,661,965 as of June 30, 2020, represents a 37% increase from June 30, 2019. Of the \$5,661,965, \$707,591 represents the unassigned portion of the District's fund balance and \$402,020 has been appropriated for the 2020/2021 school budget in order to maintain a stable tax levy. The remaining \$3,956,095 includes excess surplus and other restricted fund balance and represents 70% of the June 30, 2020 fund balance. General Fund Budget expenditures totaled \$40,682,736.

10. OTHER INFORMATION:

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

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

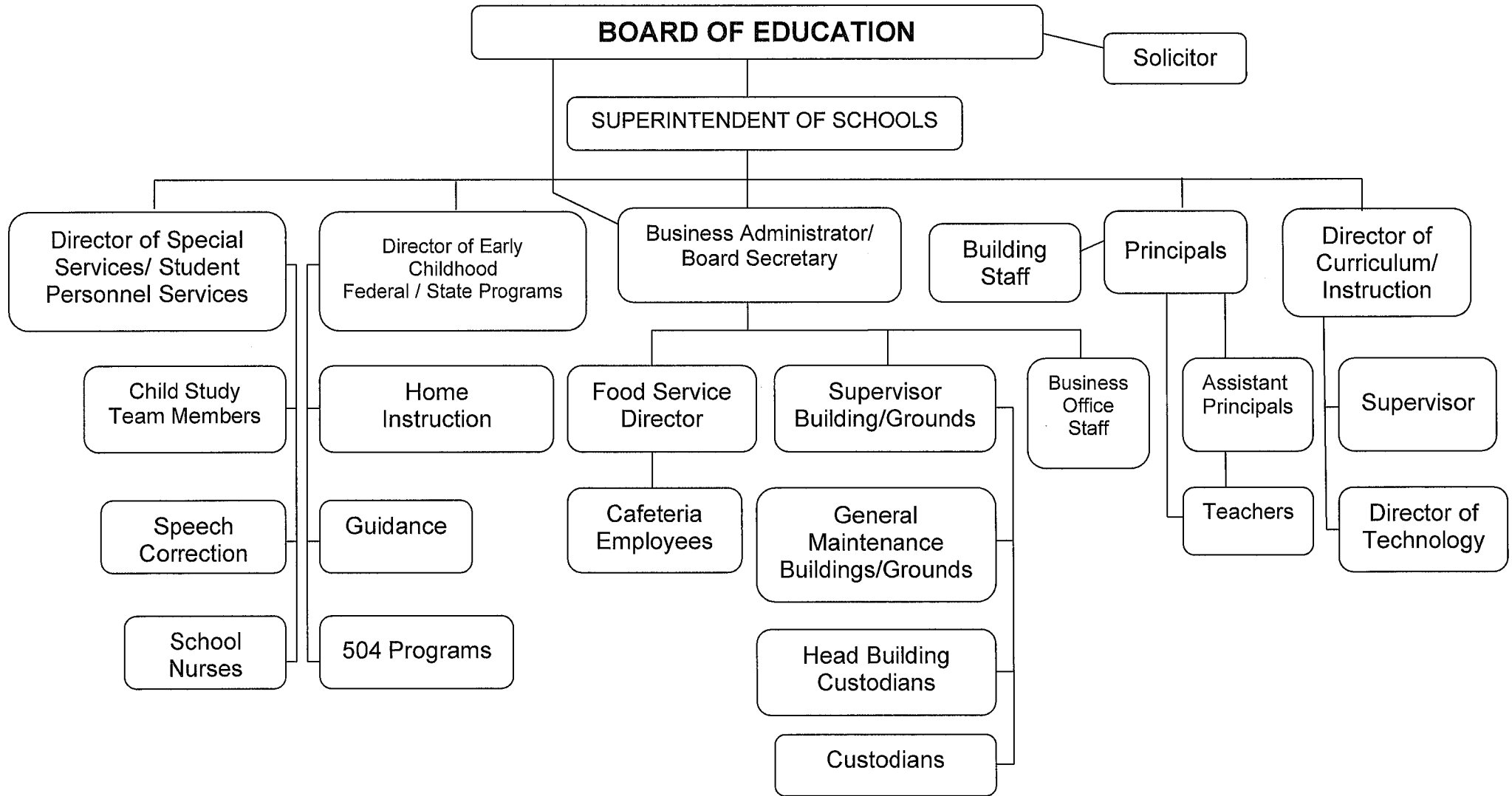
Dr. Zenaida Cobian

Dr. Zenaida Cobian
Superintendent of Schools

Brian Ferguson

Brian Ferguson
Interim School Business
Administrator/ Board Secretary

Penns Grove – Carneys Point Regional School District



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Vicki Smith	President	2022
Teresa Walker	Vice President	2020
Jeanette Harbeson	Board Member	2021
John L. Ashcraft	Board Member	2020
Stephan Jones	Board Member	2022
Ginger Sackes	Board Member	2021
Shameka Turner	Board Member	2022
Marcia Smith	Board Member	2021
Fred Tomarchio	Board Member	2021
<u>Other Officials</u>		<u>Amount of Bond</u>
Dr. Zenaida Cobian	Superintendent	
Kenneth H. Verrill (Until June 30, 2020)	Business Administrator/ Board Secretary	\$ 275,000
Brian Ferguson (From July 1, 2020)	Interim Business Administrator/Board Secretary	
Mark G. Toscano, Esq.	Solicitor	

**PENNS GROVE-CARNEYSPOINT REGIONAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Garrison Architects
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AUDIT FIRM

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FINANCIAL ADVISORS

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem, New Jersey 08069

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Penn Grove-Carneys Point Regional School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2020 on our consideration of the Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Penn Grove-Carneys Point Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Penn Grove-Carneys Point Regional Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 22, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNS GROVE-CARNEYS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED**

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole. Readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

Financial Highlights

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$20,277,719 (net position).
- The School District's total net position increased by \$2,980,742. This increase is primarily attributable to a large decrease in liabilities, primarily accounts payable.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$3,614,986, an increase of \$1,437,791 in comparison with the prior year, mostly attributable to the expenditure of capital projects and the use of surplus. The Capital Project Fund has a balance of \$295,365, as of June 30, 2020 for future capital project expenditures. The Debt Service Fund had no fund balance at June 30, 2020.
- At the end of the current fiscal year, the unassigned GAAP fund balance for the general fund was a deficit of \$1,572,340, which represents a \$169,030 increase in the deficit when compared to the prior fiscal year.
- The District's total bonded debt decreased by \$945,000 as a result of the budgeted debt principal payment.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Penns Grove-Carneys Point Regional School District's basic financial statements. The School District's basic financial statements comprise three components:

- (1) District-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements themselves

District-wide financial statements – These financial statements are designed to provide readers with a broad overview of School District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Penns Grove-Carneys Point Regional School District's assets and liabilities, with the difference between the two reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Penns Grove-Carneys Point Regional School District is improving or deteriorating.

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

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

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

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

The Penns Grove-Carneys Point Regional School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, Governmental Activity assets exceeded liabilities by \$18,720,508 at the close of the most recent fiscal year.

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

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

There was an increase of \$521,175 in overall net position for the Penns Grove-Carneys Point Regional School District's business-type activities. This increase was due to an increases in Academy Fund of \$346,000 and Food Service Fund of \$175,175.

There was an increase of \$2,459,567 in overall net position for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets \$	12,763,292	\$ 11,176,399	\$ 1,385,161	\$ 936,499	\$ 14,148,453	\$ 12,112,898
Capital Assets	34,427,453	34,426,359	234,756	172,759	34,662,209	34,599,118
Total Assets	47,190,745	45,602,758	1,619,917	1,109,258	48,810,662	46,712,016
Deferred Outflows of Resources	1,884,553	3,127,634			1,884,553	3,127,634
Long-Term Liabilities						
Outstanding	16,263,656	19,203,161	25,255	36,127	16,288,911	19,239,288
Other Liabilities	9,202,781	9,059,979	37,451	37,095	9,240,232	9,097,074
Total Liabilities	25,466,437	28,263,140	62,706	73,222	25,529,143	28,336,362
Deferred Inflows of Resources	4,888,353	4,206,311			4,888,353	4,206,311
Invested in Capital Assets, Net of Related Debt	29,147,453	28,201,359	234,756	172,759	29,382,209	28,374,118
Restricted	4,251,460	3,075,157			4,251,460	3,075,157
Unrestricted (Deficit)	(14,678,405)	(15,015,575)	1,322,455	863,277	(13,355,950)	(14,152,298)
Total Net Position	\$ 18,720,508	\$ 16,260,941	\$ 1,557,211	\$ 1,036,036	\$ 20,277,719	\$ 17,296,977

Changes in Net Position - Net position for governmental and business-type activities increased from June 30, 2019 to June 30, 2020 as reflected in the following table.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,048,765	\$ 395,560	\$ 520,260	\$ 474,521	\$ 1,569,025	\$ 870,081
Operating Grants and Contributions	5,626,846	6,102,700	1,251,749	1,094,919	6,878,595	7,197,619
General Revenues:						
Property Taxes	12,181,135	11,954,943			12,181,135	11,954,943
Grants and Contributions	32,023,897	31,359,699			32,023,897	31,359,699
Other	100,394	398,571	994	555	101,388	399,126
Special Items	(151,900)				(151,900)	
Total Revenues	50,829,137	50,211,473	1,773,003	1,569,995	52,602,140	51,781,468
Expenses						
Instruction	16,603,557	16,883,150			16,603,557	16,883,150
Support Services	31,569,778	32,311,300			31,569,778	32,311,300
Interest on Debt and Related Costs	196,235	215,202			196,235	215,202
Academy and Internal Service			35,065	38,899	35,065	38,899
Food Services			1,216,763	1,353,109	1,216,763	1,353,109
Total Expenses	48,369,570	49,409,652	1,251,828	1,392,008	49,621,398	50,801,660
Increase (Decrease) in Net Position	2,459,567	801,821	521,175	177,987	2,980,742	979,808
Net Position, July 1	16,260,941	15,459,120	1,036,036	858,049	17,296,977	16,317,169
Net Position, June 30	\$ 18,720,508	\$ 16,260,941	\$ 1,557,211	\$ 1,036,036	\$ 20,277,719	\$ 17,296,977

Governmental Activities – With regard to the increase in the Penns Grove-Carneys Point Regional School District's net position from Governmental activities, the key elements of the changes are as follows:

Property taxes increased by \$226,192 during the year. This 1.9% increase represents the overall increase in costs without sufficient offsetting revenue.

General Revenues increased by \$592,213 during the year. The increase was the result of more state and federal aid.

Special Items represents the cancellation of prior year tuition accounts receivable of \$151,900.

The overall \$1,040,082 decrease in expenses was attributable to various decreases in expenses, the largest of which was in unallocated benefits.

Business-type Activities – Business-type activities increased the Penns Grove-Carneys Point Regional School District's net position by \$521,185, as a result of operations.

Financial Analysis of the Government's Funds

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

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

As of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2020 was \$5,661,965, an increase of \$1,525,681 from June 2020.

Of the \$5,661,965, \$402,020 has been assigned and appropriated in the 2020-21 school budget in order to maintain a stable tax levy; \$2,563,330 is restricted as Excess surplus, of which \$797,980 has been appropriated for the 2020-21 school budget; \$596,259 has been assigned for encumbrances, \$1,373,888 is restricted for capital reserve, of which \$600,000 has been assigned and appropriated in the 2020-21 school budget; \$18,877 is restricted as maintenance reserve and \$707,591 is unrestricted and unassigned.

The special revenue fund has a deficit at the end of the current fiscal year in the amount of \$62,413. The deficit was a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable.

Governmental Fund (Cont'd)

Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The capital projects fund had a budget basis unexpended balance of \$295,365 at the end of the current year ending June 30, 2020, of which \$0 represents the unearned portion of NJSDA grant approvals. There were 11 NJSDA grants approved during the 2014-15 school year to support various building renovations throughout the District.

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

Unrestricted net position consisted of the following: a positive balance of \$617,371 in the food service program, and a \$705,084 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities. There was also a balance representing Investment in Capital Assets of \$218,579 in the Food Service Fund and \$16,177 in the Academy Program.

General Fund Budgetary Highlights

During the course of the 2020 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$114,450 and budgeted withdrawals from the capital reserve of \$538,100.

The final budgetary basis revenue estimate was \$36,757,495.

During fiscal year 2020, the Penns Grove-Carneys Point Regional School District budgeted \$11,427,627 for property taxes (local tax levy) and \$24,145,309 for state aid revenues in the General fund, along with \$753,508 of property taxes and \$373,817 of state aid in the Debt Service Fund. The Penns Grove-Carneys Point Regional School District also received \$1,073,817 in reimbursed T.P.A.F. Social Security Aid, \$1,200,713 in Post-Retirement Medical Benefits, \$3,236,583 in T.P.A.F. Pension Contributions and \$2,709 in Long-Term Disability.

The final budgetary basis expenditure appropriation estimate was \$39,036,660, which included \$114,450 in prior year encumbrances. The Penns Grove-Carneys Point Regional School Districts expenditures also include the reimbursed T.P.A.F. Social Security Aid, Post-Retirement Medical Benefits, Long-term Disability and T.P.A.F. Pensions Contributions totaling \$5,513,822.

Capital Assets and Debt Administration

Capital Assets – The Penns Grove-Carneys Point Regional School District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$34,662,209 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of fiscal year 2020, the Penns Grove-Carneys Point Regional had \$54,805,855 invested in land, construction in progress, land improvements, buildings and improvements, and equipment, less accumulated depreciation totaling \$20,143,646 for net capital assets of \$34,662,209.

Capital Assets and Debt Administration (Cont'd)

Various major capital asset events during the fiscal year funded through both the General Fund and Capital Projects Funds and construction in progress related to the various upgrades throughout the District paid through the Capital Projects Fund. Additional information on the Penns Grove-Carneys Point Regional School District's capital assets can be found in Note 6 to the Financial Statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION (NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,280,600	\$ 1,280,600	\$	\$	\$ 1,280,600	\$ 1,280,600
Work in Progress	14,643,240	14,620,572			14,643,240	14,620,572
Land Improvements	121,917	124,758			121,917	124,758
Building Improvements	18,184,560	18,218,120			18,184,560	18,218,120
Equipment	197,136	182,309	234,756	172,759	431,892	355,068
Total	\$ 34,427,453	\$ 34,426,359	\$ 234,756	\$ 172,759	\$ 34,662,209	\$ 34,599,118

Long-term Debt – At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$5,280,000. The entire Penns Grove-Carneys Point Regional School District's bonded debt is governmental as opposed to business-type. The 2020 adopted budget has an appropriation of \$1,127,325, representing the payment of the annual principal and interest. The bonds mature on March 1, 2035. See Note 9 to the Financial Statements for more detail. The amount of unvoted debt, as of June 30, 2020 was \$24,844,797.

Economic Factors and Next Year's Budget

For the 2019-20 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 26% of total revenue is from local tax levy and 71% of the School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2020-21 budget was adopted May 2020 based in part on the state education aid the School District anticipated receiving. This aid was based on the States projected enrollment for the District on October 15, 2019. The Penns Grove-Carneys Point Regional School District anticipates a slight increase in enrollment for the 2020-21 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,014,607	\$ 1,249,302	\$ 4,263,909
Receivables, Net	9,739,759	116,766	9,856,525
Interfund Receivable	8,926		8,926
Inventory		19,093	19,093
Restricted Assets:			
Capital Assets, Net (Note 7)	34,427,453	234,756	34,662,209
Total Assets	47,190,745	1,619,917	48,810,662
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflow	1,884,553		1,884,553
	1,884,553		1,884,553
 LIABILITIES			
Accounts Payable	1,867,083	18,290	1,885,373
Accrued Interest	54,475		54,475
Unearned Revenue	68,536	19,161	87,697
Grant Note Payable	7,158,000		7,158,000
Premium on Grant Note	54,687		54,687
Noncurrent Liabilities (Note 9):			
Due Within One Year	421,691		421,691
Due Beyond One Year	15,841,965	25,255	15,867,220
Total Liabilities	25,466,437	62,706	25,529,143
 DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflow	4,888,353		4,888,353
 NET POSITION			
Invested in Capital Assets, Net of Related Debt	29,147,453	234,756	29,382,209
Restricted for:			
Capital Reserve	1,373,888		1,373,888
Capital Projects	295,365		295,365
Excess Surplus	2,563,330		2,563,330
Other Purposes	18,877		18,877
Unrestricted (Deficit)	(14,678,405)	1,322,455	(13,355,950)
Total Net Position	\$ 18,720,508	\$ 1,557,211	\$ 20,277,719

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 11,824,389	\$ 1,048,765	\$ 2,193,401	\$ (8,582,223)	\$	\$ (8,582,223)
Special Education	3,481,695			(3,481,695)		(3,481,695)
Other Special Instruction	870,212			(870,212)		(870,212)
Other Instruction	427,261			(427,261)		(427,261)
Support Services:						
Tuition	2,616,056			(2,616,056)		(2,616,056)
Student & Instruction Related Services	3,045,212		423,226	(2,621,986)		(2,621,986)
General Administrative Services	1,052,227			(1,052,227)		(1,052,227)
School Administrative Services	1,581,367			(1,581,367)		(1,581,367)
Other Administrative Services	1,030,036			(1,030,036)		(1,030,036)
Plant Operations and Maintenance	3,190,033			(3,190,033)		(3,190,033)
Pupil Transportation	2,186,392			(2,186,392)		(2,186,392)
Unallocated Benefits	14,575,393		2,636,402	(11,938,991)		(11,938,991)
Interest on Long-Term Debt	196,235		373,817	177,582		177,582
Total Governmental Activities	46,076,508	1,048,765	5,626,846	(39,400,897)		(39,400,897)
Business-Type Activities:						
Food Service	1,216,763	139,195	1,251,749		174,181	174,181
Academy Program	25,815	371,815			346,000	346,000
Internat Service Fund	9,250	9,250				
Total Business-Type Activities	1,251,828	520,260	1,251,749		520,181	520,181
Total Primary Government	\$ 47,328,336	\$ 1,569,025	\$ 6,878,595	(39,400,897)	520,181	(38,880,716)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				11,427,627		11,427,627
Taxes Levied for Debt Service				753,508		753,508
Federal and State Aid Not Restricted				29,730,835		29,730,835
Investment Earnings				70,496	994	71,490
Miscellaneous Income				53,283		53,283
Transfer to Charter School				(23,385)		(23,385)
Special Items:						
Cancellation of Prior Year Accounts Receivable				(151,900)		(151,900)
Total General Revenues, Special Items, Extraordinary Items and Transfers				41,860,464	994	41,861,458
Change in Net Position				2,459,567	521,175	2,980,742
Net Position — Beginning of Year				16,260,941	1,036,036	17,296,977
Net Position — End of Year				\$ 18,720,508	\$ 1,557,211	\$ 20,277,719

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,257,227	\$	\$ 1,263	\$	\$ 4,258,490
Interfund Accounts Receivable	536,299				536,299
State Aid Receivable	368,575		7,871,312		8,239,887
Federal Aid Receivable		751,301			751,301
Receivables From Other Governments	748,571				748,571
Total Assets	\$ 5,910,672	\$ 751,301	\$ 7,872,575	\$	\$ 14,534,548
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,280,272	\$ 586,811	\$	\$	\$ 1,867,083
Interfund Accounts Payable	1,243,883	162,850	364,523		1,771,256
Grant Loan Payable			7,158,000		7,158,000
Premium on Grant Loan			54,687		54,687
Unearned Revenue	4,483	64,053			68,536
Total Liabilities	2,528,638	813,714	7,577,210		10,919,562
Fund Balances:					
Restricted:					
Capital Reserve	773,888				773,888
Maintenance Reserve	18,877				18,877
Excess Surplus	1,765,350				1,765,350
Capital Projects Fund			295,365		295,365
Assigned:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures	600,000				600,000
Excess Surplus:					
Designated for Subsequent Year's Expenditures	797,980				797,980
Year-End Encumbrances	596,259				596,259
Designated for Subsequent Year's Expenditures	402,020				402,020
Unassigned (Deficit)	(1,572,340)	(62,413)			(1,634,753)
Total Fund Balances (Deficit)	3,382,034	(62,413)	295,365		3,614,986
Total Liabilities and Fund Balances	\$ 5,910,672	\$ 751,301	\$ 7,872,575	\$	

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 \$53,842,272 and the accumulated depreciation is \$19,414,819. (See Note 7).	34,427,453
Deferred Outflow of Resources - Deferred Pension Contribution.	1,884,553
Long Term Net Pension Liability	(10,017,568)
Deferred Inflows of Resources - Pension Actuarial Gains.	(4,888,353)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 9).	(6,246,088)
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(54,475)
Net Position of governmental activities	\$ 18,720,508

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Tax Levy	\$ 11,427,627	\$	\$	\$ 753,508	\$ 12,181,135
Tuition Charges	1,048,765				1,048,765
Interest Earned	69,775		721		70,496
Miscellaneous	52,813	470			53,283
State Sources	29,609,241	639,081		373,817	30,622,139
Federal Sources	79,328	2,346,490			2,425,818
Total Revenues	<u>42,287,549</u>	<u>2,986,041</u>	<u>721</u>	<u>1,127,325</u>	<u>46,401,636</u>
EXPENDITURES					
Current:					
Regular Instruction	9,324,930	2,193,401			11,518,331
Special Education Instruction	3,481,695				3,481,695
Other Special Instruction	870,212				870,212
Other Instruction	427,261				427,261
Tuition	2,616,056				2,616,056
Student and Instruction Related Services	2,621,986	423,226			3,045,212
General Administrative Services	1,052,227				1,052,227
School Administrative Services	1,520,155				1,520,155
Other Administrative Services	1,019,763				1,019,763
Plant Operations and Maintenance	2,834,994				2,834,994
Pupil Transportation	2,186,392				2,186,392
Unallocated Benefits	11,993,389	361,872			12,355,261
Capital Outlay	733,676				733,676
Debt Service:					
Principal				945,000	945,000
Interest and Other Charges				182,325	182,325
Total Expenditures	<u>40,682,736</u>	<u>2,978,499</u>	<u>721</u>	<u>1,127,325</u>	<u>44,788,560</u>
Excess (Deficiency) of Revenues over Expenditures	1,604,813	7,542	721		1,613,076
OTHER FINANCING SOURCES (USES)					
Interest Earned in Capital Project Fund	721		(721)		
Transfer to Charter School	(23,385)				(23,385)
Cancellation of Prior Year Accounts Receivable	(151,900)				(151,900)
Total Other Financing Sources and Uses	<u>(174,564)</u>		<u>(721)</u>		<u>(175,285)</u>
Net Changes in Fund Balances	1,430,249	7,542			1,437,791
Fund Balance — Beginning of Year (Deficit)	1,951,785	(69,955)	295,365		2,177,195
Fund Balance — End of Year (Deficit)	<u>\$ 3,382,034</u>	<u>\$ (62,413)</u>	<u>\$ 295,365</u>	<u>\$</u>	<u>\$ 3,614,986</u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds \$ 1,437,791

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital Outlays are reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as Depreciation Expense. This is the amount by which Capital Outlays exceeded depreciation in the period.

Depreciation Expense	\$ (679,916)	
Capital Outlays	681,010	
		1,094

Pension contributions are reported in governmental funds as expenditures. However, in the statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension charges during the period. 213,953

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. 945,000
Bond Principal Redeemed

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. 6,300

In the Statement of Activities, Amortization of the Deferred Amount on Debt Refunding is expensed, regardless of when the Debt was Refunded. (20,210)

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. (124,361)

Change in Net Position of Governmental Activities **\$ 2,459,567**

PROPRIETARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds			Totals
	Business-type Activities		Governmental	
	Food Service	Academy Program	Internal Service Fund	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,419	\$	\$	\$ 5,419
Accounts Receivable:				
State	4,147			4,147
Federal	84,135			84,135
Other		28,484		28,484
Interfund Accounts Receivable	567,283	676,600		1,243,883
Inventories	19,093			19,093
Total Current Assets	680,077	705,084		1,385,161
Noncurrent Assets:				
Furniture, Machinery & Equipment	908,188	55,395		963,583
Less: Accumulated Depreciation	(689,609)	(39,218)		(728,827)
Total Noncurrent Assets	218,579	16,177		234,756
Total Assets	898,656	721,261		1,619,917
LIABILITIES				
Current Liabilities:				
Accounts Payable	18,290			18,290
Unearned Revenue	19,161			19,161
Total Current Liabilities	37,451			37,451
Noncurrent Liabilities:				
Compensated Absences	25,255			25,255
Total Liabilities	62,706			62,706
NET POSITION				
Invested in Capital Assets	218,579	16,177		234,756
Unrestricted	617,371	705,084		1,322,455
Total Net Position	\$ 835,950	\$ 721,261	\$	\$ 1,557,211

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund		Governmental	
	Business-Type Activities		Activities	
	Food Service	Academy Program	Internal Service Fund	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 74,321	\$	\$	\$ 74,321
Daily Sales - Non-Reimbursable Programs	58,848			58,848
Special Functions	6,026			6,026
Academy Tuition		371,815		371,815
Food Service Director Services			9,250	9,250
Total Operating Revenues	139,195	371,815	9,250	520,260
OPERATING EXPENSES:				
Salaries	534,189	2,400	9,250	545,839
Employee Benefits	36,342			36,342
Purchased Property Services	23,543			23,543
General Supplies	12,848			12,848
Depreciation	23,402	7,062		30,464
Tuition		14,412		14,412
Miscellaneous	1,454	1,941		3,395
Cost of Sales - Reimbursable	557,888			557,888
Cost of Sales - Non Reimbursable	27,097			27,097
Total Operating Expenses	1,216,763	25,815	9,250	1,251,828
Operating Income (Loss)	(1,077,568)	346,000		(731,568)
NON-OPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	15,744			15,744
Federal Sources:				
National School Breakfast Program	369,466			369,466
National School Lunch Program	730,072			730,072
National Snack Program	22,721			22,721
Food Distribution Program	95,460			95,460
Fresh Fruits and Vegetables	18,286			18,286
Interest and Investment Revenue	994			994
Total Non-Operating Revenues (Expenses)	1,252,743			1,252,743
Net Change in Position	175,175	346,000		521,175
Net Position — Beginning of Year	660,775	375,261		1,036,036
Net Position — Ending of Year	\$ 835,950	\$ 721,261	\$	\$ 1,557,211

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Enterprise Funds</u>			
	<u>Business-Type Activities</u>		<u>Governmental</u>	
	<u>Food Service</u>	<u>Academy Program</u>	<u>Internal Service Fund</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 139,195	\$ 18,753	\$ 9,250	\$ 167,198
Payments to Employees	(534,189)	(2,400)	(9,250)	(545,839)
Payments for Employee Benefits	(36,342)			(36,342)
Payments to Suppliers	(609,461)	(16,353)		(625,814)
Net Cash Provided by (used for) Operating Activities	(1,040,797)			(1,040,797)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	12,376			12,376
Federal Sources	1,117,150			1,117,150
Local Sources				
Net Cash Provided by (used for) Non-Capital Financing Activities	1,129,526			1,129,526
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets	(92,461)			(92,461)
Net Cash Provided by (used for) Capital and Related Financing Activities	(92,461)			(92,461)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earned on Investments	994			994
Net Cash Provided by (used for) Investing Activities	994			994
Net Increase (Decrease) in Cash and Cash Equivalents	(2,738)			(2,738)
Balances — Beginning of Year	8,157			8,157
Balances — End of Year	\$ 5,419	\$	\$	\$ 5,419
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (1,077,568)	\$ 346,000	\$	\$ (731,568)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	23,402	7,062		30,464
Food Distribution Program	95,460			95,460
(Increase)/Decrease in Accounts Receivable	9,705	(28,484)		(18,779)
(Increase)/Decrease in Inventory	(3,958)			(3,958)
(Increase)/Decrease in Interfund Receivable	(77,322)	(324,578)		(401,900)
Increase/(Decrease) in Accounts Payable	(2,513)			(2,513)
Increase/(Decrease) in Compensated Absences Payable	(10,872)			(10,872)
Increase/(Decrease) in Unearned Revenue	2,869			2,869
Total Adjustments	36,771	(346,000)		(309,229)
Net Cash Provided by (used for) Operating Activities	\$ (1,040,797)	\$	\$	\$ (1,040,797)

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

FIDUCIARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Trust Funds		Agency Funds	
	School Uniform Trust	Unemployment Compensation Trust	Student Activity	Payroll
ASSETS				
Cash and Cash Equivalents	\$ 2,076	\$ 257,966	\$ 48,394	\$ 90,534
Total Assets	\$ 2,076	\$ 257,966	\$ 48,394	\$ 90,534
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Payable to Student Groups			48,394	
Due to General Fund				8,926
Payroll Deductions and Withholdings				1,320
Employee Section 125 Plan				80,288
Total Liabilities			\$ 48,394	\$ 90,534
NET POSITION:				
Held in Trust for:				
School Uniform Trust	\$ 2,076			
Unemployment Claims and Other Purposes		\$ 257,966		

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$ 49,288	\$ 49,288
District Contributions		8,600	8,600
Total Contributions		57,888	57,888
Investment Earnings:			
Interest		2,160	2,160
Net Investment Earnings		2,160	2,160
Total Additions		60,048	60,048
DEDUCTIONS:			
Uniforms	147		147
Unemployment Claims		5,273	5,273
Total Deductions	147	5,273	5,420
Change in Net Position	(147)	54,775	54,628
Net Position — Beginning of Year	2,223	203,191	205,414
Net Position — End of Year	\$ 2,076	\$ 257,966	\$ 260,042

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2020 of 2,171.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School Districts. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District has determined that there are no component units as of the year end June 30, 2020.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd)

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

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

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd)

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

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

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

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

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

The School Districts enterprise fund is:

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

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

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

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

Equipment	15 Years
Vehicles	4-6 Years

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

Measurement Focus - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. For the fund financial statements, all government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing sources) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end. Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the state of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used for the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Preschool Education Aid*, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

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

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

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. 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.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in the 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 modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments (Cont'd) - School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2020, the District had no funds on deposit with the New Jersey Cash Management.

N.J.S.A. 17:9-41 et. seq. establishes 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 the 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.

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

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

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

Tuition Payable – Tuition charges for the fiscal years ended June 30, 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.

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

Prepaid Expenses – Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure.

Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

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

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific even that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

Fund Balances – 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 ether 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.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balances (Cont'd)

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 used by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first.

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

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

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

Bond and Lease Acquisition Costs

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. The prior year amount of unamortized debt issue cost has been restated, in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2020.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB Statement - No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

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

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards:

- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS

As of June 30, 2020, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 4,662,879
NJ Cash Management Fund	
	\$ 4,662,879

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 may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA.

As of June 30, 2020, the School District's bank balance of \$5,873,650 custodial credit risk as follows:

Insured by Depository Insurance	\$ 283,381
Collateralized under GUDPA	5,590,269
	\$ 5,873,650

NOTE 3. CAPITAL RESERVE ACCOUNT

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3. CAPITAL RESERVE ACCOUNT (CONT'D)

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	\$1,223,788
Increased by: Contribution	600,000
Interest Income	100
Decreased by: Appropriation for Capital Outlay	<u>450,000</u>
Ending balance June 30, 2020	<u>\$1,373,888</u>

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

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund
Federal	\$	\$ 751,301	\$	\$ 4,147
State	368,575		7,871,312	84,135
Intergovernmental	748,571			
Other				<u>28,484</u>
	<u>\$ 1,117,146</u>	<u>\$ 751,301</u>	<u>\$ 7,871,312</u>	<u>\$ 116,766</u>

NOTE 5. OPERATING LEASES

At June 30, 2020, the School District had lease agreements in effect for copiers and mail machines from prior years. The following represents the future minimum lease payments associated with this rental agreements, as of June 30, 2020:

Fiscal Year Ending June 30,	Principal
2021	\$ 127,632
2022	127,632
2023	127,632
2024	<u>28,838</u>
Total	<u>\$ 411,734</u>

NOTE 6. INVENTORY

At June 30, 2020, there was an ending inventory of \$19,093 in the Food Service Fund, of which \$14,377 was federal commodities.

Food	\$ 17,126
Supplies	<u>1,967</u>
	<u>\$ 19,093</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. CAPITAL ASSETS

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

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2020</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,280,600	\$	\$	\$ 1,280,600
Construction in Progress	14,620,572	22,668		14,643,240
Total Capital Assets Not Being Depreciated	<u>15,901,172</u>	<u>22,668</u>		<u>15,923,840</u>
Land improvements	1,511,394			1,511,394
Building and building improvements	32,978,284	603,617		33,581,901
Furniture and equipment	2,770,412	54,725		2,825,137
Totals Capital Assets Being Depreciated	<u>37,260,090</u>	<u>658,342</u>		<u>37,918,432</u>
Less accumulated depreciation:				
Land improvements	(1,386,636)	(2,841)		(1,389,477)
Building and improvements	(14,760,164)	(637,177)		(15,397,341)
Equipment	(2,588,103)	(39,898)		(2,628,001)
Total Accumulated Depreciation	<u>(18,734,903)</u>	<u>(679,916)</u>		<u>(19,414,819)</u>
Government Activities Capital Assets, Net	<u>\$ 34,426,359</u>	<u>\$ 1,094</u>	<u>\$</u>	<u>\$ 34,427,453</u>
	To A-1			To A-1
Business-type Activities:				
Equipment	\$ 871,122	\$ 92,461	\$	\$ 963,583
Less: Accumulated Depreciation	(698,363)	(30,464)		(728,827)
Business-type Activities Capital Assets, Net	<u>\$ 172,759</u>	<u>\$ 61,997</u>	<u>\$</u>	<u>\$ 234,756</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 306,058
Administrative Support	61,212
Business Services	10,273
Operations/Maintenance	302,373
Total Depreciation Expense	<u>\$ 679,916</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8. AMORTIZATION OF DEBT REFUNDING COST

The School District had previously elected to implement GASB Statement No. 65 and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2019-20 School Year, the final \$20,210 was amortized on the deferred loss from bond refunding. Therefore, there was no balance reflected in Deferred Outflows of Resources for debt refunding, as of June 30, 2020.

NOTE 9. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance 7/1/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 6/30/20</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 6,225,000	\$	\$ 945,000	\$ 5,280,000	\$ 360,000
Compensated Absences	841,727	124,361		966,088	61,691
Net Pension Liability	12,136,434		2,118,866	10,017,568	
Governmental Activity Long Term Liability	<u>\$ 19,203,161</u>	<u>\$ 124,361</u>	<u>\$ 3,063,866</u>	<u>\$ 16,263,656</u>	<u>\$ 421,691</u>
Business-Type Activities					
Compensated Absences Payable	\$ 36,127	\$	\$ 10,872	\$ 25,255	\$
Total Long-Term Obligations	<u>\$ 19,239,288</u>	<u>\$ 124,361</u>	<u>\$ 3,074,738</u>	<u>\$ 16,288,911</u>	<u>\$ 421,691</u>

As of June 30, 2020, future principal and interest due on the serial bond issue is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 360,000	\$ 163,424	\$ 523,424
2022	360,000	152,624	512,624
2023	360,000	141,824	501,824
2024	360,000	131,024	491,024
2025	360,000	120,224	480,224
2026	360,000	109,424	469,424
2027	360,000	98,624	458,624
2028	360,000	87,824	447,824
2029	360,000	77,024	437,024
2030	360,000	66,224	426,224
2031	360,000	55,424	415,424
2032	330,000	43,724	373,724
2033	330,000	33,000	363,000
2034	330,000	22,274	352,274
2035	330,000	11,550	341,550
	<u>\$ 5,280,000</u>	<u>\$ 1,314,212</u>	<u>\$ 6,594,212</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9. LONG-TERM OBLIGATIONS (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 November 13, 2014 the School District issued \$3,810,000 refunding school bonds at interest rates varying from 1.00% to 2.00% to extinguish previous bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue was paid off during the 2019-20 school year.

On February 18, 2016, the School District issued \$6,000,000 refunding school bonds at interest rates varying from 2.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2020 is \$5,280,000.

Bonds Authorized But Not Issued – As of June 30, 2020, the Board had no bonds authorized but not issued.

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

NOTE 10. PENSION PLANS

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

Public Employees' Retirement System

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONT'D)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were 7,237. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2020 is 13.69% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2020, and 2019, were \$542,908 and \$616,005 respectively.

The total payroll for the year ended June 30, 2020 was \$20,731,127. Payroll covered by PERS was \$3,729,512 for fiscal year 2020.

Components of Net Pension Liability - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$10,017,568. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019 was 0.055596% which was a decrease of 0.00604% from its proportion measured as of June 30, 2018.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2020 PERS pension expense, with respect to GASB 68, was \$253,738. The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179,802	\$ 44,253
Changes of assumptions	1,000,291	3,477,066
Net difference between projected and actual earnings on pension plan investments		158,131
Changes in proportion	161,552	1,208,903
Contributions subsequent to the measurement date	542,908	
Total	\$ 1,884,553	\$ 4,888,353

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Year	PERS
2021	\$ (700,916)
2022	(1,315,069)
2023	(980,426)
2024	(454,811)
2025	(95,489)
Thereafter	
Total	\$ (3,546,711)

Additional Information - Collective Balances at June 30, 2020 and 2019 are as follows:

Year	2020	2019
Collective deferred outflows of resources	\$ 1,884,553	\$ 3,107,424
Collective deferred inflows of resources	\$ 4,888,353	\$ 4,206,311
Collective Net Pension Liability	\$ 10,017,568	\$ 12,136,434
District's Proportion	0.055596%	0.061639%

Actuarial Assumptions - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	100.00%	

Discount Rate - 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 June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ <u>12,741,846</u>	\$ <u>10,017,568</u>	\$ <u>7,850,391</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 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 District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$3,236,583 to the TPAF for pension contributions, \$1,200,713 for post-retirement benefits on behalf of the School, and \$2,709 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$ during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2020, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2020, the District recognized pension expense of \$5,281,385 and revenue of \$5,281,385 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

TPAF

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	<u>100.00%</u>	

Discount Rate - 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 June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

	<u>1% Decrease (4.60%)</u>	<u>Current Discount (5.60%)</u>	<u>1% Increase (6.60%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 105,843,930	\$ 89,541,295	\$ 76,410,798
State's Share of the Net Pension Liability	\$ <u>72,544,649,801</u>	\$ <u>61,519,112,443</u>	\$ <u>52,371,397,951</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2020, employee contributions totaled \$16,895 and the District's employer contribution, recognized in pension expense, was \$9,215. There were no forfeitures during the fiscal year.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$75,891,598. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.18187%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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%.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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 OPEB Liability

	<u>Total OPEB Liability</u>
State of New Jersey	
Balance as of June 30, 2018 Measurement Date	\$ <u>46,110,832,982</u>
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	<u>37,971,171</u>
Net Changes	<u>(4,381,751,937)</u>
Balance as of June 30, 2019 Measurement Date	\$ <u><u>41,729,081,045</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2019</u>		
	<u>At 1.00% Decrease</u>	<u>At Discount Rate</u>	<u>At 1.00% Increase</u>
	2.50%	3.50%	4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2019</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost</u>	<u>1.00% Increase</u>
		Trend Rate	
\$	34,832,902,820	41,729,081,045	51,453,912,586

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2020, the School District recognized OPEB expense of \$1,465,635. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$ 19,068,735
Changes of Assumptions		15,425,138
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		2,524,010
Contributions Subsequent to the Measurement Date		
Total	\$	\$ 37,017,883

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

<u>Measurement Period Ending June 30,</u>		<u>OPEB</u>
2020	\$	(4,947,645)
2021		(4,947,645)
2022		(4,947,645)
2023		(4,947,645)
2024		(4,947,645)
Thereafter		(12,279,658)
Total	\$	(37,017,883)

NOTE 12. 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 of New Jersey of \$3,236,583 for TPAF normal costs, \$1,200,713 for TPAF post-retirement costs, \$2,709 for long-term disability, and \$1,073,817 for reimbursed TPAF Social Security costs.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13. RISK MANAGEMENT

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

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

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

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

Fiscal Year Ended June 30	Interest	School District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2020	\$ 2,160	\$ 8,600	\$ 49,288	\$ 5,273	\$ 257,966
2019	1,362	61,248	49,616	72,718	203,191
2018	292	56,802.00	48,469	86,941	163,683

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

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

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund’s actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund’s claim, loss retention, or administrative accounts to assure the payment of the Fund’s obligations. As a participant in the Tri-County JIF, the reflective share of the combined fund balance or deficit is reported to the District each year, of which this amount is not reported in the Financial Statements of the District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14. DEFERRED COMPENSATION

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

The below 403(b) service providers have been authorized by the School District:

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

NOTE 15. COMPENSATED ABSENCES

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

All School District employees are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. All School District employees except non-instructional aides are entitled to three personal days which may be carried forward and accumulated to be paid at retirement. Vacation days not used during the year may not be accumulated and carried forward.

Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, the liability for compensated absences in the governmental and proprietary fund types was \$966,088 and \$25,255, respectively.

NOTE 16. ARBITRAGE REBATE

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

The School District issued refunded bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is May 31, 2008 (the final maturity of the bonds) or earlier, the redemption date of the last outstanding bond. The School District also issued refunding bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is February 28, 2010 (the final maturity bonds) or if earlier, the redemption date of the last outstanding bond.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 17. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 536,299	\$ 1,243,883
Special Revenue		162,850
Capital Projects		364,523
Food Service	567,283	
Academy	676,600	
Payroll		8,926
	<u>\$ 1,780,182</u>	<u>\$ 1,780,182</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2020, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

NOTE 18. DEFICIT FUND BALANCES

The School District has an unassigned deficit of \$1,572,340 in the general fund and a deficit of \$62,413 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 payment as revenue for budget purposes only in the current school budget year. The statute provides legal authority for school districts to recognize the revenue in a current school budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other governmental recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payment. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District's general fund deficit is less than the June state aid payments received in July, 2020 and the School District's special revenue fund deficit in the GAAP funds statements of \$62,413 is the same as the June state aid payments received in July, 2020.

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2020.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18. DEFICIT FUND BALANCES (CONT'D)

RESTRICTED

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

General Fund –

For Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budget fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$2,563,330, of which \$797,980 was assigned for utilization in the 2020-21 budget and \$1,765,350 will be utilized in the 2021-22 budget.

For Capital Reserve Account – As of June 30, 2020, the balance in the capital reserve account is \$1,373,888, of which \$600,000 was assigned for utilization in the 2020-21 budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). The maximum amount of Capital Reserve is \$25,757,944.

For Maintenance Reserve Account – As of June 30, 2020, the balance in the maintenance reserve account is \$18,877. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A 18:7G-9) as amended by P.L. 2004, c. 73 (S1710). The maximum allowable reserve balance is \$2,445,906.

Capital Projects Fund – As of June 30, 2020, the restricted fund balance amount was \$295,365. Budgets of district projects were approved and funded in prior years in part by the School Development Authority in the amount of \$13,509,588, Bond Proceeds of \$6,000,000 and \$600,000 from the Capital Reserve account.

Debt Service Fund – In accordance with N.J.S.A. 18A:7F-41(c) (2), the School District has a Debt fund balance in the amount of \$0, which is unassigned as of June 30, 2020.

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 anticipated revenue for the fiscal year ending June 30, 2020 \$402,020.

Other Purposes As of June 30, 2020, the School District had \$596,259 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18. DEFICIT FUND BALANCES (CONT'D)

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 \$3,382,034, which includes an unassigned deficit of \$1,572,340. This was the result of the delay in the payment of state aid of \$2,279,931 until the following fiscal year. As stated in Note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid in the payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance does not alone indicate that the School District is facing financial difficulties.

Special Revenue Fund – As of June 30, 2020, the fund balance of the special revenue fund was a deficit of \$62,413 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 18, 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 \$62,413 is the same as the last state aid payment.

NOTE 19. TAX ABATEMENT

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

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

NOTE 20: GRANT ANTICIPATION NOTE

The District entered into a short-term Grant Anticipation Note on July 11, 2019 in the amount of \$7,158,000. The interest rate on the note is 2.50% and there is a note premium of \$54,687.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 21: LITIGATION

The School District is involved in one pending litigation matter, which has been assigned to the Board's insurance carrier. In addition, the Board is still aware of five Notice of Tort Claims and the outcome, or exposure to the Board, is still either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 22: SUBSEQUENT EVENTS

The District entered into a short-term Grant Anticipation Note on July 9, 2020 in the amount of \$7,158,000. The interest rate on the note is 2.00% and there is a note premium of \$91,440.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,427,627	\$	\$ 11,427,627	\$ 11,427,627	\$
Tuition from LEAS within the State	961,539		961,539	1,048,765	87,226
Tuition from Summer School	1,500		1,500		(1,500)
Transportation Fees from Other LEAS	7,902		7,902		(7,902)
Interest on Investments	49,900		49,900	69,675	19,775
Interest on Investments - Capital Reserve	100		100	100	
Rent	7,500		7,500	4,000	(3,500)
Sale of Property	50,000		50,000		(50,000)
Miscellaneous	25,500		25,500	48,813	23,313
Total - Local Sources	12,531,568	-	12,531,568	12,598,980	67,412
State Sources:					
Categorical Special Education	1,222,614		1,222,614	1,222,614	
Equalization Aid	21,065,660		21,065,660	21,065,660	
Categorical Security Aid	785,483		785,483	785,483	
Categorical Transportation Aid	761,052		761,052	761,052	
Extraordinary Aid	310,500		310,500	314,713	4,213
Family Crisis Transportation Aid				41,329	41,329
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,236,583	3,236,583
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,200,713	1,200,713
Long-term Disability (On Behalf - Non-Budgeted)				2,709	2,709
Reimbursed TPAF Social Security (Non-Budgeted)				1,073,817	1,073,817
Total - State Sources	24,145,309		24,145,309	29,704,673	5,559,364
Federal Sources:					
Medical Assistance Program	80,618		80,618	79,328	(1,290)
Total - Federal Sources	80,618		80,618	79,328	(1,290)
Total Revenues	36,757,495		36,757,495	42,382,981	5,625,486
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool - Salaries of Teachers	7,717		7,717		7,717
Kindergarten	829,931	(39,522)	790,409	783,608	6,801
Grades 1-5	3,178,378	39,522	3,217,900	3,217,283	617
Grades 6-8	1,819,253	12,433	1,831,686	1,825,167	6,519
Grades 9-12	2,373,568	12,217	2,385,785	2,293,402	92,383
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	1,140	3,860
Purchased Professional - Educational Services	12,500	(5,523)	6,977		6,977
Other Purchased Services (400-500 series)	1,500	(200)	1,300		1,300
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	60,876	5,149	66,025	65,616	409
Purchased Professional - Educational Services	647,475	51,284	698,759	650,802	47,957
Other Purchased Services (400-500 Series)	192,585	1,832	194,417	146,103	48,314
General Supplies	572,802	(7,461)	565,341	249,581	315,760
Textbooks	101,081	(7,517)	93,564	79,667	13,897
Other Objects	12,845	6,511	19,356	12,561	6,795
Total Regular Programs	9,815,511	68,725	9,884,236	9,324,930	559,306
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,228,542	(42,219)	1,186,323	1,186,223	100
Other Salaries for Instruction	132,796	(5,781)	127,015	66,174	60,841
General Supplies	5,000	(1,000)	4,000	999	3,001
Total Learning and/or Language Disabilities	1,366,338	(49,000)	1,317,338	1,253,396	63,942

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,427,627	\$	\$ 11,427,627	\$ 11,427,627	\$
Tuition from LEAS within the State	961,539		961,539	1,048,765	87,226
Tuition from Summer School	1,500		1,500		(1,500)
Transportation Fees from Other LEAS	7,902		7,902		(7,902)
Interest on Investments	49,900		49,900	69,675	19,775
Interest on Investments - Capital Reserve	100		100	100	
Rent	7,500		7,500	4,000	(3,500)
Sale of Property	50,000		50,000		(50,000)
Miscellaneous	25,500		25,500	48,813	23,313
Total - Local Sources	12,531,568		12,531,568	12,598,980	67,412
State Sources:					
Categorical Special Education	1,222,614		1,222,614	1,222,614	
Equalization Aid	21,065,660		21,065,660	21,065,660	
Categorical Security Aid	785,483		785,483	785,483	
Categorical Transportation Aid	761,052		761,052	761,052	
Extraordinary Aid	310,500		310,500	314,713	4,213
Family Crisis Transportation Aid				41,329	41,329
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,236,583	3,236,583
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,200,713	1,200,713
Long-term Disability (On Behalf - Non-Budgeted)				2,709	2,709
Reimbursed TPAF Social Security (Non-Budgeted)				1,073,817	1,073,817
Total - State Sources	24,145,309		24,145,309	29,704,673	5,559,364
Federal Sources:					
Medical Assistance Program	80,618		80,618	79,328	(1,290)
Total - Federal Sources	80,618		80,618	79,328	(1,290)
Total Revenues	36,757,495		36,757,495	42,382,981	5,625,486
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool - Salaries of Teachers	7,717		7,717		7,717
Kindergarten	829,931	(39,522)	790,409	783,608	6,801
Grades 1-5	3,178,378	39,522	3,217,900	3,217,283	617
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Grades 9-12	2,373,568	12,217	2,385,785	2,293,402	92,383
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	1,140	3,860
Purchased Professional - Educational Services	12,500	(5,523)	6,977		6,977
Other Purchased Services (400-500 series)	1,500	(200)	1,300		1,300
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	60,876	5,149	66,025	65,616	409
Purchased Professional - Educational Services	647,475	51,284	698,759	650,802	47,957
Other Purchased Services (400-500 Series)	192,585	1,832	194,417	146,103	48,314
General Supplies	572,802	(7,461)	565,341	249,581	315,760
Textbooks	101,081	(7,517)	93,564	79,667	13,897
Other Objects	12,845	6,511	19,356	12,561	6,795
Total Regular Programs	9,815,511	68,725	9,884,236	9,324,930	559,306
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,228,542	(42,219)	1,186,323	1,186,223	100
Other Salaries for Instruction	132,796	(5,781)	127,015	66,174	60,841
General Supplies	5,000	(1,000)	4,000	999	3,001
Total Learning and/or Language Disabilities	1,366,338	(49,000)	1,317,338	1,253,396	63,942

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 62,588	\$ (1,116)	\$ 61,472	\$ 61,472	\$
Other Salaries for Instruction	19,995	(1,457)	18,538		18,538
Total Behavioral Disabilities	82,583	(2,573)	80,010	61,472	18,538
Multiple Disabilities:					
Salaries of Teachers	1,333,598	(456)	1,333,142	1,205,733	127,409
Other Salaries for Instruction	367,945	141	368,086	347,421	20,665
Purchased Professional Educational Services	5,000	171	5,171	5,170	1
General Supplies	12,250	(6,307)	5,943	5,401	542
Total Multiple Disabilities	1,718,793	(6,451)	1,712,342	1,563,725	148,617
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	563,444		563,444	383,836	179,608
General Supplies	22,774	(1,386)	21,388	12,630	8,758
Total Resource Room/Resource Center	586,218	(1,386)	584,832	396,466	188,366
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	161,298		161,298	158,507	2,791
Other Salaries for Instruction	23,073		23,073	5,007	18,066
General Supplies	10,350		10,350	3,388	6,962
Total Preschool Disabilities - Instruction - Part -Time	194,721		194,721	166,902	27,819
Home Instruction:					
Salaries of Teachers	10,000		10,000	6,878	3,122
Purchased Professional-Educational Services	50,450		50,450	32,788	17,662
Other Purchased Services		200	200	68	132
Total Home Instruction	60,450	200	60,650	39,734	20,916
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,009,103	(59,210)	3,949,893	3,481,695	468,198
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	315,992	34,910	350,902	350,702	200
Total Basic Skills / Remedial - Instruction	315,992	34,910	350,902	350,702	200
Bilingual Education - Instruction					
Salaries of Teachers	558,421	(11,651)	546,770	441,054	105,716
Other Salaries for Instruction	111,815		111,815	78,456	33,359
Total Bilingual Education - Instruction	670,236	(11,651)	658,585	519,510	139,075
School Sponsored Co-curricular Activities - Instruction					
Salaries	45,000	17,782	62,782	62,782	
Supplies and Materials	18,019	(1,103)	16,916	10,591	6,325
Other Objects	2,879		2,879	2,191	688
Total School Sponsored Co-curricular Activities - Instruction	65,898	16,679	82,577	75,564	7,013
School Sponsored Athletics - Instruction					
Salaries	220,542		220,542	194,919	25,623
Purchased Services (300-500 Series)	72,207	3,200	75,407	72,745	2,662
Supplies and Materials	39,268	14,886	54,154	45,254	8,900
Other Objects	17,900	2,953	20,853	20,809	44
Total School Sponsored Athletics - Instruction	349,917	21,039	370,956	333,727	37,229
Summer School - Instruction					
Salaries of Teachers	10,200	7,770	17,970	17,970	
Purchased Professional & Technical Services	10,000		10,000		10,000
Total Summer School - Instruction	20,200	7,770	27,970	17,970	10,000
Total Instruction	15,246,857	78,262	15,325,119	14,104,098	1,221,021

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 33,068	\$ 79,028	\$ 112,096	\$ 81,513	\$ 30,583
Tuition to Other LEAs Within the State - Special	79,803	(14,902)	64,901	55,792	9,109
Tuition to County Voc School Dist - Regular	571,050	45,602	616,652	616,652	
Tuition to CSSD & Regional Day Schools	966,297	321,971	1,288,268	1,245,372	42,896
Tuition to Private Schools for the Disabled - Within State	615,552	(245,839)	369,713	203,448	166,265
Tuition to Priv Schools for the Disabled & Oth LEAs-Spl, O/S St	368,550	1,953	370,503	350,836	19,667
Tuition - State Facilities	62,443		62,443	62,443	
Total Undistributed Expenditures - Instruction	2,696,763	187,813	2,884,576	2,616,056	268,520
Undistributed Expenditures - Attendance & Social Work:					
Salaries	26,898		26,898	10,533	16,365
Total Undistributed Expend. - Attend. & Social Work	26,898		26,898	10,533	16,365
Undistributed Expenditures - Health Services					
Salaries	305,955	(150,698)	155,257	127,664	27,593
Purchased Professional and Technical Services	230,002	25,661	255,663	175,864	79,799
Other Purchased Services (400-500 series)	1,000		1,000	357	643
Supplies and Materials	10,636	568	11,204	5,880	5,324
Total Undistributed Expenditures - Health Services	547,593	(124,469)	423,124	309,765	113,359
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	128,780		128,780	126,445	2,335
Purchased Professional - Educational Services	165,000	38,974	203,974	196,650	7,324
Supplies and Materials	300		300		300
Total Undistributed Expenditures - Speech, OT, PT & Related Services	294,080	38,974	333,054	323,095	9,959
Undistributed Expenditures - Extraordinary Services					
Purchased Professional - Educational Services					
Total Undistributed Expenditures - Extraordinary Services					
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	534,509		534,509	533,904	605
Salaries of Secretarial and Clerical Assistants	88,816	3,043	91,859	91,559	300
Other Purchased Professional and Technical Services	30,250	(3,043)	27,207	26,563	644
Supplies and Materials	20,458	8,019	28,477	21,585	6,892
Total Undistributed Expenditures - Guidance	674,033	8,019	682,052	673,611	8,441
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	451,167	(5,960)	445,207	445,207	
Salaries of Secretarial and Clerical Assistants	57,654		57,654	56,774	880
Purchased Professional- Educational Services	45,000	117,159	162,159	158,584	3,575
Other Purchased Professional and Technical Services	40,764	(22,954)	17,810	16,855	955
Other Purchased Services	1,500		1,500		1,500
Misc Purchased Services (400-500 Series Other than Resid Costs)	1,500	(15)	1,485	93	1,392
Supplies and Materials	11,640		11,640	7,662	3,978
Other Objects	5,000		5,000	2,440	2,560
Total Undistributed Expenditures - Child Study Team	614,225	88,230	702,455	687,615	14,840
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	270,699		270,699	253,899	16,800
Salaries of Other Professional Staff	37,990	(7,770)	30,220	21,707	8,513
Salaries of Secretarial and Clerical Assistants	51,750		51,750	51,213	537
Supplies and Materials	3,000	180	3,180	1,494	1,686
Other Objects	3,000		3,000	1,346	1,654
Total Undistributed Expenditures - Improvement of Instruction Serv.	366,439	(7,590)	358,849	329,659	29,190

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries	\$ 230,936	\$ 148	\$ 231,084	\$ 226,554	\$ 4,530
Purchased Professional and Technical Services	2,150		2,150	1,492	658
Other Purchased Services (400-500 series)	18,376	505	18,881	12,868	6,013
Supplies and Materials	22,152	716	22,868	17,951	4,917
Total Undistributed Expenditures - Educational Media Services/ School Library:	273,614	1,369	274,983	258,865	16,118
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	26,500	450	26,950	13,854	13,096
Other Purchased Services (400-500 series)	44,500		44,500	14,989	29,511
Total Undistributed Expenditures - Instructional Staff Training Serv:	71,000	450	71,450	28,843	42,607
Undistributed Expenditures - Support Services - General Admin:					
Salaries	219,952		219,952	219,112	840
Legal Services	102,500	50,982	153,482	118,016	35,466
Audit Fees	26,300	(453)	25,847	25,847	
Architectural/Engineering Services	10,000	(5,000)	5,000		5,000
Other Purchased Professional Services	51,000	51,545	102,545	95,044	7,501
Purchased Technical Services	6,000	250	6,250	6,250	
Communications/Telephone	117,350	4,005	121,355	116,140	5,215
BOE Other Purchased Services	9,000	(26)	8,974	8,974	
Other Purchased Services	421,144	17,250	438,394	436,469	1,925
General Supplies	15,000	(6,904)	8,096	8,037	59
Miscellaneous Expenditures	1,000		4,648	4,648	
BOE Membership Dues and Fees	15,000	(1,310)	13,690	13,690	
Total Undistributed Expenditures - Support Services - General Administration	994,246	113,987	1,108,233	1,052,227	56,006
Undistributed Expenditures - Support Service - School Administration:					
Salaries of Principals/Assistant Principals	910,530	10,567	921,097	921,087	10
Salaries of Other Professional Staff	112,074	5,926	118,000	118,000	
Salaries of Secretarial and Clerical Assistants	466,804	(6,262)	460,542	459,305	1,237
Purchased Professional and Technical Services	7,000	(4,605)	2,395		2,395
Other Purchased Services (400-500 Series)	2,000	(600)	1,400	200	1,200
Supplies and Materials	28,214	(5,381)	22,833	17,813	5,020
Other Objects	5,000		5,000	3,750	1,250
Total Undistributed Expenditures - Support Services - School Administration	1,531,622	(355)	1,531,267	1,520,155	11,112
Undistributed Expenditures - Central Services					
Salaries	398,746	12,425	411,171	392,599	18,572
Purchased Technical Services	168,677	21,043	189,720	129,919	59,801
Supplies and Materials	3,255		3,255	3,139	116
Interest on Current Loans	191,250	(2,500)	188,750	186,249	2,501
Miscellaneous Expenditures	1,750	(709)	1,041	741	300
Total Undistributed Expenditures - Central Services	763,678	30,259	793,937	712,647	81,290
Undistributed Expenditures - Administrative Information Technology					
Salaries	318,926		318,926	307,116	11,810
Total Undistributed Expenditures - Administrative Information Tech.	318,926		318,926	307,116	11,810
Undistributed Expenditures - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	279,149	(35,537)	243,612	99,463	144,149
General Supplies	118,780	244	119,024	48,628	70,396
Total Undistributed Expenditures - Required Maintenance for School Facilities	397,929	(35,293)	362,636	148,091	214,545

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,540,941	\$ 47,726	\$ 1,588,667	\$ 1,337,364	\$ 251,303
Salaries of Non-Instructional Aides	133,483		133,483	104,464	29,019
Cleaning, Repair and Maintenance Services	46,642	5,736	52,378	47,511	4,867
Other Purchased Property Services	92,500	(18,747)	73,753	62,219	11,534
Insurance	139,338		139,338	139,338	
General Supplies	182,750	(8,246)	174,504	111,387	63,117
Energy (Natural Gas)	153,000	50,879	203,879	162,230	41,649
Energy (Electricity)	500,000		500,000	387,290	112,710
Energy (Gasoline)	12,000		12,000	6,646	5,354
Total Undistributed Expenditures - Custodial Services	2,800,654	77,348	2,878,002	2,358,449	519,553
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	186,053		186,053	137,464	48,589
Cleaning, Repair and Maintenance Services	80,000	5,698	85,698	31,551	54,147
General Supplies	20,000		20,000	16,522	3,478
Total Undistributed Expenditures - Care and Upkeep of Grounds	286,053	5,698	291,751	185,537	106,214
Undistributed Expenditures - Security					
Salaries	199,188		199,188	129,481	69,707
Purchased Professional and Technical Services	6,000	(1,000)	5,000		5,000
Cleaning, Repair and Maintenance Services	9,500	(486)	9,014	7,200	1,814
General Supplies	6,000	1,480	7,480	6,236	1,244
Total Undistributed Expenditures - Security	220,688	(6)	220,682	142,917	77,765
Total Operation and Maintenance of Plant Services	3,705,324	47,747	3,753,071	2,834,994	918,077
Undistributed Expenditures - Student Transportation Services					
Salaries - Between Home and School - Regular	62,173	209	62,382	62,382	
Management Fee - ESC Transportation Program	5,000	(4,472)	528	230	298
Other Purchased Professional and Technical Services		4,450	4,450	4,450	
Contracted Services - Aid in Lieu Payments - Non Pub School	65,000	2,000	67,000	28,589	38,411
Contracted Services - Aid in Lieu Payments - Choice Schl	25,000	500	25,500	14,006	11,494
Contracted Services - (Between Home and School) - Vendors	792,011	(11,329)	780,682	756,885	23,797
Contracted Services - (Other than Bet Home & School) - Vendors	107,772	9,111	116,883	71,420	45,463
Contracted Services (Between Home and School) - Joint Agreements	81,546	(41,506)	40,040	20,849	19,191
Contracted Services (Special Education Students) - Vendors	502,134	(26,900)	475,234	470,754	4,480
Contracted Services (Reg Education Students) - ESC's	151,031	107,000	258,031	252,274	5,757
Contracted Services (Spec Education Students) - ESC's	377,179	132,069	509,248	504,553	4,695
Transportation Supplies	1,500		1,500	-	1,500
Total Undistributed Expenditures - Student Transportation Services	2,170,346	171,132	2,341,478	2,186,392	155,086
Unallocated Benefits:					
Social Security Contributions	413,030		413,030	389,454	23,576
Other Retirement Contributions - PERS	645,003	(35,000)	610,003	554,487	55,516
Workmen's Compensation	338,889		338,889	338,889	
Health Benefits	5,697,301	(546,405)	5,150,896	4,924,771	226,125
Tuition Reimbursement	100,000	3,905	103,905	77,582	26,323
Other Employee Benefits	338,843	(12,612)	326,231	78,753	247,478
Unused Sick Payment to Terminated/Retired Staff	61,326	54,305	115,631	115,631	
Total Unallocated Benefits	7,594,392	(535,807)	7,058,585	6,479,567	579,018
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,236,583	(3,236,583)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,200,713	(1,200,713)
Long-term Disability (On Behalf - Non-Budgeted)				2,709	(2,709)
Reimbursed TPAF Social Security (Non-Budgeted)				1,073,817	(1,073,817)
Total On-Behalf Contributions				5,513,822	(5,513,822)
Total Undistributed Expenditures	22,643,179	19,759	22,662,938	25,844,962	(3,182,024)
Interest Earned					
Interest Earned on Maintenance Reserve					
Total Current Expense	37,890,036	98,021	37,988,057	39,949,060	(1,961,003)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Capital Outlay					
Increase in Maintenance Reserve	\$ 100		\$ 100		\$ 100
Interest Deposit on Capital Reserve	100		100		100
Equipment:					
Special Education - Instruction					
Undistributed Expenditures:					
Custodial Services	24,900	(24,900)			
Required Maint for School Facilities		3,000	3,000		3,000
Care and Upkeep of Grounds	52,400	22,000	74,400	39,563	34,837
Total Equipment	77,300	100	77,400	39,563	37,837
Facilities Acquisition and Construction Services					
Construction Services	372,700	530,576	903,276	626,286	276,990
Other Objects	52,566	(37,405)	15,161	15,161	
Other Objects - Debt Service Assessment		52,666	52,666	52,666	
Total Facilities Acquisition and Construction Services	425,266	545,837	971,103	694,113	276,990
Total Capital Outlay	502,666	545,937	1,048,603	733,676	314,927
Total Expenditures	38,392,702	643,958	39,036,660	40,682,736	(1,646,076)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,635,207)	(643,958)	(2,279,165)	1,700,245	3,979,410
OTHER FINANCING SOURCES (USES):					
Operating Transfers (Out) :					
Transfer to Charter School	(14,793)	(8,592)	(23,385)	(23,385)	
Interest Earned Transferred from Capital Project Fund				721	721
Cancellation Prior Year Accounts Receivable				(151,900)	(151,900)
Total Other Financing Sources (Uses):	(14,793)	(8,592)	(23,385)	(174,564)	(151,179)
Net Change in Fund Balances	(1,650,000)	(652,550)	(2,302,550)	1,525,681	3,828,231
Fund Balances - Beginning of Year	4,136,284		4,136,284	4,136,284	
Fund Balances - End of Year	\$ 2,486,284	\$ (652,550)	\$ 1,833,734	\$ 5,661,965	\$ 3,828,231
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 773,888	
Maintenance Reserve				18,877	
Excess Surplus				1,765,350	
Assigned Fund Balance:					
Capital Reserve - Designated For Subsequent Year's Expenditures				600,000	
Year-End Encumbrances				596,259	
Excess Surplus Designated For Subsequent Year's Expenditures				797,980	
Designated For Subsequent Year's Expenditures				402,020	
Unassigned				707,591	
				5,661,965	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,279,931)	
				\$ 3,382,034	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Preschool Education Aid	\$ 652,479	\$	\$ 652,479	\$ 631,539	\$ (20,940)
Total - State Sources	652,479		652,479	631,539	(20,940)
Federal Sources:					
Title I	1,367,151	1,487	1,368,638	1,242,608	(126,030)
Title I - SIA A	301,085	(164,270)	136,815	123,220	(13,595)
Title I - Reallocated	56,113	(14,845)	41,268	58,043	16,775
Title II	85,408	32,396	117,804	73,350	(44,454)
Title III	46,715	6,422	53,137	44,795	(8,342)
Title III - Immigrant	2,169	415	2,584	2,584	
I.D.E.A., Part B	557,642	9,370	567,012	567,012	
I.D.E.A., Part B. Preschool Incentive	18,476	3,647	22,123	22,123	
CARES Act	-	938,274	938,274	251,430	(686,844)
Total - Federal Sources	2,434,759	812,896	3,247,655	2,385,165	(862,490)
Other Sources:					
Whole Kids		3,453	3,453	470	(2,983)
Total - Other Sources		3,453	3,453	470	(2,983)
Total Revenues	3,087,238	816,349	3,903,587	3,017,174	(886,413)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,106,880	121,138	1,228,018	1,043,808	184,210
Other Salaries for Instruction	110,849	(7,507)	103,342	98,551	4,791
Purchased Professional and Technical Services	17,850	26,179	44,029	18,379	25,650
Tuition	557,642	9,370	567,012	567,012	
General Supplies	459,137	84,472	543,609	462,454	81,155
Other Objects	13,271	(3,128)	10,143	4,397	5,746
Total Instruction	2,265,629	230,524	2,496,153	2,194,601	301,552
Support Services:					
Salaries of Teachers	64,236	21,964	86,200	84,188	2,012
Salaries of Principals, Assistant Principals and Program Directors	22,254	1,746	24,000	24,000	
Salaries of Other Professional Staff	57,861	4,179	62,040	62,040	
Salaries of Secretarial and Clerical Assistants	43,145	(1,052)	42,093	42,093	
Other Salaries	48,032	6,772	54,804	54,804	
Medical Benefits	227,884	19,602	247,486	130,610	116,876
Other Employee Benefits	231,507	44,780	276,287	238,209	38,078
Purchased Professional - Educational Services	87,027	91,531	178,558	113,850	64,708
Other Purchased Services (400-500 Series)	1,131	1,712	2,843	266	2,577
General Supplies	13,504	23,996	37,500	37,500	
Supplies and Materials		377,399	377,399	23,670	353,729
Miscellaneous Expenditures	25,028	(6,804)	18,224	11,343	6,881
Total Support Services	821,609	585,825	1,407,434	822,573	584,861
Facilities Acquisition and Construction					
Instructional Equipment					
Total Expenditures	3,087,238	816,349	3,903,587	3,017,174	886,413
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	Ref	General Fund	Ref	Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 42,382,981	[C-2]	\$ 3,017,174
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(38,675)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		2,184,499		69,955
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(2,279,931)		(62,413)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 42,287,549	[B-2]	\$ 2,986,041
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 40,682,736	[C-2]	\$ 3,017,174
Differences - Budget to GAAP;				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				(38,675)
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 40,682,736	[B-2]	\$ 2,978,499

REQUIRED SUPPLEMENTARY INFORMATION
PART III

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.055596%	0.061639%	0.062099%	0.060805%	0.061391%	0.059992%	0.060235%
District's Proportionate Share of the Net Pension Liability	\$ 10,017,568	\$ 12,136,434	\$ 14,455,581	\$ 18,008,632	\$ 13,780,972	\$ 11,232,180	\$ 11,512,069
District's Covered-Employee Payroll	\$ 3,729,512	\$ 3,834,498	\$ 3,829,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	268.60%	316.51%	377.47%	437.89%	324.37%	271.36%	276.98%
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: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 542,908	\$ 616,005	\$ 585,030	\$ 543,474	\$ 527,795	\$ 494,567	\$ 453,857
Contributions in relation to the Contractually Required Contribution	(542,908)	(616,005)	(585,030)	(543,474)	(527,795)	(494,567)	(453,857)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 3,729,512	\$ 3,834,498	\$ 3,829,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
Contributions as a Percentage of Covered-Employee Payroll	14.56%	16.06%	15.28%	13.21%	12.42%	11.95%	10.92%

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.145902%	0.149425%	0.155944%	0.156891%	0.154707%	0.164519%	0.167044%
District's Proportionate Share of the Net Pension Liability	\$ 89,541,295	\$ 95,061,013	\$ 105,142,931	\$ 123,420,739	\$ 97,781,586	\$ 87,929,793	\$ 84,422,895
District's Covered-Employee Payroll	\$ 15,086,152	\$ 15,680,129	\$ 15,407,146	\$ 15,473,667	\$ 15,423,386	\$ 15,866,952	\$ 15,564,334
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	593.53%	606.25%	682.43%	797.62%	633.98%	554.17%	542.41%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 3,086,741	\$ 3,551,217	\$ 4,281,335
Interest Cost	3,390,138	3,663,424	3,169,028
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(15,089,543)	(9,418,513)	
Changes of Assumptions	1,131,550	(9,826,850)	(13,366,405)
Member Contributions	69,057	79,139	85,182
Gross Benefit Payments	(2,329,646)	(2,289,804)	(2,313,310)
Net Change in Total OPEB Liability	<u>(9,741,703)</u>	<u>(14,241,387)</u>	<u>(8,144,170)</u>
Total OPEB Liability - Beginning	<u>85,633,301</u>	<u>99,874,688</u>	<u>108,018,858</u>
Total OPEB Liability - Ending	<u>\$ 75,891,598</u>	<u>\$ 85,633,301</u>	<u>\$ 99,874,688</u>
Covered-Employee Payroll	<u>\$ 18,815,664</u>	<u>\$ 19,514,627</u>	<u>\$ 19,236,772</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	403.34%	438.82%	519.19%

Notes to Schedule:

Changes of Benefit Terms: None

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

Changes in 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.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)

	Total Brought Forward	I.D.E.A. Part B		CARES 2019-2020	Total Carried Forward
		Basic 2019-2020	Preschool 2019-2020		
REVENUES:					
Federal sources	\$ 1,544,600	\$ 567,012	\$ 22,123	\$ 251,430	\$ 2,385,165
State Sources					
Local Sources					
Total Revenues	\$ 1,544,600	\$ 567,012	\$ 22,123	\$ 251,430	\$ 2,385,165
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 634,712	\$	\$	\$	\$ 634,712
Other Salaries for Instruction	38,494		20,551		59,045
Purchased Professional Technical Services	529			17,850	18,379
Tuition		567,012			567,012
General Supplies	252,074			209,910	461,984
Other Objects	4,397				4,397
Total Instruction	930,206	567,012	20,551	227,760	1,745,529
Support Services:					
Salaries of Teachers	84,188				84,188
Medical Benefits	130,610				130,610
Other Employee Benefits	236,637		1,572		238,209
Purchased Professional - Educational Services	113,850				113,850
Other Purchased Services (400-500 Series)	266				266
General Supplies	37,500				37,500
Supplies and Materials				23,670	23,670
Miscellaneous Expenditures	11,343				11,343
Total Support Services	614,394		1,572	23,670	639,636
Total Expenditures	1,544,600	567,012	22,123	251,430	2,385,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2019)

	Total Brought Forward	Preschool Education Aid	Whole Kids Grant	Total	
				2020	2019
REVENUES:					
Federal sources	\$ 2,385,165	\$	\$	\$ 2,385,165	\$ 2,561,157
State sources		631,539		631,539	699,546
Other			470	470	12,884
Total Revenues	2,385,165	631,539	470	3,017,174	3,273,587
EXPENDITURES:					
Instruction:					
Salaries of Teachers	634,712	409,096		1,043,808	1,183,053
Other Salaries for Instruction	59,045	39,506		98,551	98,526
Purchased Professional and Technical Services	18,379			18,379	17,500
Tuition	567,012			567,012	557,642
General Supplies	461,984		470	462,454	456,902
Other Objects	4,397			4,397	6,343
Total Instruction	1,745,529	448,602	470	2,194,601	2,319,966
Support Services:					
Salaries of Teachers	84,188			84,188	3,930
Salaries of Principals, Assistant Principals, and Program Directors		24,000		24,000	84,694
Salaries of Other Professional Staff		62,040		62,040	141,118
Salaries of Secretarial and Clerical Assistants		42,093		42,093	37,992
Other Salaries		54,804		54,804	48,032
Medical Benefits	130,610			130,610	235,458
Other Employee Benefits	238,209			238,209	281,061
Purchased Professional - Educational Services	113,850			113,850	93,122
Other Purchased Services (400-500 Series)	266			266	1,832
General Supplies	37,500			37,500	7,358
Supplies and Materials	23,670			23,670	
Miscellaneous Expenditures	11,343			11,343	19,024
Total Support Services	639,636	182,937		822,573	953,621
Facilities Acquisition and Construction					
Instructional Equipment					
Total Expenditures	2,385,165	631,539	470	3,017,174	3,273,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 359,194	\$ 409,096	\$ (49,902)
Other Salaries for Instruction	47,964	39,506	8,458
Total Instruction	<u>407,158</u>	<u>448,602</u>	<u>(41,444)</u>
Support Services:			
Salaries of Principals	22,254	24,000	(1,746)
Salaries of Other Professional Staff	57,861	62,040	(4,179)
Salaries of Secretarial/Clerical Assistants	43,145	42,093	1,052
Other Salaries	48,032	54,804	(6,772)
Medical Benefits	74,029		74,029
Total Support Services	<u>245,321</u>	<u>182,937</u>	<u>62,384</u>
Total Expenditures	<u>\$ 652,479</u>	<u>\$ 631,539</u>	<u>\$ 20,940</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2019-20 Preschool Education Aid Allocation	\$ 652,479	(1)
Add: Actual ECPA Carryover (June 30, 2019)		(2)
Add: Budgeted Transfer from the General Fund 2019-20		(3)
Total Preschool Education Aid Funds Available for 2019-20 Budget	<u>652,479</u>	(4)
Less: 2019-20 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(652,479)</u>	(5)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020		(6)
Add: June 30, 2020 Unexpended Preschool Education Aid	20,940	(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
2019-20 Carryover - Preschool Education Aid/Preschool Programs	<u>\$ 20,940</u>	(9)
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21		<u>\$ (10)</u>

CAPITAL PROJECTS FUND DETAIL STATEMENT

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

DOE Project Number	Issue/Project Title	Date	Appropriations	Adjusted/ Cancelled	Expenditures to Date		Unexpended Balance 6/30/20	Memo Only	
					Prior Year	Current Year		Encumbrances	Available Balance
4070-50-10-1004	Science Lab & Auditorium Upgrade at Penns Grove High School		\$ 3,000,000	\$ (203,404)	\$ 2,796,596	\$	\$	\$	
	Parking Lot Improvements at the Lafayette-Pershing School			62,124	57,948		4,176		4,176
N/A	Site Expansion at Lafayette-Pershing Elementary School	4/13/15	291,189				291,189		291,189
4070-050-14-1001	Penns Grove HS HVAC	4/13/15	2,799,962		2,799,962				
4070-050-14-1002	Penns Grove HS Renovation	4/13/15	4,146,283		4,146,283				
4070-080-14-1003	Paul W. Carleton ES Renovation	4/13/15	660,650		660,650				
4070-080-14-1004	Paul W. Carleton HVAC	4/13/15	1,649,780		1,649,780				
4070-090-14-1005	Field Street ES HVAC	4/13/15	1,673,388		1,673,388				
4070-090-14-1006	Field Street ES Renovation	4/13/15	583,164		583,164				
4070-100-14-1007	Lafayette-Pershing ES Roof; Ext Doors	4/13/15	512,523		512,523				
4070-105-14-1008	Penns Grove MS Renovation	4/13/15	5,866,495		5,866,495				
4070-105-14-1009	Penns Grove MS Roof	4/13/15	16,075		16,075				
4070-105-14-1010	Penns Grove MS HVAC	4/13/15	69,970		69,970				
4070-105-14-1011	Penns Grove MS HVAC - Admin Off	4/13/15	1,131		1,131				
			<u>\$ 21,270,610</u>	<u>\$ (141,280)</u>	<u>\$ 20,833,965</u>	<u>\$</u>	<u>\$ 295,365</u>	<u>\$</u>	<u>\$ 295,365</u>
			Unearned SDA Grant Fund Balance				\$		
							295,365		
							<u>\$ 295,365</u>		

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

**Revenues and Other Financing
Sources**

State Sources - SDA Grant	\$	
Transfer from Capital Reserve		
Interest Income		721
		<hr/>
Total Revenues		721
		<hr/>

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	\$	
Construction Services		
Other Costs		
		<hr/>
Total Expenditures		
		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers		721
Transfer of Interest Income to General Fund		(721)
		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures		
Fund Balance - Beginning		295,365
		<hr/>
Fund Balance - Ending	\$	295,365
		<hr/> <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Maintenance Reserve	\$ 224	\$ 224	\$ 224	\$ 224
Transferred from Other Projects by Authorizing Resolution	9,466		9,466	9,466
Transfer from Capital Reserve	775,000		775,000	775,000
State Sources - SDA Grant	2,008,082		2,008,082	2,008,082
Bond Proceeds & Transfers	8,000		8,000	8,000
Total Revenues	2,800,772		2,800,772	2,800,772
Expenditures and Other Financing Uses				
Other Professional and Technical Services	203,789		203,789	203,789
Construction Services	2,549,808		2,549,808	
General Supplies	7,009		7,009	
Equipment Purchases	6,971		6,971	
Other Costs	29,019		29,019	
Total Expenditures	2,796,596		2,796,596	203,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,176	\$ 4,176	\$ 4,176	\$ 2,596,983

Additional project information:

DOE Project Number	4070-050-10-1004
Grant Date	4/5/12
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	(199,228)
Revised Authorized Cost	2,800,772
Percentage Decrease over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/15/2012
Revised Target Completion Date	N/A

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,803,764	\$	\$ 1,803,764	\$ 1,803,764
Bond Proceeds & Transfers	930,303		930,303	930,303
Capital Reserve	65,895		65,895	65,895
Total Revenues	<u>2,799,962</u>		<u>2,799,962</u>	<u>2,799,962</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	187,640		187,640	187,640
Construction Services	2,605,577		2,605,577	2,605,577
Other Costs	6,745		6,745	6,745
Total Expenditures	<u>2,799,962</u>		<u>2,799,962</u>	<u>2,799,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-050-14-1001
SDA Project Number	4070-050-14-G2NH
Grant Date	4/13/15
Original Authorization Cost	\$2,646,100
Additional Authorized Cost	153,862
Revised Authorized Cost	2,799,962
Percentage Increase over Original Authorized Cost	5.8%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 2,826,393	\$	\$ 2,826,393	\$ 2,826,393
Bond Proceeds & Transfers	1,319,890		1,319,890	1,319,890
Total Revenues	<u>4,146,283</u>		<u>4,146,283</u>	<u>4,146,283</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	359,203		359,203	359,203
Construction Services	3,766,580		3,766,580	3,766,580
Other Costs	20,500		20,500	20,500
Total Expenditures	<u>4,146,283</u>		<u>4,146,283</u>	<u>4,146,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-050-14-1002
SDA Project Number	4070-050-14-G2JL
Grant Date	4/13/15
Original Authorization Cost	\$4,755,760
Additional Authorized Cost	
Revised Authorized Cost	4,146,283
Percentage Decrease over Original Authorized Cost	-12.8%
Percentage Completion	100%
Original Target Completion Date	9/2017
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PAUL W. CARLETON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 346,561	\$	\$ 346,561	\$ 346,561
Bond Proceeds & Transfers	161,839		161,839	161,839
Capital Reserve	152,250		152,250	152,250
Total Revenues	<u>660,650</u>		<u>660,650</u>	<u>660,650</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	32,542		32,542	32,542
Construction Services	628,108		628,108	628,108
Other Costs				
Total Expenditures	<u>660,650</u>		<u>660,650</u>	<u>660,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

Doe Project Number	4070-080-14-1003
SDA Project Number	4070-080-14-G2JM
Grant Date	4/13/15
Original Authorization Cost	\$508,400
Additional Authorized Cost	152,250
Revised Authorized Cost	660,650
Percentage Increase over Original Authorized Cost	29.9%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PAUL W. CARLETON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 706,345	\$	\$ 706,345	\$ 706,345
Bond Proceeds & Transfers	943,435		943,435	943,435
Total Revenues	<u>1,649,780</u>		<u>1,649,780</u>	<u>1,649,780</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	66,706		66,706	66,706
Construction Services	1,576,586		1,576,586	1,576,586
Other Costs	6,488		6,488	6,488
Total Expenditures	<u>1,649,780</u>		<u>1,649,780</u>	<u>1,649,780</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-080-14-1004
SDA Project Number	4070-080-14-G2NI
Grant Date	4/13/15
Original Authorization Cost	\$1,036,200
Additional Authorized Cost	613,580
Revised Authorized Cost	1,649,780
Percentage Increase over Original Authorized Cost	59.2%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing				
Sources				
State Sources - SDA Grant	\$ 990,533	\$	\$ 990,533	\$ 990,533
Bond Proceeds & Transfers	682,855		682,855	682,855
Total Revenues	<u>1,673,388</u>		<u>1,673,388</u>	<u>1,673,388</u>
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	91,583		91,583	91,583
Construction Services	1,580,000		1,580,000	1,580,000
Other Costs	1,805		1,805	1,805
Total Expenditures	<u>1,673,388</u>		<u>1,673,388</u>	<u>1,673,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-090-14-1005
SDA Project Number	4070-090-14-G2NJ
Grant Date	4/13/15
Original Authorization Cost	\$1,453,100
Additional Authorized Cost	220,288
Revised Authorized Cost	1,673,388
Percentage Increase over Original Authorized Cost	15.2%
Percentage Completion	100%
Original Target Completion Date	7/2017
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 397,525	\$	\$ 397,525	\$ 397,525
Bond Proceeds & Transfers	185,639		185,639	185,639
Total Revenues	<u>583,164</u>		<u>583,164</u>	<u>583,164</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	95,244		95,244	95,244
Construction Services	486,185		486,185	486,185
Other Costs	1,735		1,735	1,735
Total Expenditures	<u>583,164</u>		<u>583,164</u>	<u>583,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-090-14-1006
SDA Project Number	4070-090-14-G3JN
Grant Date	4/13/15
Original Authorization Cost	\$1,437,590
Additional Authorized Cost	(854,426)
Revised Authorized Cost	583,164
Percentage Decrease over Original Authorized Cost	-59.4%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF ROOF AND EXTERIOR DOORS AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 349,371	\$	\$ 349,371	\$ 349,371
Bond Proceeds & Transfers	163,152		163,152	163,152
Total Revenues	<u>512,523</u>		<u>512,523</u>	<u>512,523</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	50,017		50,017	50,017
Construction Services	462,506		462,506	462,506
Other Costs				
Total Expenditures	<u>512,523</u>		<u>512,523</u>	<u>512,523</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-100-14-1007
SDA Project Number	4070-100-14-G2NK
Grant Date	4/13/15
Original Authorization Cost	\$684,950
Additional Authorized Cost	(172,427)
Revised Authorized Cost	512,523
Percentage Decrease over Original Authorized Cost	-25.2%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - SDA Grant	\$ 3,999,008	\$	\$ 3,999,008	\$ 3,999,008
Bond Proceeds & Transfers	1,612,887		1,612,887	1,612,887
Transfer from Capital Reserve	254,600		254,600	254,600
	5,866,495		5,866,495	5,866,495
Total Revenues				
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	490,728		490,728	490,728
Construction Services	5,329,692		5,329,692	5,329,692
Other Costs	46,075		46,075	46,075
	5,866,495		5,866,495	5,866,495
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

DOE Project Number	4070-105-14-1008
SDA Project Number	4070-105-14-G3JO
Grant Date	4/13/15
Original Authorization Cost	\$7,125,999
Additional Authorized Cost	(1,259,504)
Revised Authorized Cost	5,866,495
Percentage Decrease over Original Authorized Cost	-17.7%
Percentage Completion	100%
Original Target Completion Date	9/2017
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARTIAL ROOF REPLACEMENT AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 9,884	\$	\$ 9,884	\$ 9,884
Transfer from Capital Reserve	6,191		6,191	6,191
Total Revenues	<u>16,075</u>		<u>16,075</u>	<u>16,075</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	1,075		1,075	1,075
Construction Services	15,000		15,000	15,000
Other Costs				
Total Expenditures	<u>16,075</u>		<u>16,075</u>	<u>16,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-105-14-1009
SDA Project Number	4070-105-14-G2NL
Grant Date	4/13/15
Original Authorization Cost	\$14,500
Additional Authorized Cost	1,575
Revised Authorized Cost	16,075
Percentage Increase over Original Authorized Cost	10.9%
Percentage Completion	100%
Original Target Completion Date	9/2016
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - SDA Grant	\$ 44,240	\$	\$ 44,240	\$ 44,240
Transfer from Capital Reserve	25,730		25,730	25,730
Total Revenues	69,970		69,970	69,970
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	1,865		1,865	1,865
Construction Services	64,900		64,900	64,900
Other Costs	3,205		3,205	3,205
Total Expenditures	69,970		69,970	69,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

DOE Project Number	4070-105-14-1010
SDA Project Number	4070-105-14-G2NM
Grant Date	4/13/15
Original Authorization Cost	\$64,900
Additional Authorized Cost	5,070
Revised Authorized Cost	69,970
Percentage Increase over Original Authorized Cost	7.8%
Percentage Completion	100%
Original Target Completion Date	9/2015
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES- ADMINISTRATIVE OFFICES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 771	\$	\$ 771	\$ 771
Transfer from Capital Reserve	360		360	360
Total Revenues	<u>1,131</u>		<u>1,131</u>	<u>1,131</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	1,131		1,131	1,131
Construction Services				
Total Expenditures	<u>1,131</u>		<u>1,131</u>	<u>1,131</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4070-105-14-1011
SDA Project Number	4070-105-14-G3JP
Grant Date	4/13/15
Original Authorization Cost	\$90,900
Additional Authorized Cost	(89,769)
Revised Authorized Cost	1,131
Percentage Decrease over Original Authorized Cost	-98.8%
Percentage Completion	100%
Original Target Completion Date	9/2017
Revised Target Completion Date	6/2018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 291,189	\$	\$ 291,189	\$ 291,189
Total Revenues	291,189		291,189	291,189
Expenditures and Other Financing Uses				
Other Professional and Technical Services				
Construction Services				
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 291,189	\$	\$ 291,189	\$ 291,189
Additional project information:				
Original Authorization Cost	\$291,189			
Additional Authorized Cost				
Revised Authorized Cost	291,189			
Percentage Decrease over Original Authorized Cost	N/A			
Percentage Completion	0%			
Original Target Completion Date	6/2016			
Revised Target Completion Date	6/2020			

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020
(with comparative totals for June 30, 2019)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2020</u>	<u>2019</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,419	\$	\$ 5,419	\$ 8,157
Accounts Receivable:				
State	4,147		4,147	779
Federal	84,135		84,135	60,740
Other		28,484	28,484	9,705
Interfund Accounts Receivable	567,283	676,600	1,243,883	841,983
Inventories	19,093		19,093	15,135
Total Current Assets	<u>680,077</u>	<u>705,084</u>	<u>1,385,161</u>	<u>936,499</u>
Non Current Assets:				
Furniture, Machinery and Equipment	908,188	55,395	963,583	871,122
Less: Accumulated Depreciation	(689,609)	(39,218)	(728,827)	(698,363)
Total Non Current Assets	<u>218,579</u>	<u>16,177</u>	<u>234,756</u>	<u>172,759</u>
Total Assets	<u>\$ 898,656</u>	<u>\$ 721,261</u>	<u>\$ 1,619,917</u>	<u>\$ 1,109,258</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 18,290	\$	\$ 18,290	\$ 20,803
Unearned Revenue	19,161		19,161	16,292
Total Current Liabilities	<u>37,451</u>		<u>37,451</u>	<u>37,095</u>
Non-Current Liabilities:				
Compensated Absences	25,255		25,255	36,127
Total Liabilities	<u>62,706</u>		<u>62,706</u>	<u>73,222</u>
NET POSITION				
Investment in Capital Assets Net of Related Debt	218,579	16,177	234,756	172,759
Unrestricted	617,371	705,084	1,322,455	863,277
Total Net Position	<u>\$ 835,950</u>	<u>\$ 721,261</u>	<u>\$ 1,557,211</u>	<u>\$ 1,036,036</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2020</u>	<u>2019</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 74,321	\$	\$ 74,321	\$ 108,321
Total Daily Sales-Reimbursable Programs	74,321		74,321	108,321
Daily Sales Non-Reimbursable Programs	58,848		58,848	112,254
Special Functions	6,026		6,026	9,000
Academy Tuition		371,815	371,815	235,946
Total Operating Revenue	139,195	371,815	511,010	465,521
OPERATING EXPENSES:				
Salaries	534,189	2,400	536,589	611,690
Employee Benefits	36,342		36,342	73,476
Employee Property Services	23,543		23,543	42,122
General Supplies	12,848		12,848	25,178
Depreciation	23,402	7,062	30,464	26,055
Tuition		14,412	14,412	18,115
Miscellaneous	1,454	1,941	3,395	3,441
Cost of Sales - Reimbursable	557,888		557,888	534,485
Cost of Sales - Non Reimbursable	27,097		27,097	48,446
Total Operating Expenses	1,216,763	25,815	1,242,578	1,383,008
Operating Loss	(1,077,568)	346,000	(731,568)	(917,487)
Non-Operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	15,744		15,744	13,005
Federal Sources:				
National School Breakfast Program	369,466		369,466	250,650
National School Lunch Program	730,072		730,072	710,332
National Snack Program	22,721		22,721	35,262
Food Distribution Program	95,460		95,460	85,670
Fresh Fruits and Vegetables	18,286		18,286	
Interest and Investment Revenue	994		994	555
Total Non-Operating Revenues (Expenses)	1,252,743		1,252,743	1,095,474
Change in Net Position	175,175	346,000	521,175	177,987
Total Net Position-July 1	660,775	375,261	1,036,036	858,049
Total Net Position-June 30	\$ 835,950	\$ 721,261	\$ 1,557,211	\$ 1,036,036

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)

	Food Service	Academy Program	Totals	
			2020	2019
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 139,195	\$ 18,753	\$ 157,948	\$ 465,521
Payments to Employees	(534,189)	(2,400)	(536,589)	(611,690)
Payments for Employee Benefits	(36,342)		(36,342)	(73,476)
Payments to Suppliers	(609,461)	(16,353)	(625,814)	(768,650)
Net Cash Provided by (Used for) Operating Activities	(1,040,797)		(1,040,797)	(988,295)
Cash Flows from Non-Capital Financing Activities:				
State Sources	12,376		12,376	13,005
Federal Sources	1,117,150		1,117,150	996,244
Local Sources				
Total Cash Provided by Non-Capital Financing Activities	1,129,526		1,129,526	1,009,249
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(92,461)		(92,461)	(33,262)
Net Cash Provided by (Used For) Capital and Related Financing Activities	(92,461)		(92,461)	(33,262)
Net Increase Before Investing Activities	(3,732)		(3,732)	(12,308)
Cash Flows from Investing Activities:				
Interest on Investments	994		994	555
Net Cash Provided by Investing Activities	994		994	555
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,738)		(2,738)	(11,753)
Cash and Cash Equivalents, July 1	8,157		8,157	19,910
Cash and Cash Equivalents, June 30	\$ 5,419	\$	\$ 5,419	\$ 8,157
Operating Income (Loss)	\$ (1,077,568)	\$ 346,000	\$ (731,568)	\$ (917,487)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	23,402	7,062	30,464	26,055
Federal Commodities Food Distribution	95,460		95,460	85,670
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	9,705	(28,484)	(18,779)	52,766
(Increase)/Decrease in Inventory	(3,958)		(3,958)	11,534
(Increase)/Decrease in Interfund Receivable	(77,322)	(324,578)	(401,900)	(241,864)
Increase/(Decrease) in Accounts Payable	(2,513)		(2,513)	(29,584)
Increase/(Decrease) in Compensated Absences Payable	(10,872)		(10,872)	30,312
Increase/(Decrease) in Unearned Revenue	2,869		2,869	(5,697)
Total Adjustments	36,771	(346,000)	(309,229)	(70,808)
Net Cash Used by Operating Activities	\$ (1,040,797)	\$	\$ (1,040,797)	\$ (988,295)

Exhibit G-5

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Food Service Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Food Service Director Services	\$ 9,250
Total Operating Revenue	<u>9,250</u>
OPERATING EXPENSES:	
Salaries	9,250
Total Operating Expenses	<u>9,250</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	\$ <u><u> </u></u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020
 (with comparative totals for June 30, 2019)

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2020</u>	<u>2019</u>
ASSETS:						
Cash and Cash Equivalents	\$ 2,076	\$ 257,966	\$ 48,394	\$ 90,534	\$ 398,970	\$ 623,770
Interfund Accounts Receivable						60,950
Accounts Receivable						298
Total Assets	\$ 2,076	\$ 257,966	\$ 48,394	\$ 90,534	\$ 398,970	\$ 685,018
LIABILITIES, RESERVES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$	\$	\$	\$	\$	\$
Due to Student Groups			48,394		48,394	47,423
Due to Unemployment						60,950
Due to General Fund				8,926	8,926	
Payroll Deductions and Withholdings				1,320	1,320	310,407
Employee Sec 125 Plan				80,288	80,288	60,824
Total Liabilities			48,394	90,534	138,928	479,604
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	2,076	257,966			260,042	205,414
Total Net Position	2,076	257,966			260,042	205,414
Total Liabilities, Reserves and Net Position	\$ 2,076	\$ 257,966	\$ 48,394	\$ 90,534	\$ 398,970	\$ 685,018

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$	\$ 49,288	\$ 49,288
District Contributions		8,600	8,600
Total Contributions		57,888	57,888
Investment Earnings:			
Interest		2,160	2,160
Total Additions		60,048	60,048
DEDUCTIONS:			
Uniforms	147		147
Unemployment Claims		5,273	5,273
Total Deductions	147	5,273	5,420
Change in Net Position	(147)	54,775	54,628
Net Position - July 1	2,223	203,191	205,414
Net Position - June 30	\$ 2,076	\$ 257,966	\$ 260,042

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
CARLETON SCHOOL	\$ 8,030	\$ 3,371	\$ 5,819	\$ 5,582
Total Carleton School	8,030	3,371	5,819	5,582
MIDDLE SCHOOL				
General Account	831	10,260	8,453	2,638
Total Middle School	831	10,260	8,453	2,638
HIGH SCHOOL				
General Account	37,346	102,344	126,733	12,957
Future Farmers of America	1,216	2,625	1,548	2,293
Petty Cash		25,444	520	24,924
Total High School	38,562	130,413	128,801	40,174
Total All Schools	\$ 47,423	\$ 144,044	\$ 143,073	\$ 48,394

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 432,181	\$ 23,019,058	\$ 23,360,705	\$ 90,534
Total Assets	<u>\$ 432,181</u>	<u>\$ 23,019,058</u>	<u>\$ 23,360,705</u>	<u>\$ 90,534</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 310,407	\$ 11,368,957	\$ 11,678,044	\$ 1,320
Due to Unemployment	60,950		60,950	
Due to General Fund		8,926		8,926
Employee Section 125 Plan	60,824	189,474	170,010	80,288
Net Payroll		11,451,701	11,451,701	
Total Liabilities	<u>\$ 432,181</u>	<u>\$ 23,019,058</u>	<u>\$ 23,360,705</u>	<u>\$ 90,534</u>

LONG-TERM DEBT SCHEDULES

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
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 July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2015	11/13/14	\$ 3,810,000			2.00%	\$ 765,000	\$	\$ 765,000	\$
Improvements and Renovations to Penns Grove High School, Middle School, Paul Carlton Elementary School, Field St. Elementary School, Lafayette- Pershing Elementary School, Necessary Furniture, Equip. Site Work & Land Acquisition	2/18/15	6,000,000	3/1/21-31 3/1/32-35	\$ 360,000 330,000	3.00% 3.25%	5,460,000		180,000	5,280,000
						<u>\$ 6,225,000</u>	<u>\$</u>	<u>\$ 945,000</u>	<u>\$ 5,280,000</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 753,508		\$ 753,508	\$ 753,508	
State Sources:					
Debt Service Aid Type II	373,817		373,817	373,817	
Total Revenues	<u>1,127,325</u>		<u>1,127,325</u>	<u>1,127,325</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	182,325		182,325	182,325	
Redemption of Principal	945,000		945,000	945,000	
Total expenditures	<u>1,127,325</u>		<u>1,127,325</u>	<u>1,127,325</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

STATISTICAL SECTION

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 29,147,453	\$ 28,201,359	\$ 27,448,315	\$ 23,408,192	\$ 15,627,700	\$ 9,195,641	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473	\$ 9,833,365
Restricted (Deficit)	4,251,460	3,075,157	2,766,199	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546
Unrestricted (Deficit)	(14,678,405)	(15,015,575)	(14,755,394)	(14,491,773)	(13,115,830)	(12,997,104)	(1,883,674)	(1,576,577)	(1,569,361)	(1,879,345)
Total Governmental Activities Net Position	\$ 18,720,508	\$ 16,260,941	\$ 15,459,120	\$ 8,619,453	\$ 7,049,092	\$ 3,844,878	\$ 13,819,000	\$ 13,478,824	\$ 13,451,270	\$ 10,907,566
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 234,756	\$ 172,759	\$ 165,552	\$ 156,084	\$ 125,765	\$ 104,005	\$ 104,128	\$ 119,590	\$ 135,615	\$ 122,865
Unrestricted	1,322,455	863,277	692,497	519,910	546,745	451,208	356,362	279,788	251,543	349,715
Total Business-Type Activities Net Position	\$ 1,557,211	\$ 1,036,036	\$ 858,049	\$ 675,994	\$ 672,510	\$ 555,213	\$ 460,490	\$ 399,378	\$ 387,158	\$ 472,580
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 29,382,209	\$ 28,374,118	\$ 27,613,867	\$ 23,564,276	\$ 15,753,465	\$ 9,299,646	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088	\$ 9,956,230
Restricted (Deficit)	4,251,460	3,075,157	2,766,199	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546
Unrestricted (Deficit)	(13,355,950)	(14,152,298)	(14,062,897)	(13,971,863)	(12,569,085)	(12,545,896)	(1,527,312)	(1,296,789)	(1,317,818)	(1,529,630)
Total District-Wide Net Position	\$ 20,277,719	\$ 17,296,977	\$ 16,317,169	\$ 9,295,447	\$ 7,721,602	\$ 4,400,091	\$ 14,279,490	\$ 13,878,202	\$ 13,838,428	\$ 11,380,146

Source: CAFR Schedule A-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,824,389	11,840,452	11,079,309	11,153,402	11,090,323	11,790,222	11,848,422	11,559,741	11,826,681	11,790,076
Special Education	3,481,695	3,688,620	3,791,463	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879
Other Special Instruction	870,212	940,510	937,894	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244
Other Instruction	427,261	413,568	421,608	412,248	414,379	395,931	406,459	356,606	336,799	336,659
Support Services										
Tuition	2,616,056	2,795,698	2,431,705	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439
Student and Instruction Related Services	3,045,212	3,150,476	3,141,671	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218
General Administrative Services	1,052,227	961,271	991,215	1,035,182	965,674	949,095	838,268	993,548		
School Administrative Services	1,581,367	1,557,054	1,513,250	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,549,345	1,548,441
Other Administrative Services	1,030,036	1,017,175	897,723	680,912	592,553	585,251	571,040	576,493	1,473,381	1,438,909
Plant Operations and Maintenance	3,190,033	3,524,175	3,370,141	3,648,380	3,286,059	3,411,630	3,383,562	3,897,524	3,355,922	2,828,113
Pupil Transportation	2,186,392	2,008,657	2,064,094	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753
Unallocated Benefits	14,575,393	17,296,794	21,547,787	20,192,024	15,223,138	13,632,801	9,503,065	9,147,425	8,082,765	7,941,614
Amortization of Debt Issuance Cost									71,109	77,394
Interest on Long-Term Debt	196,235	215,202	286,142	299,776	311,090	334,042	298,628	298,791	259,043	284,533
Total Governmental Activities Expenses	46,076,508	49,409,652	52,474,002	50,975,399	45,426,277	44,233,372	39,881,608	39,593,752	38,583,796	37,620,272
Business-Type Activities										
Food Service	1,216,763	1,353,109	1,229,307	1,264,743	1,257,062	1,218,000	1,152,487	1,206,552	1,169,776	1,126,629
Academy Program	25,815	29,899	149,904	183,041	258,933	135,854	199,081	173,333	201,065	223,064
Internal Service Fund	9,250	9,000	8,900	8,700	8,500	8,250	8,800	7,500	7,500	5,000
Total Business-Type Activities Expense	1,251,828	1,392,008	1,388,111	1,456,484	1,524,495	1,362,104	1,360,368	1,387,385	1,378,341	1,354,693
Total District Expenses	\$ 47,328,336	50,801,660	53,862,113	52,431,883	46,950,772	45,595,476	41,241,976	40,981,137	39,962,137	38,974,965
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 1,048,765	395,560	619,403	688,950	807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,604
Operating Grants and Contributions	5,626,846	6,102,700	5,545,390	5,719,957	6,044,797	6,105,854	6,491,654	6,689,485	6,238,796	6,002,990
Total Governmental Activities Prog Revenues	6,675,611	6,498,260	6,164,793	6,408,907	6,852,472	6,939,223	7,645,584	8,007,943	7,491,439	7,709,594
Business-Type Activities										
Charges for Services										
Food Service	139,195	229,575	229,551	246,942	237,628	250,251	270,222	300,936	284,110	299,594
Academy Program	371,815	235,946	285,842	134,055	330,150	135,854	186,707	181,693	165,309	171,035
Internal Service Fund	9,250	9,000	8,900	8,700	8,500	8,250	8,800	7,500	7,500	5,000
Operating Grants and Contributions	1,251,749	1,094,919	1,045,794	1,070,189	1,065,415	1,062,384	955,653	909,382	835,864	816,887
Total Business-Type Activities Prog Revenues	1,772,009	1,569,440	1,570,087	1,459,886	1,641,693	1,456,739	1,421,382	1,399,511	1,292,783	1,292,516
Total District Program Revenues	\$ 8,447,620	8,067,700	7,734,880	7,868,793	8,494,165	8,395,962	9,066,966	9,407,454	8,784,222	9,002,110
Net (Expense)/Revenue										
Governmental Activities	\$ 39,400,897	42,911,392	46,309,209	44,566,492	38,573,805	37,294,149	32,236,024	31,585,809	31,092,357	29,910,678
Business-Type Activities	(520,181)	(177,432)	(181,976)	(3,402)	(117,198)	(94,635)	(61,014)	(12,126)	85,558	62,177
Total District-Wide Net Expense	\$ 38,880,716	42,733,960	46,127,233	44,563,090	38,456,607	37,199,514	32,175,010	31,573,683	31,177,915	29,972,855
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 11,427,627	11,187,209	18,299,088	20,674,154	17,228,024	10,818,459	10,368,642	10,002,588	9,491,035	9,380,255
Taxes Levied for Debt Service	753,508	767,734	771,387	775,635	690,923	549,929	550,349	551,884	552,912	555,419
Federal and State Aid Unrestricted	29,730,835	31,359,699	33,658,419	24,303,622	23,631,220	26,905,535	21,546,619	21,283,731	23,807,981	20,471,743
Federal and State Aid Restricted-Cancellation									(300,244)	
Loss on Disposal of Asset										(20,983)
Miscellaneous Income	123,779	398,571	419,982	383,442	227,852	104,316	110,590	44,540	84,377	120,442
Other Financing Uses	(175,285)							(199,228)		
Total Governmental Activities	41,860,464	43,713,213	53,148,876	46,136,853	41,778,019	38,378,239	32,576,200	31,683,515	33,636,061	30,506,876
Business-Type Activities										
Investment Earnings	994	555	79	82	99	88	98	94	136	163
Total Business-Type Activities	994	555	79	82	99	88	98	94	136	163
Total District-Wide	\$ 41,861,458	43,713,768	53,148,955	46,136,935	41,778,118	38,378,327	32,576,298	31,683,609	33,636,197	30,507,039
Change in Net Position										
Governmental Activities	\$ 2,459,567	801,821	6,839,667	1,570,361	3,204,214	1,084,090	340,176	97,706	2,543,704	596,198
Business-Type Activities	521,175	177,987	182,055	3,484	117,297	94,723	61,112	12,220	(85,422)	(62,014)
Total District-Wide	\$ 2,980,742	979,808	7,021,722	1,573,845	3,321,511	1,178,813	401,288	109,926	2,458,282	534,184

Source: CAFR Schedule A-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Restricted	\$ 2,558,115	\$ 2,779,792	\$ 2,470,834	\$ 2,656,728	\$ 2,451,819	\$ 1,516,799	\$ 1,609,717	\$ 1,519,305	\$	\$
Assigned	2,396,259	575,303	762,425	975,835	1,008,080	832,767	1,083,781	1,564,402	1,144,455	916,405
Unassigned (Deficit)	(1,572,340)	(1,403,310)	(1,308,142)	(1,240,021)	(1,216,613)	(1,264,483)	(1,284,628)	(1,368,260)	(1,217,034)	(1,266,588)
Unreserved									1,498,817	2,069,613
Total General Fund	\$ 3,382,034	\$ 1,951,785	\$ 1,925,117	\$ 2,392,542	\$ 2,243,286	\$ 1,085,083	\$ 1,408,870	\$ 1,715,447	\$ 1,498,817	\$ 2,069,613
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund (Deficit)	\$ (62,413)	\$ (69,955)	\$ (67,802)	\$ (76,693)	\$ (72,248)	\$ (86,697)	\$ (86,697)	\$ (79,059)	\$ (78,660)	\$ (74,232)
Capital Projects Fund	295,365	295,365	295,365	(3,406,455)	1,625,859	5,701,642	62,124	62,124	535,196	626,408
Debt Service Fund					32,768	32,767				
Total All Other Governmental Funds	\$ 232,952	\$ 225,410	\$ 227,563	\$ (3,483,148)	\$ 1,586,379	\$ 5,647,712	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176

Source: CAFR Schedule B-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax Levy	\$ 12,181,135	\$ 11,954,943	\$ 11,786,705	\$ 12,176,438	\$ 11,948,501	\$ 11,368,388	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947	\$ 9,935,674
Tuition Charges	1,048,765	395,560	619,403	688,950	807,675	833,369	1,153,930	1,318,458	1,252,643	1,706,605
Transportation Charges		1,199		15,681	2,826	13,818	16,692	13,785		
Miscellaneous	123,779	397,372	419,982	367,761	225,026	90,498	93,898	30,755	84,377	120,442
State Sources	30,622,139	29,797,161	34,920,045	29,673,373	28,609,071	26,689,945	25,854,384	25,936,114	27,024,603	23,888,904
Federal Sources	2,425,818	2,623,281	1,962,284	2,104,266	2,323,079	2,426,400	2,183,889	2,037,102	3,022,174	2,585,829
Total Revenues	46,401,636	45,169,516	49,708,419	45,026,469	43,916,178	41,422,418	40,221,784	39,890,686	41,427,744	38,237,454
Expenditures										
Instruction										
Regular Instruction	11,518,331	11,534,394	10,784,962	10,859,450	10,796,077	11,487,364	11,544,931	11,256,915	11,520,712	11,485,476
Special Education Instruction	3,481,695	3,688,620	3,791,463	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879
Other Special Instruction	870,212	940,510	937,894	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244
Other Instruction	427,261	413,568	421,608	412,248	414,379	395,931	406,459	356,606	336,799	336,659
Support Services										
Tuition	2,616,056	2,795,698	2,431,705	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439
Student and Instruction Related Services	3,045,212	3,150,476	3,141,671	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218
General Administrative Services	1,052,227	961,271	934,214	978,181	908,242	892,094	781,045	934,781		
School Administrative Services	1,520,155	1,495,842	1,513,250	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,533,970	1,533,066
Other Administrative Services	1,019,763	1,006,902	882,619	665,808	577,449	570,147	555,755	561,368	1,411,309	1,379,743
Plant Operations and Maintenance	2,834,994	3,221,589	3,087,567	3,381,338	3,024,909	3,156,324	3,153,643	2,936,380	3,102,427	2,987,832
Pupil Transportation	2,186,392	2,008,657	2,064,094	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753
Unallocated Employee Benefits	12,355,261	12,292,976	11,512,246	11,398,858	10,201,871	9,696,957	9,507,464	9,275,689	8,094,578	7,606,954
Capital Outlay	733,676	483,173	3,806,815	7,536,257	6,157,657	1,717,805	498,068	730,941	2,826,394	651,899
Debt Service										
Principal	945,000	950,000	935,000	930,000	955,000	900,000	845,000	820,000	795,000	775,000
Interest and Other Charges	182,325	201,325	220,025	231,125	240,663	122,898	211,470	239,416	266,391	291,204
Total Expenditures	44,788,560	45,145,001	46,465,133	49,946,740	46,819,308	42,073,920	40,535,999	39,875,720	41,516,331	38,422,366
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	1,613,076	24,515	3,243,286	(4,920,271)	(2,903,130)	(651,502)	(314,215)	14,966	(88,587)	(184,912)
Other Financing Sources (Uses)										
Refunding Bond Proceeds						6,000,000				
Cancellation of State Aid								(199,228)	(300,244)	
Transfer to Charter School	(23,385)									
Cancellation of Prior Year Accounts Receival	(151,900)									
Total Other Financing Sources (Uses)	(175,285)					6,000,000		(199,228)	(300,244)	
Net Change in Fund Balances	\$ 1,437,791	\$ 24,515	\$ 3,243,286	\$ (4,920,271)	\$ (2,903,130)	\$ 5,348,498	\$ (314,215)	\$ (184,262)	\$ (388,831)	\$ (184,912)
Debt Service as a Percentage of Noncapital Expenditures	2.5%	2.6%	2.5%	2.3%	2.6%	2.4%	2.6%	2.7%	2.6%	2.8%

Source: CAFR Schedule B-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	2020	2019	2018	2017	#	2016	2015	2014	2013	2012	2011
Refunds of Prior Year Expenses	\$	\$	\$	\$		\$ 13,855	\$ 20,246	\$ 23,021	\$ 2,579	\$ 839	\$ 62,609
Tuition from LEAs within the State	474,786	395,560									
Homeless Tuition	573,979	299,295	339,434	315,050		185,784					
Prior Year Tuition				10,959			39,029				
Transportation Fees		1,199		29,998		2,826	13,818	16,692	13,785	1,495	1,546
Interest on Investments	69,775	36,293	6,785	5,957		8,193	6,164	5,105	6,943	9,573	9,831
Miscellaneous	32,227	16,264	26,490	4,136		478	319	41,020	1,834	25,356	22,282
Athletic Department Ticket Sales	16,586	15,715	13,726	7,545		7,482	13,872	15,445	12,049	10,264	10,779
Facility Use								1,200	1,050		8,150
Building Rentals	4,000	6,150	8,550	9,250		7,400	7,039	7,120	6,300	36,850	5,250
	<u>\$ 1,171,353</u>	<u>\$ 770,476</u>	<u>\$ 394,985</u>	<u>\$ 382,895</u>		<u>\$ 226,018</u>	<u>\$ 100,487</u>	<u>\$ 109,603</u>	<u>\$ 44,540</u>	<u>\$ 84,377</u>	<u>\$ 120,447</u>

Source: District Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Borough of Penns Grove

Assessed Value											Estimated	Total	
Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	(County Equalized Value)	School Tax Rate(2)
2020	\$ 2,705,400	\$ 105,077,000	\$	\$	\$ 25,854,700	\$	\$ 3,100,700	\$ 136,737,800	\$	\$ 136,737,800	\$ 48,155,400	\$ 131,495,849	\$ 1.547
2019	3,126,200	105,256,700			26,891,600		3,100,700	138,375,200		138,375,200	47,957,600	138,809,684	1.547
2018	3,465,200	127,778,200			32,691,100		3,270,700	167,205,200		167,205,200	63,072,400	125,812,792	1.279
2017	3,661,500	130,289,000			32,825,200		3,599,400	170,375,100		170,375,100	62,931,700	132,887,528	1.324
2016	3,654,400	131,674,400			32,760,400		3,599,400	171,688,600		171,688,600	62,849,200	142,314,821	1.280
2015	3,656,300	133,711,300			34,805,100		3,682,500	175,855,200		175,855,200	61,758,800	153,129,299	1.212
2014	3,617,500	134,416,600			33,885,400		3,682,500	175,602,000		175,602,000	62,718,600	167,636,422	1.226
2013	3,497,900	135,369,000			34,908,200		3,682,500	177,457,600		177,457,600	62,202,200	173,865,114	1.213
2012	3,495,400	135,711,800			34,581,200		3,682,500	177,470,900	1,728,950	179,199,850	62,111,700	177,669,170	1.189
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181

Township of Carney's Point

Assessed Value											Estimated	Total	
Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	(County Equalized Value)	School Tax Rate(2)
2020	\$ 17,728,500	\$ 378,215,600	\$ 12,008,500	\$ 2,002,900	\$ 105,557,100	\$ 100,467,300	\$ 27,291,100	\$ 643,271,000	\$	\$ 643,271,000	\$ 192,652,800	\$ 637,103,152	\$ 1.530
2019	19,527,300	368,134,600	12,086,000	2,027,200	108,764,300	100,467,300	27,291,100	638,297,800		638,297,800	191,291,000	644,128,818	1.530
2018	20,964,800	387,022,600	12,140,900	2,002,000	121,111,000	77,067,600	24,154,300	644,463,200		644,463,200	123,514,400	591,467,695	1.508
2017	20,609,500	385,625,700	12,772,800	2,010,400	118,757,000	103,067,600	24,154,300	666,997,300	764,120	667,761,420	122,701,200	543,999,103	1.457
2016	21,466,200	410,069,400	12,732,100	2,005,300	120,308,900	105,033,200	26,206,500	697,821,600	800,300	698,621,900	121,457,400	598,782,907	1.411
2015	26,041,800	433,158,000	12,856,900	1,919,200	125,204,100	105,509,500	26,206,500	730,896,000	809,372	731,705,372	136,716,800	704,755,689	1.300
2014	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	757,545,200	796,031	758,341,231	120,401,800	684,322,638	1.233
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	119,968,400	706,895,759	1.177
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	121,122,900	694,349,524	1.127
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 (2) Tax Rates are per \$100.00 of Assessed Valuation
 (3) Revaluation of Real Property

Source: District records Tax list summary & Municipal Tax Assessor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(Unaudited)

Borough of Penns Grove

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	Salem County	Municipal Open Space	
2020	\$ 1.451	\$ 0.096	\$ 1.547	\$ 2.294	\$ 1.168	\$	\$ 5.009
2019	1.450	0.100	1.550	2.272	1.208		5.030
2018	1.195	0.084	1.279	1.859	0.896		4.034
2017	1.240	0.084	1.324	1.812	0.912		4.048
2016	1.206	0.074	1.280	1.753	0.862		3.895
2015	1.153	0.059	1.212	1.648	0.871		3.731
2014	1.164	0.062	1.226	1.600	0.864		3.690
2013	1.150	0.063	1.213	1.512	0.946		3.671
2012	1.124	0.065	1.189	1.450	0.940		3.579
2011	1.115	0.066	1.181	1.420	0.920		3.521

Township of Carney's Point

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Carney's Point	Salem County	Municipal Open Space	
2020	\$ 1.435	\$ 0.095	\$ 1.530	\$ 0.630	\$ 1.186	\$ 0.001	\$ 3.347
2019	1.458	0.097	1.555	0.602	1.217	0.001	3.375
2018	1.413	0.095	1.508	0.550	1.090	0.001	3.149
2017	1.364	0.093	1.457	0.529	0.949	0.001	2.936
2016	1.329	0.082	1.411	0.484	0.933	0.001	2.829
2015	1.237	0.063	1.300	0.435	0.961	0.001	2.697
2014	1.171	0.062	1.233	0.413	0.907		2.553
2013	1.115	0.062	1.177	0.392	0.936	0.001	2.506
2012	1.067	0.060	1.127	0.380	0.920		2.427
2011	1.029	0.060	1.089	0.380	0.860		2.329

Source: District Records and Municipal Tax Collector

Note:

- 1 NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.
- 2 The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Borough of Penns Grove

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Incollingo's Penn Grove Properties	\$ 2,028,100	1	1.48%			
NJEC Assoc % Walgreens Real Estate	1,928,000	2	1.41%			
Rite Aid of New Jersey	1,890,600	3	1.38%			
Argyosomus LLC	1,476,000	4	1.08%			Not Available
Spirit Master Funding VII LLC	1,407,500	5	1.03%			
Realty Inc Property	1,181,000	6	0.86%			
99 Regional LLC	998,400	7	0.73%			
Jaz Assets, LLC	958,900	8	0.70%			
Salem Day Care Realty, LLC	838,300	9	0.61%			
Bell Atlantic % Duff & Phelps	708,600	10	0.52%			
Total	13,415,400		9.81%			

Township of Carney's Point

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
The Chemours % Chambers Cogen Ltd.	\$ 41,750,000	1	6.49%			
Mclane New Jersey, Inc	27,900,000	2	4.34%			
The Chemours Co. FC, LLC	24,381,000	3	3.79%			
PHI Service Co % Connectiv Real Estate	12,900,000	4	2.01%			
RBA Assoc LLC C/O Switzenbaum	11,650,000	5	1.81%			Not Available
Sandy Ridge Apartments, LLC	8,670,000	6	1.35%			
Delaware River Bay Authority	8,200,000	7	1.27%			
CFJ Properties % Pilot Travel #688	7,480,800	8	1.16%			
Southgate Realty LLC	7,159,500	9	1.11%			
Merion Gardens Assisted Living Co	4,933,000	10	0.77%			
Total	155,024,300		24.10%			

Source: Municipal Tax Assessor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Borough of Penns Grove

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 2,221,140	\$ 2,221,140	100.00%	\$
2019	2,067,976	2,067,976	100.00%	
2018	2,242,492	2,242,492	100.00%	
2017	2,300,147	2,060,167	89.57%	239,980
2016	2,150,167	1,904,393	88.57%	245,774
2015	2,130,951	1,880,739	88.26%	250,212
2014	2,076,826	1,437,025	69.19%	639,801
2013	2,152,277	1,655,511	76.92%	496,766
2012	2,114,023	1,624,776	76.86%	489,247
2011	2,111,317	1,644,098	77.87%	267,219

Township of Carney's Point

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 9,959,995	\$ 9,959,995	100%	\$
2019	9,886,967	9,886,967	100%	
2018	9,544,213	9,544,213	100%	
2017	9,909,059	9,909,059	100%	
2016	9,802,772	9,802,772	100%	
2015	9,511,374	9,511,374	100%	
2014	8,291,816	8,291,816	100%	
2013	8,568,357	8,568,357	100%	
2012	7,929,924	7,929,924	100%	
2011	7,824,357	7,824,357	100%	

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ¹	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income ²		Per Capita ³	
2020	\$ 5,280,000	\$	\$	\$	\$ 5,280,000	0.95%	\$ 47,902	
2019	6,225,000				6,225,000	1.12%	47,902	
2018	7,175,000				7,175,000	1.29%	47,427	
2017	8,110,000				8,110,000	1.44%	47,191	
2016	9,040,000				9,040,000	1.64%	45,530	
2015	9,995,000				9,995,000	1.82%	44,989	
2014	4,795,000				4,795,000	0.90%	43,086	
2013	5,640,000				5,640,000	1.06%	42,026	
2012	6,460,000				6,460,000	0.61%	41,651	
2011	7,255,000		7,175,000		14,430,000	0.55%	41,860	

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

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

- 1 District Records
- 2 Personal income has been estimated based upon the municipal population per capita
- 3 Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2020	\$ 5,280,000	\$	\$ 5,280,000	0.74%	\$ 429
2019	6,225,000		6,225,000	0.87%	499
2018	7,175,000		7,175,000	1.06%	574
2017	8,110,000		8,110,000	1.09%	647
2016	9,040,000		9,040,000	1.05%	717
2015	9,995,000		9,995,000	1.17%	787
2014	4,795,000		4,795,000	0.56%	374
2013	5,640,000		5,640,000	0.64%	438
2012	6,460,000		6,460,000	71.00%	497
2011	7,255,000		7,255,000	0.80%	555

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

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

b Population data can be found in Exhibit NJ J-13.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Penns Grove Borough	\$ 1,351,468	100%	\$ 1,351,468
Carneys Point Township	5,114,421	100%	5,114,421
Other debt			
County of Salem - Township's Share	38,650,075	15.094%	5,833,870
Subtotal, Overlapping Debt			12,299,759
Penns Grove-Carneys Point School District Direct Debt			5,280,000
Total Direct and Overlapping Debt			\$ 17,579,759

Sources: Penns Grove-Carneys Point Finance Officer and Salem County Finance Office

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

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

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
Municipal Debt: (1)			
Penns Grove-Carneys Point Regional School District	\$ 6,225,000	\$ 6,225,000	\$
Borough of Penns Grove	1,351,468		1,351,468
Township of Carneys Point	5,184,322	69,902	5,114,420
	<u>12,760,790</u>	<u>6,294,902</u>	<u>6,465,888</u>
Overlapping Debt Apportioned to the Municipality			
County Of Salem: (2)			
Borough of Penns Grove (4)	1,165,803	167,714	998,088
Township of Carneys Point (4)	5,648,366	812,584	4,835,782
Salem County Improvement Authority/Utilities Authority (2)			
Borough of Penns Grove (4)	31,634	31,634	
Township of Carneys Point (4)	153,268	153,268	
	<u>6,999,071</u>	<u>1,165,201</u>	<u>5,833,870</u>
	<u>\$ 19,759,861</u>	<u>\$ 7,460,103</u>	<u>\$ 12,299,758</u>

Sources:

- (1) 2019 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2019 Equalized Value, which is 12.51 and 2.58%, respectively. The source for this computation was the 2019 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	<u>Fiscal Year Ending 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>
Debt Limit	\$ 30,124,797	29,443,364	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,559,511	\$ 34,599,511	\$ 34,238,463	\$ 33,907,190
Total Net Debt Applicable to Limit	5,280,000	6,225,000	7,175,000	8,110,000	9,040,000	9,995,000	4,795,000	5,640,000	6,460,000	7,255,000
Legal Debt Margin	<u>\$ 24,844,797</u>	<u>23,218,364</u>	<u>\$ 27,384,511</u>	<u>\$ 26,449,511</u>	<u>\$ 25,519,511</u>	<u>\$ 24,564,511</u>	<u>\$ 29,764,511</u>	<u>\$ 28,959,511</u>	<u>\$ 27,778,463</u>	<u>\$ 26,652,190</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.53%	21.14%	20.76%	23.47%	26.16%	28.92%	13.87%	16.30%	18.87%	21.40%

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ³	Unemployment Rate ⁴	
				Borough of Penns Grove	Township of Carneys Point
2020	** 12,307	\$ 599,259,152	\$ 47,902	7.7%	6.3%
2019	12,431	595,372,145	47,664	7.7%	6.6%
2018	12,510	554,768,767	47,427	7.7%	6.0%
2017	12,541	564,702,157	47,191	8.1%	5.8%
2016	12,603	573,814,590	45,530	9.0%	6.8%
2015	12,693	571,045,377	44,989	10.0%	8.0%
2014	12,813	552,060,918	43,086	11.4%	9.0%
2013	12,875	541,084,750	42,026	14.2%	11.2%
2012	12,992	541,129,792	41,651	16.3%	12.6%
2011	13,070	547,110,200	41,860	14.1%	13.6%

Source:

¹Population information provided by the NJ Dept of Labor and Workforce Development

² Personal income has been estimated based upon the municipal population and per capita personal income presented

³ Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014

⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Borough of Penns Grove

<u>Employer*</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSE & G	1,500	5.51%		
El DuPont	800	2.94%		
Mannington Mills	720	2.65%		
Memorial Hospital of Salem Co.	685	2.52%	Not Available	
Atlantic City Electric	401	1.47%		
RE Pierson Construction	400	1.47%		
Anchor Glass	400	1.47%		
McLane NJ	376	1.38%		
Elmer Hospital	275	1.01%		
Walmart	250	0.92%		

Township of Carney's Point

<u>Employer*</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSE & G	1,500	5.51%		
El DuPont	800	2.94%		
Mannington Mills	720	2.65%		
Memorial Hospital of Salem Co.	685	2.52%	Not Available	
Atlantic City Electric	401	1.47%		
RE Pierson Construction	400	1.47%		
Anchor Glass	400	1.47%		
McLane NJ	376	1.38%		
Elmer Hospital	275	1.01%		
Walmart	250	0.92%		

* This information is for all of Salem County

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>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										
Regular	146	144	140	142	147	149	160	157	155	144
Special Education	40	40	38	39	41	42	41	45	46	48
Other Special Education	25	25	30	31	30	27	31	29	30	6
Other Instruction	10	10	17	12	33	32	32	30	33	80
Support Services:										
Student & Instruction Related Services	20	23	23	21	21	21	21	20	18	12
General Administrative Services	11	10	10	9	10	9	9	9	9	9
School Administrative Services	20	20	21	21	22	23	23	24	22	21
Business Administrative Services	5	5	5	4	5	5	5	5	5	5
Plant Operations and Maintenance	36	35	37	37	46	54	41	41	41	35
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Food Service	29	31	29	32	34	30	36	33	31	31
Total	<u>343</u>	<u>344</u>	<u>351</u>	<u>349</u>	<u>390</u>	<u>393</u>	<u>400</u>	<u>394</u>	<u>391</u>	<u>392</u>

Source: District Personnel Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2020	2,171	\$ 39,949,060	\$ 18,401	-2.72%	186	1 : 10.9	1 : 12.8	1 : 12.2	1 : 12.2	1 : 11.4	2,212.7	2,122.8	1.97%	95.94%
2019	2,170	40,236,916	18,542	-1.98%	207	1 : 12.0	1 : 10.7	1 : 12.0	1 : 9.7	1 : 9.3	2,169.9	2,029.8	0.62%	93.54%
2018	2,057	38,911,116	18,916	6.29%	186	1 : 13.5	1 : 12.1	1 : 12.1	1 : 10.1	1 : 9.1	2,156.5	2,018.1	0.61%	93.58%
2017	2,160	38,440,652	17,797	7.76%	186	1 : 13.2	1 : 12.1	1 : 10.8	1 : 9.1	1 : 9.8	2,143.5	2,001.4	-2.85%	93.37%
2016	2,212	36,530,271	16,515	4.35%	197	1 : 13.2	1 : 12.1	1 : 10.8	1 : 9.1	1 : 9.8	2,206.3	2,058.5	-3.54%	93.30%
2015	2,289	36,226,675	15,826	2.93%	206	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,287.3	2,122.2	-2.31%	92.78%
2014	2,342	36,011,810	15,377	0.73%	212	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	220	1 : 14.2	1 : 10.8	1 : 11.1	1 : 8.8	1 : 8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	221	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,258.7	2,120.7	-4.91%	93.89%
2011	2,372	33,456,848	14,105	5.56%	228	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,375.4	2,209.6	-3.22%	93.02%

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

Note: Enrollment based on annual October District count.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>District Building</u>										
<u>Elementary</u>										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	324	324	316	304	350	350	393	375	370	369
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	493	493	504	530	547	547	552	513	511	556
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	362	362	347	328	312	312	313	347	334	334
<u>Middle School</u>										
Penns Grove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	468	468	463	444	485	485	500	475	499	519
<u>High School</u>										
Penns Grove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	524	523	504	519	544	544	564	515	546	594
<u>Other</u>										
Administration Building (2000)										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2020
 Elementary = 3
 Middle School = 1
 High School = 1
 Other = 1

Source: District records, ASSA

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

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

<u>School Facilities</u>	<u>Gross Square Footage</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>
Penns Grove High School	166,000	\$ 57,009	\$ 79,369	\$ 96,025	\$ 139,153	\$ 95,285	\$ 99,482	\$ 72,038	\$ 71,404	\$ 122,078	\$ 116,262
Penns Grove Middle School	85,540	28,265	104,031	24,732	135,689	39,016	97,369	55,072	51,927	76,144	23,044
Paul W. Carleton School	53,115	18,207	48,046	26,736	38,698	37,958	34,679	30,633	17,804	53,584	46,116
Field Street School	67,901	19,959	66,098	64,966	93,009	35,080	30,521	120,897	41,541	55,353	31,817
Lafayette-Pershing School	47,470	23,557	62,624	40,266	56,874	25,932	24,385	41,598	26,822	46,138	20,149
Total School Facilities		<u>146,997</u>	<u>360,168</u>	<u>252,725</u>	<u>463,423</u>	<u>233,271</u>	<u>286,436</u>	<u>320,238</u>	<u>209,498</u>	<u>353,297</u>	<u>237,388</u>
Other Facilities	7,850	1,094	15,441	2,768	4,104	7,375	8,908	5,227	9,314	7,352	4,460
Grand Total		<u>\$ 148,091</u>	<u>\$ 375,609</u>	<u>\$ 255,493</u>	<u>\$ 467,527</u>	<u>\$ 240,646</u>	<u>\$ 295,344</u>	<u>\$ 325,465</u>	<u>\$ 218,812</u>	<u>\$ 360,649</u>	<u>\$ 241,848</u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine and Automobile Physical Damages		
Limits of Liability	\$ 175,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible	500	
Perils Included	"All Risk"	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limits of Liability	125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		\$ 1,000
Crime		
Limits of Liability	500,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		500
General and Automobile Liability		
Limits of Liability	20,000,000	
GCSSDJIF Self Insured Retention (SIR)	250,000	
Member District Deductible		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Educator's Legal Liability		
Limit of Liability	20,000,000	
GCSSDJIF Self Insured Retention	175,000	
Member District Deductible		None
Pollution Legal Liability		
Limit of Liability	3,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000
Member District Deductible - Mold Incident		100,000
Cyber Liability		
Limits of Liability	1,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000
Violent Malicious Acts		
Limits of Liability	1,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		15,000
Disaster Management Services		
Limits of Liability	2,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		15,000

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education of the Penns Grove-Carneys Point Regional School District's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Penns Grove-Carneys Point Regional Board of Education'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 Penns Grove-Carneys Point Regional Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Penns Grove-Carneys Point Regional Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance, or other matters 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 are described in the accompanying schedule of findings and questioned costs as items labeled finding 2020-1.

Penns Grove-Carneys Point Regional Board of Education's Response to Findings

Penns Grove-Carneys Point Regional Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Their 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Penns Grove-Carneys Point Regional Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

December 22, 2020

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem, New Jersey 08079

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Penns Grove-Carneys Point Regional School District's major federal and state programs for the fiscal year ended June 30, 2020. The Penns Grove-Carneys Point Regional Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Penns Grove-Carneys Point Regional Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey Treasury Circular OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Penns Grove-Carneys Point Regional Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Penns Grove-Carneys Point Regional Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of 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 identify one deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as finding 2020-1, that we consider to be material weakness.

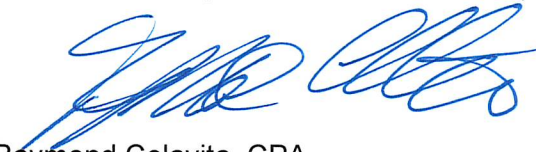
Penns Grove-Carneys Point Regional Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Penns Grove-Carneys Point Regional Board of Education's response was not subjected to the 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 Uniform Guidance and New Jersey Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, the Penns Grove-Carneys Point Regional Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 22, 2020

**PENNS GROVE-CARNEYS POINT REGIONAL 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	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2019			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	June 30, 2020	
						Accounts Receivable	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue
General Fund														
U.S. Department of Education: Passed-through State Department of Education														
Medical Assistance Program	93.778	2005NJ5MAP	N/A	7/1/19-6/30/20	\$ 79,328	\$	\$	\$	\$ 79,328	\$ (79,328)	\$	\$ (79,328)	\$	\$
Medical Assistance Program	93.778	1905NJ5MAP	N/A	7/1/18-6/30/19	62,124	(19,179)			19,179					
Total General Fund						(19,179)			98,507	(79,328)		(79,328)		
Special Revenue Fund:														
U.S. Department of Education: Passed-through State Department of Education: Special Revenue Fund:														
E.S.E.A.:														
Title I - Part A	84.010	S010A190030	ESEA407020	7/1/19-9/30/20	1,368,638				846,182	(1,242,608)		(1,242,608)	(396,426)	
Title I - Part A	84.010	S010A180030	ESEA407019	7/1/18-6/30/19	1,608,409	(294,468)			294,468					
Title I - Part A SIA	84.010	S010A190030	ESEA407020	7/1/19-9/30/20	136,815				46,887	(123,220)		(123,220)	(76,333)	
Title I - Part A SIA	84.010	S010A180030	ESEA407019	7/1/18-6/30/19	357,750	(176,382)			176,382					
Title I - Reallocated	84.010	S010A190030	ESEA407020	7/1/19-9/30/20	41,268				18,800	(24,190)		(24,190)	(5,390)	
Title I - Reallocated	84.010	S010A180030	ESEA407019	2/1/19-9/30/19	66,016	(11,592)			45,445	(33,853)		(33,853)		
Title II A	84.367A	S367A190029	ESEA407020	7/1/19-9/30/20	117,804				62,300	(73,350)		(73,350)	(11,050)	
Title II A	84.367A	S367A180029	ESEA407019	7/1/18-6/30/19	100,480	(53,447)			53,447					
Title III	84.365	S365A190030	ESEA407020	7/1/19-9/30/20	53,137				37,050	(44,795)		(44,795)	(7,745)	
Title III	84.365	S365A180030	ESEA407019	7/1/18-6/30/19	55,258	(4,010)			4,010					
Title III Immigrant	84.365A	S365A190030	ESEA407020	7/1/19-9/30/20	2,584				2,584	(2,584)		(2,584)		
IDEA Cluster:														
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA407020	7/1/19-9/30/20	567,012				567,012	(567,012)		(567,012)		
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA407019	7/1/18-6/30/19	557,642	(137,917)			137,917					
I.D.E.A. Preschool Incentive	84.173	H173A190114	IDEAPS407020	7/1/19-9/30/20	22,123				19,196	(22,123)		(22,123)	(2,927)	
I.D.E.A. Preschool Incentive	84.173	H173A180114	IDEAPS407019	7/1/18-6/30/19	21,737	(21,737)			21,737					
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES407020	3/13/20-9/30/22	938,274					(251,430)		(251,430)	(251,430)	
Total U.S. Department of Education						(699,553)			2,333,417	(2,385,165)		(2,385,165)	(751,301)	
Enterprise Fund														
U.S. Dept. of Agriculture Passed-through State Dept. of Education:														
Child Nutrition Cluster:														
Cash Assistance:														
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	730,072				679,602	(730,072)		(730,072)	(50,470)	
National School Lunch Program	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	710,332	(43,071)			43,071					
National School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	369,466				337,661	(369,466)		(369,466)	(31,805)	
National School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	250,650	(16,982)			16,982					
National School Snack Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	22,721				22,721	(22,721)		(22,721)		
National School Snack Program	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	35,262	(687)			687					
Fresh Fruits and Vegetables	10.582	201NJ304L1603	N/A	7/1/19-6/30/20	18,266				16,426	(18,286)		(18,286)	(1,860)	
Non-Cash Assistance:														
Food Distribution Program	10.565	Unknown	N/A	7/1/19-6/30/20	98,879				98,879	(84,502)		(84,502)		14,377
Food Distribution Program	10.565	Unknown	N/A	7/1/18-6/30/19	79,165		10,958			(10,958)		(10,958)		
Total U.S. Department of Agriculture						(60,740)	10,958		1,216,029	(1,236,005)		(1,236,005)	(84,135)	14,377
Total Federal Financial Awards						\$ (779,472)	\$ 10,958	\$	\$ 3,647,953	\$ (3,700,498)	\$	(3,700,498)	(835,436)	\$ 14,377

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

See accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule. These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2019			Budgetary Expenditures	June 30, 2020		MEMO	
				(Accounts Receivable)	Unearned Revenue	Cash Received		(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
General Fund - Current Expense:											
Special Education Categorical Aid	20-495-034-5120-089	\$ 1,222,614	7/1/19 to 6/30/20	\$	\$	\$ 1,105,664	\$ (1,222,614)	\$ (116,950)	\$	*(116,950)	\$ 1,222,614
Special Education Categorical Aid	19-495-034-5120-089	1,222,614	7/1/18 to 6/30/19	(116,173)		116,173					
Equalization Aid	20-495-034-5120-078	21,065,660	7/1/19 to 6/30/20			19,050,614	(21,065,660)	(2,015,046)		*(2,015,046)	21,065,660
Equalization Aid	19-495-034-5120-078	20,220,763	7/1/18 to 6/30/19	(1,921,374)		1,921,374					
Security Aid	20-495-034-5120-084	785,483	7/1/19 to 6/30/20			710,347	(785,483)	(75,136)		*(75,136)	785,483
Security Aid	19-495-034-5120-084	785,483	7/1/18 to 6/30/19	(74,637)		74,637					
Transportation Aid	20-495-034-5120-014	761,052	7/1/19 to 6/30/20			688,253	(761,052)	(72,799)		*(72,799)	761,052
Transportation Aid	19-495-034-5120-014	761,052	7/1/18 to 6/30/19	(72,315)		72,315					
Extraordinary Special Education Aid	20-495-034-5120-044	314,713	7/1/19 to 6/30/20				(314,713)	(314,713)		*	314,713
Extraordinary Special Education Aid	19-495-034-5120-044	453,028	7/1/18 to 6/30/19	(453,028)		453,028					
Family Crisis Transportation Aid	20-495-034-5120-100	41,329	7/1/19 to 6/30/20			41,329	(41,329)			*	41,329
Nonpublic Transportation Aid	19-495-034-5120-014	11,310	7/1/18 to 6/30/19	(11,310)		11,310					
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	1,073,817	7/1/19 to 6/30/20			1,019,955	(1,073,817)	(53,862)		*	1,073,817
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	1,116,659	7/1/18 to 6/30/19	(54,096)		54,096					
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	3,236,583	7/1/18 to 6/30/19			3,236,583	(3,236,583)			*	3,236,583
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	1,200,713	7/1/18 to 6/30/19			1,200,713	(1,200,713)			*	1,200,713
Long-term Disability (On Behalf - Non-Budg)	19-495-034-5094-004	2,709	7/1/18 to 6/30/19			2,709	(2,709)			*	2,709
				(2,702,933)		29,759,100	(29,704,673)	(2,648,506)		(2,279,931)	29,704,673
Special Revenue Fund:											
Preschool Education Aid	20-495-034-5120-086	652,479	7/1/19 to 6/30/20			590,066	(631,539)	(62,413)	20,940	*(62,413)	631,539
Preschool Education Aid	19-495-034-5120-086	699,546	7/1/18 to 6/30/19	(69,955)		69,955					
				(69,955)		660,021	(631,539)	(62,413)	20,940	(62,413)	631,539

See accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2019		Cash Received	Budgetary Expenditures	June 30, 2020		MEMO	
				(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
Capital Projects Fund:											
New Jersey Schools Development Authority:											
Educational Facilities Construction and Financing Act:											
Penns Grove HS HVAC	4070-050-14-1001	\$ 1,803,764	Project Completion	\$ (360,753)	\$	\$	\$	(360,753)	\$	* \$	360,753
Penns Grove HS Renovation	4070-050-14-1002	2,826,393	Project Completion	(2,826,393)				(2,826,393)		*	2,826,393
Paul W. Carleton ES Renovation	4070-080-14-1003	346,561	Project Completion	(346,561)				(346,561)		*	346,561
Paul W. Carleton HVAC	4070-080-14-1004	706,345	Project Completion	(141,269)				(141,269)		*	141,269
Field Street ES HVAC	4070-090-14-1005	990,533	Project Completion	(198,107)				(198,107)		*	198,107
Field Street ES Renovation	4070-090-14-1006	397,525	Project Completion	(397,525)				(397,525)		*	397,525
Lafayette-Pershing ES Roof; Ext Doors	4070-100-14-1007	349,371	Project Completion	(32,558)				(32,558)		*	349,371
Penns Grove MS Renovation	4070-105-14-1008	3,999,008	Project Completion	(3,513,251)				(3,513,251)		*	3,999,008
Penns Grove MS Roof Replacement	4070-105-14-1009	9,884	Project Completion	(9,884)				(9,884)		*	9,884
Penns Grove MS HVAC	4070-105-14-1010	44,240	Project Completion	(44,240)				(44,240)		*	44,240
Penns Grove MS HVAC - Admin Off	4070-105-14-1011	771	Project Completion	(771)				(771)		*	771
		11,474,395		(7,871,312)				(7,871,312)			8,673,882
Debt Service Fund:											
Debt Service Aid Type II	20-495-034-5120-075	373,817	7/1/19 to 6/30/20			373,817	(373,817)			*	373,817
State Department of Agriculture:											
Enterprise Fund											
State School Lunch Program (State Share)	20-100-010-3350-022	15,744	7/1/19 to 6/30/20			11,597	(15,744)	(4,147)		*	15,744
State School Lunch Program (State Share)	19-100-010-3350-023	13,005	7/1/18 to 6/30/19	(779)		779					
				(779)		12,376	(15,744)	(4,147)			15,744
Total State Financial Assistance				\$ (10,644,979)	\$	\$ 30,805,314	\$ (30,725,773)	\$ (10,586,378)	\$ 20,940	\$ (2,342,344)	\$ 39,399,655
Less: On-Behalf TPAF Pension System Contributions											
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	3,236,583	7/1/19 to 6/30/20			\$ 3,236,583	\$ (3,236,583)				
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	1,200,713	7/1/19 to 6/30/20			1,200,713	(1,200,713)				
On Behalf - Long-term Disability	20-495-034-5094-004	2,709	7/1/19 to 6/30/20			2,709	(2,709)				
Total State Financial Assistance - Major Program Determination						\$ 26,365,309	\$ (26,285,768)				

The accompanying Notes to Financial Statements and Notes to the Schedules of Financial Assistance are an integral part of this schedule.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$95,432) for the general fund and \$7,542 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 79,328	\$ 29,609,241	\$ 29,688,569
Special Revenue Fund	2,346,490	639,081	2,985,571
Debt Service Fund		373,817	373,817
Food Service Fund	1,236,005	15,744	1,251,749
	<u>\$ 3,661,823</u>	<u>\$ 30,637,883</u>	<u>\$ 34,299,706</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Penns Grove-Carneys Point Regional School District had no outstanding State or federal loans at June 30, 2020.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

School-wide programs are not separate Federal programs as defined under Uniform Guidance; amounts used in school wide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The district operates school wide programs for Title I and Title IIA.

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There were no adjustments for Federal Awards or State Financial Assistance reflected on Schedule A and Schedule B, respectively.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
10.553,10.555 84.010	201NJ304N1099 S010A190030, S010A180030	Child Nutrition Cluster Title I, Title I SIA, Title I Reallocated

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$788,573

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II - Financial Statement Findings

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

Finding: 2020-1 (AMR Finding 2020-1)

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months' average expenditures by \$263,564, as of June 30, 2020.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

Inadvertent oversight.

Recommendation:

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

Views of responsible officials and planned corrective actions:

Management is aware of the necessary procedures to be updated and followed.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

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

FEDERAL AWARDS

Information on the federal program:

Child Nutrition Cluster (10.553,10.555)

Finding: 2020-1 (AMR Finding 2020-1)

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Questioned Costs:

None

Context:

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months' average expenditures by \$263,564, as of June 30, 2020.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

Inadvertent oversight.

Recommendation:

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

Views of responsible officials and planned corrective actions:

Management is aware of the necessary procedures to be updated and followed.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)

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

STATE AWARDS N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2019-1

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Current Status: Unresolved, see finding 2020-1.