

**PENNSVILLE TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

Prepared by
Pennsville Township Board of Education
Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9-11
-------------------------------------	------

Required Supplementary Information – Part I Management's Discussion and Analysis (Unaudited)	12-21
---	-------

Basic Financial Statements

A. District-wide Financial Statements:

A-1	Statement of Net Position	22
A-2	Statement of Activities	23

B. Fund Financial Statements:

Governmental Funds:

B-1	Balance Sheet	24
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	25
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26

Proprietary Funds:

B-4	Statement of Net Position	27
B-5	Statement of Revenues, Expenses, and Changes in Fund Net Position	28
B-6	Statement of Cash Flows	29

Fiduciary Funds:

B-7	Statement of Fiduciary Net Position	30
B-8	Statement of Changes in Fiduciary Net Position	31

Notes to the Financial Statements	32-65
--	-------

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules (Unaudited):

C-1	Budgetary Comparison Schedule – General Fund	66-71
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b	Community Development Block Grant – Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	72

Notes to the Required Supplementary Information –Part II

C-3 Budget-to-GAAP Reconciliation	72a
-----------------------------------	-----

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	73
L-2 Schedule of District Contributions – PERS	74
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	75
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	76
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	77-79
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	80
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	81
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	82
F-2a-n Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	83-96
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	97
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	98
G-3 Combining Schedule of Cash Flows	99

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>		<u>Page</u>
Other Supplementary Information (Continued)		
	Internal Service Fund:	
G-4	Combining Schedule of Net Position	100
G-5	Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	101
G-6	Combining Schedule of Cash Flows	102
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	103
H-2	Combining Statement of Changes in Fiduciary Net Position	104
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	105
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	106
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	107
I-2	Schedule of Obligations under Capital Leases (Not Used)	108
I-3	Debt Service Fund Budgetary Comparison Schedule	109

STATISTICAL SECTION (Unaudited)

Financial Trends Information/Schedules

J-1	Net Position by Component	110
J-2	Changes in Net Position	111
J-3	Fund Balances – Governmental Funds	112
J-4	Changes in Fund Balance, Governmental Funds	113
J-5	General Fund Other Local Revenue by Source	114

Revenue Capacity Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property	115
J-7	Direct and Overlapping Property Tax Rates	116
J-8	Principal Property Taxpayers	117
J-9	Property Tax Levies and Collections	118

Debt Capacity Information

J-10	Ratios of Outstanding Debt by Type	119
J-11	Ratios of General Bonded Debt Outstanding	120
J-12	Direct and Overlapping Governmental Activities Debt	121
J-13	Legal Debt Margin Information	122

Demographic and Economic Information

J-14	Demographic and Economic Statistics	123
J-15	Principal Employers	124

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	125
J-17	Operating Statistics	126
J-18	School Building Information	127
J-19	Schedule of Required Maintenance Expenditures by School Facility	128
J-20	Insurance Schedule	129

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
TABLE OF CONTENTS
STATISTICAL SECTION (Unaudited) (Continued)**

SINGLE AUDIT SECTION

<u>Exhibit</u>		<u>Page</u>
K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	130-131
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance; and Report on Schedule of Expenditures Required by Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) And New Jersey OMB Circular 15-08	132-133
K-3	Schedule of Expenditures of Federal Awards - Schedule A	134
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	135
K-5	Notes to the Schedules of Awards and Financial Assistance	136-137
K-6	Schedule of Findings and Questioned Costs- Summary of Auditor's Results	138-139
K-6	Schedule of Findings and Questioned Costs - Financial Statement Federal Awards and State Financial Assistance	140-141
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	142

INTRODUCTORY SECTION



PENNSVILLE PUBLIC SCHOOL DISTRICT
Business Administration Building
30 Church Street
Pennsville, NJ 08070-2199

Dr. Michael Brodzik, Superintendent
Heather Mayhew, Board Secretary/
Business Administrator
hmayhew@pv-eagles.org

Telephone (856) 540-6200
Fax (856) 678-7565
(856) 678-2620
Website www.psdnet.org

December 22, 2020

Honorable President and Members
of the Board of Education
Pennsville Township School District
30 Church Street
Pennsville, N.J. 08070-2199

Dear Board Members:

The comprehensive annual financial report of the Pennsville Township 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 State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Pennsville Township School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Pennsville Township Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an average daily enrollment of 1,795 students, which is an increase from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	1,795	2.43%
2018-19	1,752	0%
2017-18	1,753	(1.90%)
2016-17	1,787	(.11%)
2015-16	1,789	(.05%)

2. MAJOR INITIATIVES:

Our focus in the Office of Curriculum and Instruction is on the importance of the cycle of teaching and learning and the impact on improved student outcomes. Improving student achievement is the driving force for changes made to curriculum, instruction and assessment.

Pre-K program – The Pennsville School District preschool program consists of eleven classrooms housed in two buildings. The components of a high-quality preschool program have been implemented with talented, certified teachers, a developmentally appropriate curriculum and coaches to support preschool educators to work with our children with disabilities and English language learners.

Standards Based Grading at Central Park- We are continuing our journey to Standards Based Grading (SBG) which allows teachers to use ongoing formative assessments as a guide to inform classroom instruction. Students have the opportunity to practice their mastery of the standards without the penalty of earning a poor grade. This affords students the opportunity to learn from their mistakes. Ongoing assessment through SBG provides multiple methods to demonstrate content mastery. SBG communicates to the students and parents clearly and accurately student achievement around the standards. This transition commenced in the 18-19 school year beginning with math. During the 19-20 school year we focused on English Language Arts but were interrupted by the effects of the Pandemic on in-person instruction. That effort will continue in the 20-21 school year.

Writing at PB and Pennsville Middle School- Writing is the penultimate skill. Effective writing skills are critical in all facets of life from preschool to future careers. Writing encourages students to convey complex ideas, analyze information in a clear, succinct fashion. We have implemented Zaner Bloss research based strategies to increase writing across all content areas and expand our writing curriculum to involve students in a range of writing tasks.

1:1 District Initiative – Even before virtual learning that resulted from the effect of COVID-19 on our schools, the Pennsville School District had effectively implemented a 1:1 technology program in grades 3-12 by 2019. That program expanded to preK-12 in 2020. Many students' lives today are filled with technology that gives them ubiquitous access to information and resources, enabling them to pursue their interests in their own way and at their own pace. It is incumbent upon us to help facilitate their learning and provide meaningful ways to utilize technology available to them. Learning is being redefined as students will use their devices to accomplish tasks that otherwise would be extremely difficult.

Title 1/ESY Summer Bridge- This summer program prepares students for maximum success when they enter the school year in the Fall. The Summer Bridge program offers engaging mathematics and reading instruction with an individualized focus. Lessons infuse technology, hands on experiments, and projects based learning. The Extended School Year (ESY) provides special education and related services to students with disabilities beyond the 180 day school year. ESY services are provided during the summer break to prevent loss of basic skills. The ESY/Summer Bridge program was held virtually in the summer of 2020.

STEAM at Pennsville Memorial High School and MS - STEAM is an approach to learning that uses Science, Technology, Engineering, the Arts and Mathematics to engage with and inform student inquiry, dialogue, and critical thinking. STEAM encourages and fosters the 21st Century skills of communication, collaboration, problem solving, and creativity. We offer Engineering Design at the HS level and Design and Model at the Middle School. We also offer Computer Science electives at the HS.

3. 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.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either 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.

5. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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 are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Pennsville Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the 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. Michael Brodzik

Dr. Michael Brodzik
Superintendent of Schools

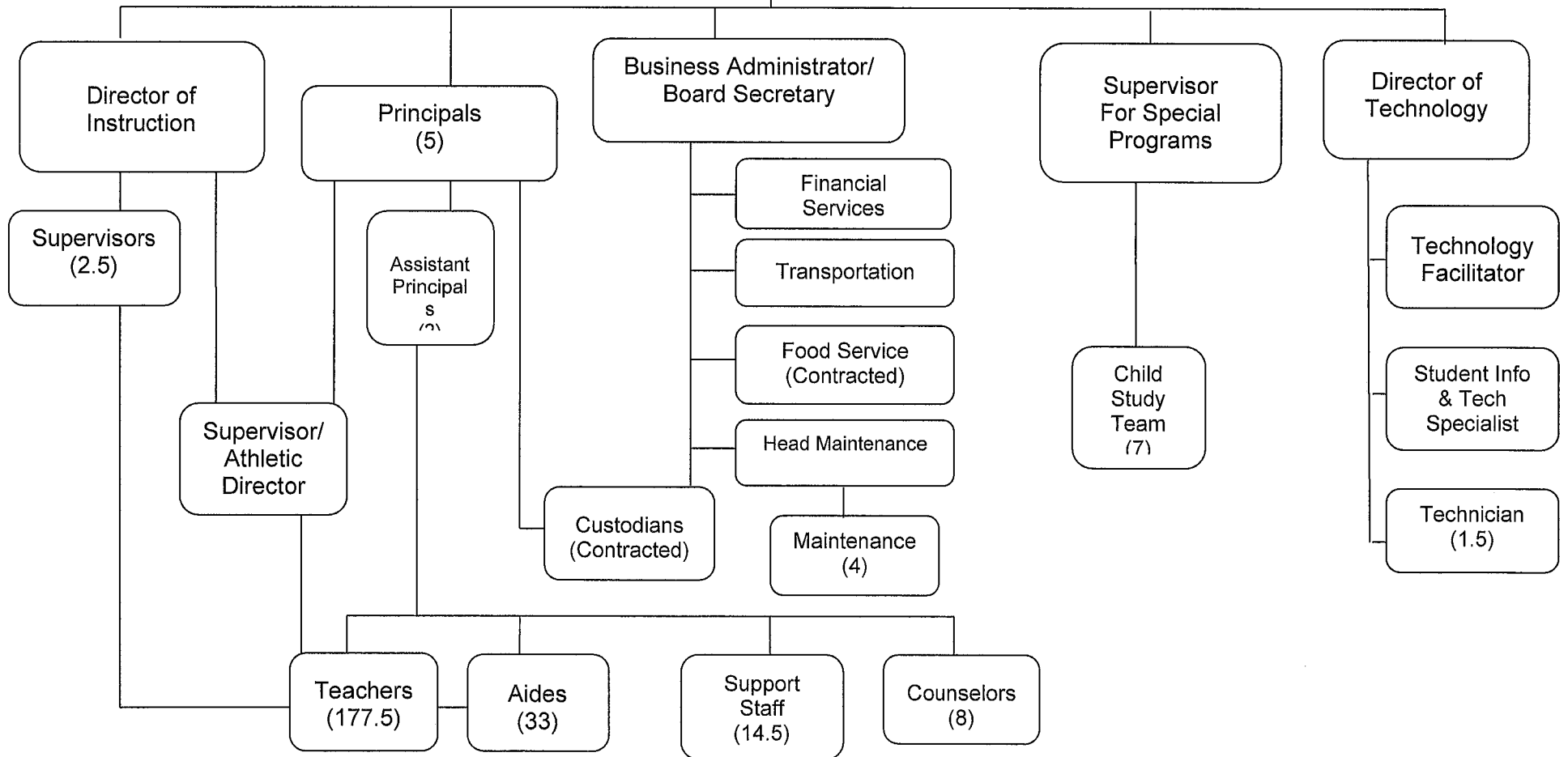
Heather Mayhew

Heather Mayhew
Board Secretary/
Business Administrator

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

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



PENNSVILLE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Keith Chambers	President	2020
Diana Staffieri-Morris	Vice President	2022
Greg Acton		2020
Sharon Cook		2021
Jack Nugent		2021
Thomas Mason		2022
Jeffery Thomas		2021
Stephanie Taylor		2020
Thomas W. Hassler, III		2022

Other Officials

Michael Brodzik, Ed. D., Superintendent of Schools

Heather Mayhew, Business Administrator/Board Secretary

Mark Toscano, Solicitor

**PENNSVILLE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ENGINEER

Remington & Vernick
232 Kings Highway
Haddonfield, New Jersey 08033

AUDIT FIRM

**Raymond Colavita, CPA, RMA, PSA
NIGHTLINGER, COLAVITA AND VOLPA, PA**
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Mark G. Toscano, Esq.
Comegno Law Group, P.C.
521 Pleasant Valley Ave
Moorestown, NJ 08057

OFFICIAL DEPOSITORIES

Pennsville National Bank
170 South Broadway
PO Box 345
Pennsville, NJ 08070

INSURANCE AGENT

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association
Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pennsville Township School District
County of Salem, New Jersey 08070

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 Pennsville Township 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 Pennsville Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Pennsville Township 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 Pennsville Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

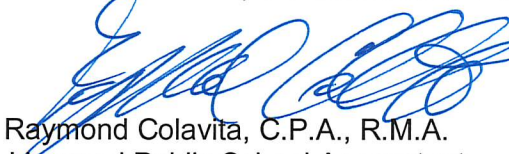
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2020**

(UNAUDITED)

This section of the Pennsville Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2019-20) and the prior year (2018-19) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2019-20 fiscal year include the following:

- Net position for governmental and business-type activities were \$2,196,305 and \$100,896, respectively.
- Net position for governmental activities decreased by \$192,976 and net position for business-type activities increased by \$86,309 from July 1, 2019 to June 30, 2020.
- The general fund balance as of June 30, 2020 was \$1,377,920, an increase of \$501,870 when compared with the beginning balance as of July 1, 2019 of \$876,050.

Overview of the Financial Statements

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

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

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

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

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

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's net position for the fiscal years ended June 30, 2019 and 2020 is reflected in Table 2.

Table 2
Net Position

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and Other Assets	\$ 2,267,040	\$ 142,479	\$ 2,409,519	\$ 2,060,646	\$ 32,789	\$ 2,093,435
Capital Assets, net	40,290,920	100,896	40,391,816	42,077,084	51,299	42,128,383
Total Assets	42,557,960	243,375	42,801,335	44,137,730	84,088	44,221,818
Deferred Outflows of Resources	1,368,782		1,368,782	1,845,265		1,845,265
Liabilities:						
Current and Other Liabilities	876,246	142,479	1,018,725	789,011	69,501	858,512
Long Term Liabilities:						
Due Within One Year	1,545,552		1,545,552	1,547,908		1,547,908
Due in more than One Year	37,072,498		37,072,498	39,060,893		39,060,893
Total Liabilities	39,494,296	142,479	39,636,775	41,397,812	69,501	41,467,313
Deferred Inflows of Resources	2,236,141		2,236,141	2,195,902		2,195,902
Net Position						
Net Investment in Capital Assets	9,010,920	100,896	9,111,816	9,417,084	51,299	9,468,383
Restricted for:						
Capital Projects				342,303		342,303
Permanent Endowment:						
Nonexpendable	88,724		88,724	88,723		88,723
Other Purposes	1,211,866		1,211,866	579,708		579,708
Unrestricted (Deficit)	(8,115,205)		(8,115,205)	(8,038,537)	(36,712)	(8,075,249)
Total Net Position (Deficit)	\$ 2,196,305	\$ 100,896	\$ 2,297,201	\$ 2,389,281	\$ 14,587	\$ 2,403,868

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

- Program revenues were \$10,503,972 (operating grants and contributions - \$851,122 and charges for services \$9,652,850).
- General revenues, special items, extraordinary items, and transfers amounted to \$32,784,533.
- Expenditures, net of charges for services and grant revenue were \$43,395,172.
- Total District revenues, when added to the beginning net position along with adjustments, result in a calculation of net position of \$2,297,201 as of June 30, 2020.
- Total revenues of \$45,181,529 plus beginning net position of \$2,403,868 less total net expenditures \$43,395,172 and special items of \$1,893,024 equals the ending net position of \$2,297,201.

Change in Net Position

Net position for governmental type activities increased and business-type activities increased from June 30, 2019 to June 30, 2020 as reflected in Table 3.

Table 3
Changes in Net Position

	2020			2019		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Program Revenues:						
Charges for Services	\$ 622,714	\$ 228,408	\$ 851,122	\$ 500,378	\$ 277,824	\$ 778,202
Operating Grants and Contributions	9,144,507	508,343	9,652,850	10,223,120	359,471	10,582,591
General Revenues:						
Property Taxes	22,965,588		22,965,588	22,521,557		22,521,557
Grants and Entitlements	11,114,366		11,114,366	10,507,121		10,507,121
Other	597,603		597,603	416,509	72,513	489,022
Special Items	(1,934,942)	41,918	(1,893,024)			
Total Revenues	\$ 42,509,836	\$ 778,669	\$ 43,288,505	\$ 44,168,685	\$ 709,808	\$ 44,878,493
Program Expenses						
Instruction	\$ 14,358,935	\$	\$ 14,358,935	\$ 14,018,883	\$	\$ 14,018,883
Tuition	2,241,100		2,241,100	2,496,827		2,496,827
Student and Instruction Related Serv	4,953,225		4,953,225	4,231,591		4,231,591
General Administration	624,736		624,736	649,281		649,281
School Administrative Serv	1,274,517		1,274,517	1,364,623		1,364,623
Central Services	417,557		417,557	437,095		437,095
Admin Information Tech	256,755		256,755	195,707		195,707
Plant Operations and Maint	2,961,606		2,961,606	2,674,750		2,674,750
Pupil Transportation	1,431,698		1,431,698	1,544,548		1,544,548
Unallocated Benefits	12,964,787		12,964,787	14,659,703		14,659,703
Debt Service	868,511		868,511	904,265		904,265
Unallocated Depreciation	349,385		349,385	357,376		357,376
Enterprise Operation		692,360	692,360		695,221	695,221
Total Expenses	42,702,812	692,360	43,395,172	43,534,649	695,221	44,229,870
Increase/(Decrease) in Net Position	\$ (192,976)	\$ 86,309	\$ (106,667)	\$ 634,036	\$ 14,587	\$ 648,623

Total revenues for the District were \$45,181,529 (excluding special items). Government funding was the source of 46.0% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$22,965,588 provided 50.8% of revenues.

Other miscellaneous revenues of \$1,448,725 represent 3.2% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, and transportation fees.

The District's expenses for governmental activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$16,600,035 or 38.3% of total expenditures. Student support services including student related services and transportation, exclusive of administration, totaled \$6,384,923 or 14.7% of total expenditures. Other administrative services totaled \$2,573,565 or 5.9% of total expenditures. Plant Operations and Maintenance expenses were \$2,961,606 or 6.8% of total expenditures. Employee benefit costs of \$12,964,787 amounted to 29.9% of total expenditures. Interest on Debt, Depreciation and Food Service expenses totaled 4.4%. Total revenues and special items were less than expenditures for governmental activities, decreasing net position by \$192,976 from the beginning balance at July 1, 2019.

Activity Descriptions

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$1,287,206, as compared to \$1,237,804 at June 30, 2019.

All governmental funds had total revenues of \$41,993,935 and total expenditures of \$41,944,533.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

Table 4
Comparison of Revenues

	2020	2019	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local Sources				
Local Tax Levy	\$ 22,965,588	\$ 22,521,557	\$ 444,031	1.97%
Tuition	364,286	164,996	199,290	120.78%
Transportation	34,776	55,236	(20,460)	-37.04%
Interest Earned	2,806	5,014	(2,208)	-44.04%
Miscellaneous	195,735	241,722	(45,987)	-19.02%
Government Sources:				
State Sources	17,553,875	15,675,679	1,878,196	11.98%
Federal Sources	876,869	1,057,049	(180,180)	-17.05%
Total	\$ 41,993,935	\$ 39,721,253	\$ 2,272,682	5.72%

One of the primary sources of funding for the District is received from local property taxes and accounted for 54.7% of total revenues. State aid accounted for 41.8% of total revenues.

Total governmental fund revenues increased by \$2,272,682, or 5.7% from the previous year. The major components of this increase were the increase in the local tax levy and state aid.

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

Table 5
Comparison of Expenditures

	2020	2019	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction				
Regular	\$ 9,955,201	\$ 9,893,375	\$ 61,826	0.62%
Special Education	2,615,177	2,472,257	142,920	5.78%
Other Special Instruction	653,006	566,459	86,547	15.28%
Other Instruction	567,792	596,991	(29,199)	-4.89%
Support Services:				
Tuition	2,241,100	2,496,827	(255,727)	-10.24%
Student and Instruction Rel Serv	4,953,225	4,231,591	721,634	17.05%
General Administration	624,736	649,281	(24,545)	-3.78%
School Administration	1,274,517	1,364,623	(90,106)	-6.60%
Central Services	417,557	437,095	(19,538)	-4.47%
Administrative Information Tech	199,650	195,707	3,943	2.01%
Plant Operations and Maint	2,958,592	2,671,736	286,856	10.74%
Security	57,105	-	57,105	100.00%
Pupil Transportation	1,431,698	1,544,548	(112,850)	-7.31%
Employee Benefits	6,482,993	5,897,301	585,692	9.93%
TPAF and FICA Reimb	4,747,694	4,469,643	278,051	6.22%
Capital Outlay	501,177	2,152,936	(1,651,759)	-76.72%
Debt Service - Interest	883,313	913,544	(30,231)	-3.31%
Debt Service - Principal	1,380,000	1,315,000	65,000	4.94%
Total	\$ 41,944,533	\$ 41,868,914	\$ 75,619	0.18%

Total governmental fund expenditures increased by \$75,619 or 0.2% from the previous year.

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

During the course of fiscal year 2020, the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund had net position of \$100,896 as of June 30, 2020, which is made up entirely of it's investment in fixed assets. This reflects an increase of \$44,391 from June 30, 2019, along with a fixed asset adjustment of \$41,918.

INTERNAL SERVICE FUNDS

The Internal Services Fund had net position of \$388,661 as of June 30, 2020. This reflects an increase of \$54,955 from June 30, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2020, the District had capital assets allocated to governmental activities with a book value of \$40,391,816. This consists of a broad range of capital assets, including land, site and site improvements, and machinery and equipment. Total depreciation expense for the year was \$357,666.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
As of June 30, 2020 and 2019

	2020			2019		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land, Site and Site Improvements	\$ 137,246	\$	\$ 137,246	\$ 1,347,477	\$	\$ 1,347,477
Building and Improvements	39,316,367		39,316,367	1,888,834		1,888,834
Machinery and Equipment	837,307	100,896	938,203	870,608	51,299	921,907
Construction in Progress			-	37,970,165		37,970,165
Total	\$ 40,290,920	\$ 100,896	\$ 40,391,816	\$ 42,077,084	\$ 51,299	\$ 42,128,383

Long-Term Obligations

At June 30, 2020, the District's outstanding debt was \$38,618,050 and included \$31,280,000 in Serial Bonds, \$1,344,599 in compensated absences and \$5,993,451 in Net Pension Liability.

This liability for compensated absences represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes long-term obligations.

Table 7
Long-Term Obligations
As of June 30, 2020 and 2019

	2020			2019		
	Governmental Governmental Activities	Business- Type Activities	Total	Governmental Governmental Activities	Business- Type Activities	Total
Serial Bonds	\$ 31,280,000		\$ 31,280,000	\$ 32,660,000		\$32,660,000
Net Pension Liability	5,993,451		5,993,451	6,436,402		6,436,402
Compensated Absences	1,344,599		1,344,599	1,512,399		1,512,399
Total	\$ 38,618,050		\$ 38,618,050	\$ 40,608,801		\$40,608,801

For The Future

With the successful passage of the 2015 Bond Referendum, and subsequent construction that resulted from that approval by the Pennsville taxpayers, the district focuses on appropriately maintaining those newly renovated facilities to insure their longevity and effectiveness.

The Pennsville Township School District is also focusing on continuing our shared services efforts with the Quinton School District and Pennsville Township. The District hopes to continually increase its revenue through these efforts in order to maintain our current academic programs during this challenging economic time.

Contacting the School District's Financial Management

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

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.

PENNSVILLE TOWNSHIP 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	\$ 1,056,913	\$	\$ 1,056,913
Receivables, Net	1,181,940	134,507	1,316,447
Interfund Receivable	28,187		28,187
Inventory		7,972	7,972
Depreciable Capital Assets, Net	40,290,920	100,896	40,391,816
	<hr/>	<hr/>	<hr/>
Total Assets	42,557,960	243,375	42,801,335
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	1,368,782		1,368,782
	<hr/>	<hr/>	<hr/>
	1,368,782		1,368,782
LIABILITIES:			
Accounts Payable	502,181		502,181
Accrued Interest Payable	285,073		285,073
Payable to State Government	13,133		13,133
Interfund Payable		141,456	141,456
Unearned Revenue	75,859	1,023	76,882
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,545,552		1,545,552
Due Beyond One Year	37,072,498		37,072,498
	<hr/>	<hr/>	<hr/>
Total Liabilities	39,494,296	142,479	39,636,775
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	2,236,141		2,236,141
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	9,010,920	100,896	9,111,816
Restricted for:			
Permanent Endowment- Nonexpendable	88,724		88,724
Capital Reserve	1,170		1,170
Maintenance Reserve	151,500		151,500
Excess Surplus	1,059,196		1,059,196
Unrestricted (Deficit)	(8,115,205)		(8,115,205)
	<hr/>	<hr/>	<hr/>
Total Net Position (Deficit)	\$ 2,196,305	\$ 100,896	\$ 2,297,201
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 9,955,201		\$ 1,680,285	\$ (8,274,916)		\$ (8,274,916)
Special Education	2,615,177			(2,615,177)		(2,615,177)
Other Special Instruction	653,006	622,714		(30,292)		(30,292)
Other Instruction	1,135,551			(1,135,551)		(1,135,551)
Support Services:						
Tuition	2,241,100			(2,241,100)		(2,241,100)
Student & Instruction Related Services	4,953,225		842,765	(4,110,460)		(4,110,460)
General Administrative Services	624,736			(624,736)		(624,736)
School Administrative Services	1,274,517			(1,274,517)		(1,274,517)
Central Services	417,557			(417,557)		(417,557)
Administrative Information Technology	256,755			(256,755)		(256,755)
Plant Operations and Maintenance	2,961,606			(2,961,606)		(2,961,606)
Pupil Transportation	1,431,698			(1,431,698)		(1,431,698)
Employee Benefits	12,964,787		6,621,457	(6,343,330)		(6,343,330)
Interest on Long-Term Debt	868,511			(868,511)		(868,511)
Unallocated Depreciation	349,385			(349,385)		(349,385)
Total Governmental Activities	42,702,812	622,714	9,144,507	(32,935,591)		(32,935,591)
Business-Type Activities:						
Food Service	692,360	228,408	508,343		44,391	44,391
Total Business-Type Activities	692,360	228,408	508,343		44,391	44,391
Total Primary Government	\$ 43,395,172	\$ 851,122	\$ 9,652,850	(32,935,591)	44,391	(32,891,200)
General Revenues:						
Property Taxes, Levied for General Purposes, Net				22,965,588		22,965,588
Federal and State Aid				11,114,366		11,114,366
Tuition				364,286		364,286
Transportation fees from Individuals				34,776		34,776
Investment Earnings				2,806		2,806
Miscellaneous Income				195,735		195,735
Special Items:						
Fixed Assets Adjustment				(1,934,942)	41,918	(1,893,024)
				32,742,615	41,918	32,784,533
Change in Net Position				(192,976)	86,309	(106,667)
Net Position — Beginning of Year				2,389,281	14,587	2,403,868
Net Position — End of Year				\$ 2,196,305	\$ 100,896	\$ 2,297,201

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Permanent</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 244,099	\$ 101,056	\$ 39,338	\$ 88,724	\$ 473,217
Interfund Accounts Receivable	1,292,524				1,292,524
Accounts Receivable:					
State	372,133	3,469	638,963		1,014,565
Federal		163,375			163,375
Other		4,000			4,000
Total Assets	<u>\$ 1,908,756</u>	<u>\$ 271,900</u>	<u>\$ 678,301</u>	<u>\$ 88,724</u>	<u>\$ 2,947,681</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 497,365	\$ 4,816			\$ 502,181
Due to Other Funds		391,001	678,301		1,069,302
Payable to State Government		13,133			13,133
Unearned Revenue	33,471	42,388			75,859
Total Liabilities	<u>530,836</u>	<u>451,338</u>	<u>678,301</u>		<u>1,660,475</u>
Fund Balances:					
Non-expendable:					
Permanent Fund Principal				88,724	88,724
Restricted:					
Capital Reserve	1,170				1,170
Maintenance Reserve	151,500				151,500
Excess Surplus	1,059,196				1,059,196
Assigned					
Year-End Encumbrances	46,809				46,809
Designated for Subsequent Year's Expenditures	72,021				72,021
Unassigned - General Fund	47,224				47,224
Unassigned (Deficit) - Special Revenue Fund		(179,438)			(179,438)
Total Fund Balances	<u>1,377,920</u>	<u>(179,438)</u>		<u>88,724</u>	<u>1,287,206</u>
Total Liabilities and Fund Balances	<u>\$ 1,908,756</u>	<u>\$ 271,900</u>	<u>\$ 678,301</u>	<u>\$ 88,724</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$50,320,745 and the accumulated depreciation is \$10,029,825 (See Note 5).	40,290,920
Deferred Outflow of Resources - Deferred Pension Contribution.	1,368,782
Deferred Inflows of Resources - Pension Actuarial Gains.	(2,236,141)
Long Term Net Pension Liability	(5,993,451)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(285,073)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 6).	(32,624,599)
Internal Service fund added in since the academic activities with other LEAs are governmental in nature	388,661
Net Position of governmental activities	<u>\$ 2,196,305</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 21,461,366	\$	\$	\$ 1,504,222	\$	\$ 22,965,588
Tuition Charges	364,286					364,286
Transportation Charges	34,776					34,776
Interest Earned	2,803		2		1	2,806
Miscellaneous	181,006	14,729				195,735
Total Local Sources	22,044,237	14,729	2	1,504,222	1	23,563,191
State Sources	15,068,470	1,707,311	19,003	759,091		17,553,875
Federal Sources	71,140	805,729				876,869
Total Revenues	37,183,847	2,527,769	19,005	2,263,313	1	41,993,935
EXPENDITURES:						
Instruction						
Regular Instruction	8,274,916	1,680,285				9,955,201
Special Education Instruction	2,615,177					2,615,177
Other Special Instruction	653,006					653,006
Other Instruction	567,792					567,792
Support Services and Undistributed Costs:						
Tuition	2,241,100					2,241,100
Student and Instruction Related Services	4,110,460	842,765				4,953,225
General Administrative Services	624,736					624,736
School Administrative Services	1,274,517					1,274,517
Central Services	417,557					417,557
Administrative Information Technology	199,650					199,650
Plant Operations and Maintenance	2,958,592					2,958,592
Security	57,105					57,105
Pupil Transportation	1,431,698					1,431,698
Employee Benefits	11,147,937	82,750				11,230,687
Capital Outlay	186,863	32,135	282,179			501,177
Debt Service - Interest				883,313		883,313
Debt Service - Principal				1,380,000		1,380,000
Total Expenditures	36,761,106	2,637,935	282,179	2,263,313		41,944,533
Excess (Deficiency) of Revenues over Expenditures	422,741	(110,166)	(263,174)		1	49,402
OTHER FINANCING SOURCES (USES):						
Interest in Capital Project Fund	2		(2)			
Transfer from Capital Projects Fund	79,127		(79,127)			
Total Other Financing Sources and Uses	79,129		(79,129)			
Net Changes in Fund Balances	501,870	(110,166)	(342,303)		1	49,402
Fund Balance — Beginning of Year	876,050	(69,272)	342,303		88,723	1,237,804
Fund Balance — End of Year (Deficit)	\$ 1,377,920	\$ (179,438)	\$	\$	\$ 88,724	\$ 1,287,206

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	49,402
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	\$	(349,385)
Capital Outlays		498,163
Fixed Assets Adjustment		(1,934,942)
		(1,786,164)
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 changed during the period.		
		(73,771)
In the Statement of Activities, proceeds from Long-term Debt are not considered an other financing source of funds but as an increase in long-term liabilities in the Statement of Net Position.		
Repayment of Bond Principal or Capital Lease Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		
Bond Principal		1,380,000
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.		
		14,802
Expenditures, net of charges, for services in the Statement of Activities that represent Internal Service Fund activity are not reported as expenditures in the Governmental Funds		
		54,955
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.		
		167,800
Change in Net Position of Governmental Activities	\$	(192,976)

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

PROPRIETARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$	\$ 442,240	\$ 442,240
Accounts Receivable	134,507		134,507
Interfund Receivable		74,559	74,559
Inventories	7,972		7,972
Total Current Assets	142,479	516,799	659,278
Noncurrent Assets:			
Furniture, Machinery & Equipment	429,937	193,479	623,416
Less: Accumulated Depreciation	(329,041)	(193,479)	(522,520)
Total Noncurrent Assets	100,896		100,896
Total Assets	243,375	516,799	760,174
LIABILITIES :			
Current Liabilities:			
Interfund Payable	141,456	128,138	269,594
Unearned Revenue	1,023		1,023
Total Current Liabilities	142,479	128,138	270,617
NET POSITION:			
Net Investment in Capital Assets	100,896		100,896
Unrestricted (Deficit)		388,661	388,661
Total Net Position	\$ 100,896	\$ 388,661	\$ 489,557

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Business-Type</u> <u>Activities-</u> <u>Food</u> <u>Service</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 111,113	\$	\$ 111,113
Daily Sales - Non-Reimbursable Programs	11,096		11,096
Special Functions	94,058		94,058
Program Fees	12,141	622,714	634,855
Total Operating Revenues	<u>228,408</u>	<u>622,714</u>	<u>851,122</u>
OPERATING EXPENSES:			
Salaries and Benefits	305,156	449,014	754,170
Supplies and Materials	38,506	83,661	122,167
Cost of Sales - Reimbursable Programs	246,344		246,344
Cost of Sales - Non Reimbursable Programs	36,045		36,045
Other Purchased Services		35,084	35,084
Depreciation	8,281		8,281
Management/Admin Fee	45,000		45,000
Miscellaneous	13,028		13,028
Total Operating Expenses	<u>692,360</u>	<u>567,759</u>	<u>1,260,119</u>
Operating Income (Loss)	<u>(463,952)</u>	<u>54,955</u>	<u>(408,997)</u>
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	8,373		8,373
Federal Sources:			
National School Breakfast Program	118,384		118,384
National School Lunch Program	316,299		316,299
National School Snack Program	1,037		1,037
Food Distribution Program	64,250		64,250
Total Non-Operating Revenues (Expenses)	<u>508,343</u>		<u>508,343</u>
Change in Net Position	44,391	54,955	99,346
Other Financing Sources and Uses:			
Fixed Assets Adjustment	41,918		41,918
Net Change in Position	86,309	54,955	141,264
Net Position — Beginning of Year	14,587	333,706	348,293
Net Position — Ending of Year	<u>\$ 100,896</u>	<u>\$ 388,661</u>	<u>\$ 489,557</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities-	Governmental Activities	Total
	Food Service	Internal Service Fund	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 228,408	\$ 548,155	\$ 776,563
Payments to Employees and Employee Benefits	(305,156)	(345,597)	(650,753)
Payments to Suppliers	(367,345)	(118,745)	(486,090)
Net Cash Provided by (used for) Operating Activities	(444,093)	83,813	(360,280)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	8,373		8,373
Federal Sources	435,720		435,720
Net Cash Provided by (used for) Non-Capital Financing Activities	444,093		444,093
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets			
Net Cash Provided by (Used for) Capital and Related Financing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents		83,813	83,813
Balances — Beginning of Year		358,427	358,427
Balances — End of Year	\$	\$ 442,240	\$ 442,240
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (463,952)	\$ 54,955	\$ (408,997)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Depreciation and Net Amortization	8,281		8,281
Food Distribution Program	64,250		64,250
(Increase) Decrease in Accounts Receivable	(122,414)	103,417	(18,997)
(Increase) Decrease in Interfund Receivable		(74,559)	(74,559)
(Increase) Decrease in Inventories	12,724		12,724
Increase (Decrease) in Interfund Payable	74,559		74,559
Increase (Decrease) in Unearned Revenue	(17,541)		(17,541)
Total Adjustments	19,859	28,858	48,717
Net Cash Provided by (used for) Operating Activities	\$ (444,093)	\$ 83,813	\$ (360,280)

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

FIDUCIARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 53,600	\$ 242,783	\$ 100,459
Interfund Accounts Receivable	27,802		
Accounts Receivable		73,845	
Total Assets	<u>\$ 81,402</u>	<u>\$ 316,628</u>	<u>\$ 100,459</u>
LIABILITIES:			
Payroll Deductions and Withholdings			21,500
Interfund Payable			55,989
Payable to Student Groups		316,628	
Flexible Spending Reserve			22,970
Total Liabilities		<u>\$ 316,628</u>	<u>\$ 100,459</u>
NET POSITION:			
Held in Trust for:			
Unemployment Claims and Other Purposes	<u>\$ 81,402</u>		

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Unemployment Compensation Trust	Total
OPERATING REVENUES:		
Deduction from Employees Salaries	\$ 44,848	\$ 44,848
Interest Earned	102	102
Total Operating Revenues	<u>44,950</u>	<u>44,950</u>
OPERATING EXPENSES:		
Quarterly Contributions Reports	34,875	34,875
Total Operating Expenses	<u>34,875</u>	<u>34,875</u>
Operating Income (Loss)	<u>10,075</u>	<u>10,075</u>
Net Position — Beginning of Year	<u>71,327</u>	<u>71,327</u>
Net Position — End of Year	<u>\$ 81,402</u>	<u>\$ 81,402</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Pennsville Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity/Component Units:

The Pennsville Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2020 of 1,796 students.

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

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

B. Government-Wide and Fund Financial Statements:

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

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

Governmental Funds

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

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

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

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

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

Proprietary Funds

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Enterprise Funds - The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District's enterprise funds are comprised of the food service fund.

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

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

Food service fund:
Machinery and equipment - 15 years

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

Fiduciary Funds

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

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

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

D. Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Continued)

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

E. Basis of Accounting

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

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

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available.

The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Continued)

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

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

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

H. Cash, Cash Equivalents, and Investments

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

I. Tuition Receivable

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

J. Tuition Receivable

Tuition charges for the fiscal years 2018-19 and 2019-20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories

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

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Inventory consists of donated food, purchased food and supplies. As of June 30, 2020, Inventory in the Food Service Enterprise Fund consisted of the following:

Purchased Food	\$ 3,278
Supplies	4,694
Total	<u>\$ 7,972</u>

The value of federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and is included as a non-operating and Unearned Revenue in the financial statements.

L. Prepaid Expense

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Prepaid Expense (Continued)

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

M. Short-Term Interfund Receivables/Payables

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

N. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

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

O. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, there was no amount earned by employees but not disbursed.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Compensated Absences

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Q. Unearned Revenue

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

R. Accrued Liabilities and Long-Term Obligations

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

S. Net Position

Net position represents the difference between assets and liabilities. Net investment invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

T. Fund Balance

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance (Continued)

Nonspendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The permanent fund represents the non-spendable funds of the District.

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program.

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

V. Interfund Activity

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

W. Use of Estimates

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

X. 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. New Accounting Standards (Continued):

- 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.
- 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. New Accounting Standards (Continued):

- 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.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits- Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits 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 District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2020, the District’s bank balance of \$2,142,323 was insured or collateralized as follows:

Insurance	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		1,892,323
		1,892,323
Total	\$	2,142,323

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

		Cash and Equivalents
Checking accounts	\$	1,223,575
Savings accounts		88,724
		88,724
Total	\$	1,312,299

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education prior to 2001 and included in the capital outlay budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund its activity is included in the general fund annual budget.

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

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

Beginning Balance July 1, 2019	\$	1,169
Interst Earnings - Budget		1
Ending Balance June 30, 2020	\$	1,170

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects is \$2,470,365.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
State	\$ 372,133	\$ 3,469	\$ 638,963	\$ 3,055	\$ 1,017,620
Federal		163,375		131,003	294,378
Other		4,000		449	4,449
Total	\$ 372,133	\$ 170,844	\$ 638,963	\$ 134,507	\$ 1,316,447

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5- CAPITAL ASSETS

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

	Balance as of June 30, 2019	Additions	Disposals/ Adjustments	Balance as of June 30, 2020
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	37,970,165	282,179	(38,252,344)	
Total Capital Assets, not being Depreciated	37,970,165	282,179	(38,252,344)	
Capital Assets, being Depreciated				
Site and Site Improvements	2,240,212	57,165	(2,020,693)	276,684
Buildings and Building Improvement	8,833,270	6,085	38,679,267	47,518,622
Machinery and Equipment	2,723,401	152,734	(350,696)	2,525,439
Total at Historical Cost	13,796,883	215,984	36,307,878	50,320,745
Less Accumulated Depreciation:				
Site and Site Improvement	(892,735)	(15,044)	768,341	(139,438)
Buildings and Building Improvements	(6,944,436)	(229,361)	(1,028,458)	(8,202,255)
Machinery and Equipment	(1,852,793)	(104,980)	269,641	(1,688,132)
Total Accumulated Depreciation	(9,689,964)	(349,385)	9,524	(10,029,825)
Total Capital Assets Being Depreciated, net	4,106,919	(133,401)	36,317,402	40,290,920
Governmental Activities Capital Assets, net	<u>\$ 42,077,084</u>	<u>\$ 148,778</u>	<u>\$ (1,934,942)</u>	<u>\$ 40,290,920</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 372,059	\$ 15,960	\$ 41,918	\$ 429,937
Less Accumulated Depreciation	(320,760)	(8,281)		(329,041)
Business-Type Activities Capital Assets, net	<u>\$ 51,299</u>	<u>\$ 7,679</u>	<u>\$ 41,918</u>	<u>\$ 100,896</u>

Depreciation expense in the amount of \$357,376 was charged to governmental functions as follows:

Unallocated	\$ 349,385
Total Depreciation Expense	<u>\$ 349,385</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 – LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the long-term obligation account group:

	Beginning Balance 7/1/2019	Reductions	Ending Balance 6/30/2020	Amounts Due Within One Year	Long-term Portion
Governmental Activities					
Serial Bonds	\$ 32,660,000	\$ 1,380,000	\$ 31,280,000	\$ 1,450,000	\$ 29,830,000
Compensated Absences	1,512,399	167,800	1,344,599	95,552	1,249,047
Net Pension Liability	6,436,402	442,951	5,993,451		5,993,451
	<u>\$ 40,608,801</u>	<u>\$ 1,990,751</u>	<u>\$ 38,618,050</u>	<u>\$ 1,545,552</u>	<u>\$ 37,072,498</u>

As of June 30, 2020, there exists a balance of outstanding principal in the 2016 bond issues for \$18,250,000 and \$13,030,000. Combined Principal and interest due on the serial bond issue outstanding as of June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,450,000	\$ 849,875	\$ 2,299,875
2022	1,525,000	814,751	2,339,751
2023	1,600,000	777,877	2,377,877
2024	1,680,000	739,189	2,419,189
2025	1,750,000	697,501	2,447,501
2026	1,825,000	652,813	2,477,813
2027	1,950,000	603,625	2,553,625
2028	2,025,000	549,875	2,574,875
2029	2,100,000	494,125	2,594,125
2030	2,175,000	433,125	2,608,125
2031	2,200,000	367,500	2,567,500
2032	2,200,000	301,500	2,501,500
2033	2,200,000	235,500	2,435,500
2034	2,200,000	168,938	2,368,938
2035	2,200,000	101,813	2,301,813
2036	2,200,000	34,125	2,234,125
	<u>\$ 31,280,000</u>	<u>\$ 7,822,132</u>	<u>\$ 39,102,132</u>

A. Bonds Payable

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

On February 17, 2016, the District issued \$20,900,000 in general obligation bonds at various interest rates for building improvements. Also, on November 9, 2016, the District issued \$14,725,000 in general obligation bonds at various interest rates for building improvements. The final maturity of the bonds will be in 2035. The Balance at June 30, 2020 was \$31,280,000.

As of June 30, 2020, the District had no authorized but not issued bonds.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

B. Capital Leases

At June 30, 2020, the District had no capital lease obligations.

C. Temporary Notes Payable

As of June 30, 2020, the District had no temporary notes payable.

D. Interest Expense

No interest expense was capitalized nor paid by the debt service fund during the fiscal year ending June 30, 2020.

E. Compensated Absences

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

NOTE 7. 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 773,143. 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 \$340,153 and \$341,872 respectively.

The total payroll for the year ended June 30, 2020 was \$18,471,462. Payroll covered by PERS was \$10,310,606 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 \$5,993,451. 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 0.033263% which was an increase of 0.00057% 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 \$395,603. The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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	\$ 107,575	\$ 26,476
Changes of assumptions	598,468	2,080,308
Net difference between projected and actual earnings on pension plan investments	-	94,609
Changes in proportion	322,586	34,748
Contributions subsequent to the measurement date	340,153	
Total	\$ 1,368,782	\$ 2,236,141

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

<u>Year</u>		<u>PERS</u>
2021	\$	(181,981)
2022		(506,410)
2023		(374,407)
2024		(120,438)
2025		(24,276)
Thereafter		
Total	\$	(1,207,512)

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

<u>Year</u>		<u>2020</u>		<u>2019</u>
Collective deferred outflows of resources	\$	1,368,782	\$	1,845,265
Collective deferred inflows of resources	\$	2,236,141	\$	2,195,902
Collective Net Pension Liability	\$	5,993,451	\$	6,436,401
District's Proportion		0.033263%		0.032690%

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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.

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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:

Asset Class	PERS 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. 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 \$2,720,041 to the TPAF for pension contributions, \$1,009,086 for post-retirement benefits on behalf of the School, and \$2,294 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$979,157 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 \$4,332,990 and revenue of \$4,332,990 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%

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. 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:

Asset Class	TPAF 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 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (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, 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:

	1% Decrease (4.60%)	Current Discount (5.60%)	1% Increase (6.60%)
State's Share of the Net Pension Liability associated with the District	\$ 86,837,199	\$ 73,462,080	\$ 62,689,468
State's Share of the Net Pension Liability	\$ 72,544,649,801	\$ 61,519,112,443	\$ 52,371,397,951

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 \$6,277 and the District's employer contribution, recognized in pension expense, was \$3,424. 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8. 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. As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2019, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$76,819,094. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.16660%. 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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2017, 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:	Years of Service	Age	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

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

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

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

Health Care Trend Assumptions

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

Discount rate

The discount rate for June 30, 2019 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

State of New Jersey		<u>Total OPEB Liability</u>
Balance as of June 30, 2017 Measurement Date	\$	<u>53,639,841,858</u>
Changes for the year:		
Service Cost		1,984,642,729
Interest		1,970,236,232
Changes of Benefit Terms		
Differences between Expected and Actual		(5,002,065,740)
Changes of Assumptions		(5,291,448,855)
Benefit Payments		(1,232,987,247)
Contributions from Members		<u>42,614,005</u>
Net Changes		<u>(7,529,008,876)</u>
Balance as of June 30, 2019 Measurement Date	\$	<u><u>46,110,832,982</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:

June 30, 2019		
At 1.00% Decrease 2.87%	At Discount Rate 3.87%	At 1.00% Increase 4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

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

The following presents the total nonemployer OPEB liability as of June 30, 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:

June 30, 2019		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8. 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 \$3,138,924. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 7,457,009
Changes of Assumptions		17,219,393
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,719,121	475,295
Contributions Subsequent to the Measurement Date		
Total	\$ 1,719,121	\$ 25,151,697

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

Measurement Period Ending June 30,		OPEB
2020	\$	(2,884,695)
2021		(2,884,695)
2021		(2,884,695)
2022		(2,884,695)
2023		(2,884,695)
Thereafter		(9,009,101)
Total	\$	(23,432,576)

NOTE 9 - CONTINGENT LIABILITIES

The School District is involved in a litigation which is currently pending in Salem County Superior Court and is being handled by the District's insurance company. The outcome of the claim, or exposure to the Board, is still either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 10 - COMPENSATED ABSENCES

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - COMPENSATED ABSENCES (Continued)

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation at their current rate of pay. Payment for accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 10 years of service with the District. Accumulated sick days are paid at one day's salary for every four days of accumulated sick days up to a total of \$30,000 and \$20,000 maximum for certified employees and non-certified employees, respectively.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the proprietary fund types.

NOTE 11- DEFERRED COMPENSATION

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

The Legend Group Financial Services
MetLife
Lincoln Investments
Equitable
Valic

NOTE 12 - RISK MANAGEMENT

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

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

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2020 for the joint insurance pool.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 12 - RISK MANAGEMENT (Continued)

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2019-2020	102	\$ 44,848	\$ 34,875	\$ 81,402
2018-2019		42,482	19,013	71,327
2017-2018		39,796	35,129	47,858

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balances at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General	\$ 1,292,524	\$
Special Revenue		391,001
Capital Projects		678,301
Food Service		141,456
Internal Service	74,559	128,138
Unemployment	27,802	
Payroll		55,989
	<u>\$ 1,394,885</u>	<u>\$ 1,394,885</u>

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as 2020's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 14 - FUND BALANCE APPROPRIATED

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

Nonspendable:

As of June 30, 2020, the balance in the permanent fund account is \$88,724.

Spendable:

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - FUND BALANCE APPROPRIATED (Continued)

Spendable (Continued):

Restricted Capital reserve - As of June 30, 2020, the balance in the capital reserve account is \$1,170 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Restricted Maintenance reserve - The Board of Education budgeted \$350,000 in the maintenance reserve account, which is restricted for future expenditures. In June of 2020, the Board of Education approved \$250 in interest earnings, resulting in a balance of \$151,500 at June 30, 2020.

Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess surplus as of June 30, 2020 was \$1,059,196, which must be budgeted in the 2021-22 budget.

Capital Projects Fund - As of June 30, 2020, there was no fund balance in the capital project fund.

On January 6, 2014, the District's Board received approval for the replacement of the fire alarm system at the high school in the amount of \$370,600, of which NJSDA Grant funding was awarded in the amount of \$148,240, with the remaining \$222,360 funded through budgeted Capital Outlay. During the 2019-20 School Year, this project was completed and the unspent amount of \$45,704 was transferred to the General Fund (See Exhibit F2 a).

On January 6, 2014, the District received approval for the replacement of windows and transom at the high school in the amount of \$1,256,640, of which NJSDA funding was awarded in the amount of \$502,656, with the remaining \$753,984 funded through budgeted Capital Reserve. During the 2019-20 School Year, this project was completed and the unspent amount of \$33,423 was transferred to the General Fund (See Exhibit F2 b).

On February 17, 2016, the District's Board issued Serial Bonds in the amount of \$20,900,000 for building improvements and equipment, of which \$18,250,000 is payable as of June 30, 2020. There were no unspent projects funded by this bond issue, as of June 30, 2020 (See Exhibit F2 c-h).

On November 9, 2016, the District's Board issued Serial Bonds in the amount of \$14,725,000 for building improvements and equipment, of which \$13,030,000 is payable as of June 30, 2020. There were no unspent projects funded by this bond issue, as of June 30, 2020 (see Exhibit F2 i-n).

Assigned Other Purposes - The spendable portion of the permanent fund was \$18 as of June 30, 2020.

Assigned and Designated by the Board of Education for Subsequent Year's Expenditures - The District has appropriated and included as anticipated revenue \$72,021 of unrestricted fund balance.

Assigned for Year End Encumbrances - As of June 30, 2020, the District had \$46,809 in encumbrances outstanding for purchase orders and contracts signed by the District but not completed.

Unassigned - This is the remainder of the District's equity in the governmental fund types. The total GAAP basis balance is \$47,224 as of June 30, 2020.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFICIT FUND BALANCES

The District has a positive fund balance of \$47,224 in the General Fund and a deficit of \$179,438 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, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing differences of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP Special Revenue fund statement of \$179,438 is equal to the last two state aid payments.

NOTE 16 - 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 17 - MAINTENANCE RESERVE ACCOUNT

A Maintenance Reserve Account was established by the Board of Education and is maintained in the General Fund.

Funds placed in the Maintenance Reserve Account are restricted to the amount reflected in the adopted budget. A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (July to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 17 - MAINTENANCE RESERVE ACCOUNT (Continued)

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

Beginning Balance July 1, 2019	\$ 501,250
Interest Earnings - Budget	250
Withdrawal	(350,000)
	<hr/>
Ending Balance June 30, 2020	\$ 151,500

NOTE 18 - SUBSEQUENT EVENTS

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

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**PENNSVILLE TOWNSHIP 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	\$ 21,461,366	\$	\$ 21,461,366	\$ 21,461,366	\$
Tuition from other LEA's	182,018		182,018	364,286	182,268
Transportation Fees from Individuals	59,556		59,556	34,776	(24,780)
Interest Earned				2,552	2,552
Interest Earned on Capital Reserve Funds	1		1	1	
Interest Earned on Maintenance Reserve Funds	250		250	250	
Miscellaneous	212,000		212,000	181,006	(30,994)
Total - Local Sources	21,915,191		21,915,191	22,044,237	129,046
State Sources:					
Equalization Aid	8,282,638		8,282,638	8,282,638	
Categorical Special Education Aid	1,010,823		1,010,823	1,010,823	
School Choice Aid	180,403		180,403	180,403	
Categorical Security Aid	67,439		67,439	67,439	
Categorical Transportation Aid	528,133		528,133	528,133	
Extraordinary Aid				287,517	287,517
Non-public Transportation Aid					
Homeless Tuition				37,116	37,116
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				2,720,041	2,720,041
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,009,086	1,009,086
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				2,294	2,294
Reimbursed TPAF Social Security (Non-Budgeted)				979,157	979,157
Total - State Sources	10,069,436		10,069,436	15,104,647	5,035,211
Federal Sources:					
Medical Reimbursement	57,154		57,154	71,140	13,986
Total - Federal Sources	57,154		57,154	71,140	13,986
Total Revenues	\$ 32,041,781	\$	\$ 32,041,781	\$ 37,220,024	\$ 5,178,243
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool	\$	\$ 17,015	\$ 17,015	\$ 17,015	\$
Kindergarten	405,538	(51,516)	354,022	348,271	5,751
Grades 1-5	2,755,226	(111,905)	2,643,321	2,643,321	
Grades 6-8	1,861,513	(970)	1,860,543	1,860,543	
Grades 9-12	2,525,331	(100,480)	2,424,851	2,424,851	
Purchased Professional - Educational Serv		13,988	13,988	12,450	1,538
Home Instruction:					
Salaries of Teachers	10,000	(8,700)	1,300	888	412
Purchased Professional / Educational Services		23,062	23,062	23,057	5
Regular Programs - Undistributed Instruction:					
Purchased Professional / Educational Services	50,775	(13,000)	37,775	21,956	15,819
Purchased Technical Services	3,750		3,750	3,750	
Other Purchased Services	226,505	88,663	315,168	307,370	7,798
General Supplies	749,045	(99,457)	649,588	585,596	63,992
Textbooks	16,642	13,232	29,874	24,374	5,500
Other Objects	4,685	-	4,685	1,474	3,211
Total Regular Programs	8,609,010	(230,068)	8,378,942	8,274,916	104,026
Special Education:					
Cognitive-Moderate:					
Salaries of Teachers		9,773	9,773		9,773
Total Cognitive-Moderate		9,773	9,773		9,773
Learning and/pr Language Disabilities:					
Learning and/or Language Disabilities:					
Salaries of Teachers	458,271	85,577	543,848	543,848	
Other Salaries for Instruction	209,472	(35,078)	174,394	174,362	32
General Supplies	7,750	(5,468)	2,282	2,248	34
Total Learning and/or Language Disabilities	675,493	45,031	720,524	720,458	66

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXPENDITURES (Continued)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$	\$	\$	\$	\$
Total Behavioral Disabilities					
Multiple Disabilities:					
Other Salaries for Instruction		1,238	1,238	1,238	
General Supplies		2,767	2,767	2,738	29
Textbooks		829	829	829	
Total Multiple Disabilities		4,834	4,834	4,805	29
Resource Room - Instruction:					
Salaries of Teachers	1,404,542	(75,791)	1,328,751	1,328,751	
Other Salaries for Instruction	335,441	117,912	453,353	453,353	
General Supplies	17,250	(11,498)	5,752	5,752	
Textbooks	12,600	(9,628)	2,972	2,952	20
Total Resource Room - instruction	1,769,833	20,995	1,790,828	1,790,808	20
Preschool Disabilities - Part-Time:					
Salaries of Teachers	104,666	(14,980)	89,686	89,180	506
Other Salaries for Instruction	56,259	(36,152)	20,107	9,591	10,516
General Supplies		1,000	1,000	335	665
Total Preschool Disabilities - Part-Time	160,925	(50,132)	110,793	99,106	11,687
TOTAL SPECIAL EDUCATION	2,606,251	30,501	2,636,752	2,615,177	21,575
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	520,896	(11,603)	509,293	489,595	19,698
General supplies	23,800	(4,176)	19,624	19,265	359
Other Objects	1,300		1,300		1,300
Total Basic Skills / Remedial - Instruction	545,996	(15,779)	530,217	508,860	21,357
Bilingual Education - Instruction					
Salaries of Teachers	115,692	22,801	138,493	138,493	
General Supplies	8,125	(1,852)	6,273	5,653	620
Total Bilingual Education - Instruction	123,817	20,949	144,766	144,146	620
School Sponsored Co-curricular Activities - Instruction					
Salaries	84,000	39,746	123,746	123,745	1
Other Objects	52,162	(1,000)	51,162	33,514	17,648
Total School Sponsored Co-curricular Activities-Instruction	136,162	38,746	174,908	157,259	17,649
School Sponsored Athletics - Instruction					
Salaries	278,619		278,619	267,824	10,795
Purchased Services	87,582	10,000	97,582	91,973	5,609
Supplies and Materials	85,258	(38,746)	46,512	46,423	89
Other Objects	27,570		27,570	4,313	23,257
Total School Sponsored Athletics - Instruction	479,029	(28,746)	450,283	410,533	39,750
Total Instruction	12,500,265	(184,397)	12,315,868	12,110,891	204,977

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

**PENNSVILLE TOWNSHIP 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 (Continued)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 37,149	\$ 36,949	\$ 74,098	\$ 74,098	
Tuition to Other LEAs Within the State - Special	74,340	62,900	137,240	96,566	40,674
Tuition to County Voc. School Dist.-Regular	558,344	(192)	558,152	554,696	3,456
Tuition to CSSD & Regional Day Schools	1,696,824	(370,617)	1,326,207	1,321,127	5,080
Tuition to Private Schools for the Disabled - Within State	741,826	(501,299)	240,527	154,741	85,786
Tuition - State Facilities	39,872		39,872	39,872	
Total Undistributed Expenditures - Instruction	3,148,355	(772,259)	2,376,096	2,241,100	134,996
Attendance & Social Work services:					
Salaries	140,447	2,274	142,721	142,721	
Total attendance and social work services:	140,447	2,274	142,721	142,721	
Health Services					
Salaries	386,501	(35,425)	351,076	351,076	
Purchased Professional and Technical Services	21,000	(3,384)	17,616	17,615	1
Other Purchased Services	500		409		409
Supplies and Materials	8,801		8,801	5,369	3,432
Total Health Services	416,802	(38,900)	377,902	374,060	3,842
Speech, OT, PT & Related Services					
Salaries	294,543	101,014	395,557	395,557	
Purchased Professional - Educational Services	160,500	(109,280)	51,220	49,924	1,296
Supplies and Materials	10,000	(2,438)	7,562	6,971	591
Total - Speech, OT, PT & Related Services	465,043	(10,704)	454,339	452,452	1,887
Other Supp Serv STD-Extra Serv					
Salaries	198,669	(75,486)	123,183	123,183	
Purchased Professional - Educational Services	190,000	479,862	669,862	660,561	9,301
Total Other Supp Serv STD-Extra Serv	388,669	404,376	793,045	783,744	9,301
Guidance					
Salaries of Other Professional Staff	511,568	406,736	918,304	918,304	
Salaries of Secretarial and Clerical Assistants	63,654	69,861	133,515	133,515	
Other Salaries		7,777	7,777	7,777	
Other Purchased Professional and Technical Services	3,425		3,425	2,480	945
Other Purchased Services	400		400		400
Supplies and Materials	50,837	(37,780)	13,057	12,661	396
Other Objects	726		726	726	
Total - Guidance	630,610	446,594	1,077,204	1,075,463	1,741
Child Study Teams					
Salaries of Other Professional Staff	567,666	(296,774)	270,892	270,892	
Salaries of Secretarial and Clerical Assistants	63,809	(61,684)	2,125	2,125	
Other Salaries	20,000	4,367	24,367	24,367	
Other Purchased Professional and Technical Services	27,500	(7,970)	19,530	17,737	1,793
Other Purchased Services (400-500 Series)	25,000	(19,249)	5,751	3,959	1,792
Supplies and Materials	43,000	(15,358)	27,642	22,825	4,817
Other Objects	2,000		2,000		2,000
Total - Child Study Team	748,975	(396,668)	352,307	341,905	10,402
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	136,299		136,299	135,637	662
Salaries of Other Professional Staff	321,960	9,406	331,366	331,167	199
Salaries of Secretarial and Clerical Assistants	62,337		62,337	60,718	1,619
Other Salaries		7,652	7,652	7,652	
Other Purchased Professional and Technical Services	15,000	(8,727)	6,273	4,730	1,543
Other Purchased Services	42,500	6,500	49,000	47,244	1,756
Supplies and Materials	13,232	(7,866)	5,366	2,705	2,661
Other Objects	10,550	(6,840)	3,710	3,691	19
Total - Improvement of Instruction Services	601,878	125	602,003	593,544	8,459

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

**PENNSVILLE TOWNSHIP 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 (Continued)					
Educational Media Services/School Library					
Salaries	\$ 241,972	\$ 15,551	\$ 257,523	\$ 257,523	\$
Purchased Professional and Technical Services	3,842	(3,535)	307		307
Other Purchased Services	11,725	(11,225)	500		500
Supplies and Materials	28,950		28,950	27,650	1,300
Other Objects	440		440	275	165
Total Educational Media Services/School Library	286,929	791	287,720	285,448	2,272
Instructional Staff Training Services					
Salaries		62,580	62,580	49,642	12,938
Other Purchased Services		12,940	12,940	11,481	1,459
Total Instructional Staff Training Services		75,520	75,520	61,123	14,397
Support Services - General Administration:					
Salaries	265,432		265,432	242,375	23,057
Legal Services	45,000	810	45,810	45,810	
Audit Fees	24,000	(4,000)	20,000	19,530	470
Architectural/Engineering Services		4,697	4,697	3,233	1,464
Other Purchased Professional Services	38,000	(19,000)	19,000	18,716	284
Communications/Telephone	160,000	13,190	173,190	169,360	3,830
BOE Other Purchased Services	7,500	(5,500)	2,000		2,000
Miscellaneous Purchased Services	97,500	17,000	114,500	105,069	9,431
General Supplies	14,500	(14,500)			
BOE in-house training/meeting supplies	7,000	(3,000)	4,000	380	3,620
Miscellaneous Expenditures	6,500	15,500	22,000	20,263	1,737
BOE Membership Dues and Fees	15,500	(15,500)			
Total - Support Services - General Administration	680,932	(10,303)	670,629	624,736	45,893
Support Service - School Administration:					
Salaries of Principals/Assistant Principals	760,177	24,479	784,656	784,656	
Salaries of Secretarial and Clerical Assistants	460,929	12,863	473,792	473,792	
Other Purchased Services	3,500	(3,030)	470	470	
Supplies and Materials	39,652	(24,010)	15,642	15,599	43
Total - Support Services - School Administration	1,264,258	10,302	1,274,560	1,274,517	43
Central Services:					
Salaries	371,821	15,120	386,941	384,242	2,699
Purchased Technical Services		43,422	43,422	24,227	19,195
Miscellaneous Purchased Services	63,000	(63,000)			
Supplies and Materials	7,000		7,000	6,998	2
Other Objects		3,500	3,500	2,090	1,410
Miscellaneous expenditures	3,500	(3,500)			
Total - Central Services	445,321	(4,458)	440,863	417,557	23,306
Administrative Information Technology					
Salaries	159,594	36,767	196,361	196,361	
Other Purchased Services		2,160	2,160	1,289	871
Supplies and Materials	1,000		1,000	1,000	
Other Objects	1,000		1,000	1,000	
Total - Administrative Information Technology	161,594	38,927	200,521	199,650	871
Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	395,000	104,246	499,246	393,193	106,053
General Supplies	45,000		45,000	7,230	37,770
Total - Required Maintenance for School Facilities	440,000	104,246	544,246	400,423	143,823

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

**PENNSVILLE TOWNSHIP 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 (Continued)					
Custodial Services:					
Salaries	\$ 315,799	\$ 104,725	\$ 420,524	\$ 420,522	\$ 2
Salaries of Non-Instructional Aides	62,413	(62,413)			
Purchased Professional and Technical Services	1,285,500	(74,131)	1,211,369	1,188,953	22,416
Cleaning, Repair and Maintenance Services	178,400	(41,150)	137,250	100,107	37,143
Other Purchased Property Services	59,000		59,000	54,445	4,555
Insurance	127,000	(11,000)	116,000	115,052	948
Miscellaneous purchased services	5,800		5,800	720	5,080
General Supplies	85,000	25,000	110,000	96,603	13,397
Energy (Natural Gas)	275,000	(16,945)	258,055	258,055	
Energy (Electricity)	350,000	(36,000)	314,000	311,455	2,545
Energy (Oil)	17,000	(3,556)	13,444	12,257	1,187
Total - Custodial Services	2,760,912	(115,470)	2,645,442	2,558,169	87,273
Security:					
Salaries		55,000	55,000	54,035	965
General Supplies		3,500	3,500	3,070	430
Total Security		58,500	58,500	57,105	1,395
Total Maintenance and Repairs	3,200,912	47,276	3,248,188	3,015,697	232,491
Student Transportation Services					
Other Purchased Prof and Technical Serv		41,000	41,000	22,281	18,719
Contracted Services - Aid in Lieu Payments - Non-Public	15,000	(6,961)	8,039	3,412	4,627
Contracted Services - (Between Home and School) - Vendors	960,128	(115,907)	844,221	824,084	20,137
Contracted Services - Aid in Lieu Payments Charter		1,000	1,000	700	300
Contracted Services - Aid in Lieu Payments Choice School		5,961	5,961	3,129	2,832
Contracted Services - (Other than Between Home & School) - Vendors	107,000	(107,000)			
Contracted Services (Between Home and School) - Joint Agreements	5,000	(5,000)			
Contracted Services (Special Ed) - Joint Agreements	15,000	(15,000)			
Contracted Services (Regular Students) - ESC's	110,000	22,050	132,050	132,043	7
Contracted Services (Special Education Students) - ESC's	460,000	(7,450)	452,550	446,049	6,501
Total Student Transportation Services	1,672,128	(187,307)	1,484,821	1,431,698	53,123
Unallocated Benefits:					
Social Security Contributions	295,000	20,996	315,996	315,996	
Other Retirement Contributions - PERS	315,000	29,784	344,784	344,784	
Unemployment Compensation	25,000	(24,442)	558	558	
Workmen's Compensation	180,000	(9,760)	170,240	170,240	
Health Benefits	4,836,311	585,271	5,421,582	5,421,582	
Tuition Reimbursement	60,000	(6,205)	53,795	53,795	
Other Employee Benefits	42,500	(26,749)	15,751	15,751	
Unused Sick Payment to Terminated/Retired Staff		114,653	114,653	114,653	
Total Unallocated Benefits	5,753,811	683,548	6,437,359	6,437,359	
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				2,720,041	(2,720,041)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,009,086	(1,009,086)
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				2,294	(2,294)
Reimbursed TPAF Social Security (Non-Budgeted)				979,157	(979,157)
Total On-Behalf Contributions				4,710,578	(4,710,578)
Total Undistributed Expenditures	20,006,664	289,134	20,295,798	24,463,352	(4,167,554)
Total Expenditures - Current Expense	32,506,929	104,737	32,611,666	36,574,243	(3,962,577)

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay					
Increase in Maintenance Reserve	\$ 250	\$	\$ 250	\$	\$ 250
Interest Deposit on Capital Reserve	1		1		1
Equipment:					
Grades 1-5	21,523	(21,523)			
Grades 6-8		21,523	21,523		21,523
School-Sponsored and Other Instructional Program	101,500	(32,169)	69,331	7,625	61,706
Undistributed Expenditures:					
Undist. Expend. - Central Services		26,299	26,299	26,299	
Undist. Expend. - Administrative Info. Tech.	105,000		105,000	104,055	945
Undist. Expend. Required Maint for School		5,870	5,870	5,870	
Undist. Expend. - Security	40,000		40,000	40,000	
Total Equipment	268,023		268,023	183,849	84,174
Facilities Acquisition and Construction Services					
Architectural Fees					
Lease Purchase Services - Principal					
Other Objects - Debt Service Assessment	3,014		3,014	3,014	
Total Facilities Acquisition and Construction Services	3,014		3,014	3,014	
Total Capital Outlay	271,288		271,288	186,863	84,425
Total Expenditures	32,778,217	104,737	32,882,954	36,761,106	(3,878,152)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(736,436)	(104,737)	(841,173)	458,918	1,300,091
OTHER FINANCING SOURCES (USES):					
Operating Transfers :					
Interest in Capital Projects Fund				2	2
Transfer from Capital Projects Fund				79,127	79,127
Total Other Financing Sources (Uses):				79,129	79,129
Net Change in Fund Balances	(736,436)	(104,737)	(841,173)	538,047	1,379,220
Fund Balances - Beginning of Year	1,721,177		1,721,177	1,721,177	
Fund Balances - End of Year	\$ 984,741	\$ (104,737)	\$ 880,004	\$ 2,259,224	\$ 1,379,220
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,170	
Maintenance Reserve				151,500	
Maintenance Reserve - Designated for Subsequent Year's Expenditures					
Excess Surplus				1,059,196	
Assigned Fund Balance:					
Year-End Encumbrances				46,809	
Designated for Subsequent Year's Expenditures				72,021	
Unassigned				928,528	
				2,259,224	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(881,304)	
				\$ 1,377,920	

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

PENNSVILLE TOWNSHIP 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:	\$ 692,725	\$ 1,172,834	\$ 1,865,559	\$ 1,817,477	\$ (48,082)
Federal Sources:	1,987,769	(1,154,072)	833,697	805,729	(27,968)
Other Sources	23,868		23,868	14,729	(9,139)
Total Revenues	2,704,362	18,762	2,723,124	2,637,935	(85,189)
EXPENDITURES:					
Instruction					
Salaries of Teachers	777,372	(18,186)	759,186	744,174	15,012
Salaries of Paraprofessional	253,107	23,979	277,086	277,086	
Tuition	449,604		449,604	449,604	
Textbooks	5,640		5,640	5,640	
General Supplies	227,018	(2,025)	224,993	202,920	22,073
Other Objects	10,000		10,000	861	9,139
Total Instruction	1,722,741	3,768	1,726,509	1,680,285	46,224
Support					
Salaries of Principal/Asst	69,780	12,970	82,750	82,750	
Salaries of Other Professional	53,507	(53,507)			
Salaries of Master Teacher	54,324	811	55,135	55,135	
Personal Services - Employee Benefits	495,725	(143,138)	352,587	351,440	1,147
Purchased Professional - Educational Services	45,076		45,076	45,076	
Cleaning, Repair, and Maintenance	35,000	(15,143)	19,857	19,857	
Transportation	109,625	214,001	323,626	320,756	2,870
Other Purchased Services	41,504	4,997	46,501	46,501	
Supplies & Materials	4,000		4,000	4,000	
Other Objects	2,000	(2,000)			
Total Support Services	910,541	18,991	929,532	925,515	4,017
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	71,080	(9,897)	61,183	26,235	34,948
Non-Instructional Equipment		5,900	5,900	5,900	
Total Facilities Acquisition and Construction Services	71,080	(3,997)	67,083	32,135	34,948
Total Expenditures	2,704,362	18,762	2,723,124	2,637,935	85,189
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses) \$	\$	\$	\$	\$	\$

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

PENNSVILLE TOWNSHIP 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.

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 37,220,024	[C-2]	\$ 2,637,935
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		845,127		69,272
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).		<u>(881,304)</u>		<u>(179,438)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 37,183,847</u>	[B-2]	<u>\$ 2,527,769</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 36,761,106	[C-2]	\$ 2,637,935
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.				
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]	<u>\$ 36,761,106</u>	[B-2]	<u>\$ 2,637,935</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68)

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

	<u>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	0.033263%	0.032690%	0.032928%	0.031319%	0.030279%	0.030272%	0.030237%
District's Proportionate Share of the Net Pension Liability	\$ 5,993,450	\$ 6,436,401	\$ 7,665,219	\$ 9,275,839	\$ 6,796,945	\$ 5,667,678	\$ 5,778,952
District's Covered-Employee Payroll	\$ 10,310,606	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	58.13%	266.58%	328.30%	410.13%	310.13%	269.03%	N/A
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.

PENNSVILLE TOWNSHIP 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	\$ 340,153	\$ 341,872	\$ 323,951	\$ 294,813	\$ 275,290	\$ 249,555	\$ 227,832
Contributions in relation to the Contractually Required Contribution	(340,153)	(341,872)	(323,951)	(294,813)	(275,290)	(249,555)	(227,832)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 10,310,606	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	N/A
Contributions as a Percentage of Covered-Employee Payroll	3.30%	14.16%	13.87%	13.04%	12.56%	11.85%	N/A

* 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.

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

	<u>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	0.119702%	0.117355%	0.119390%	0.125891%	0.123139%	0.129144%	0.126836%
District's Proportionate Share of the Net Pension Liability	\$ 73,462,079	\$ 74,658,811	\$ 80,496,760	\$ 99,033,914	\$ 77,828,931	\$ 69,023,508	\$ 64,101,774
District's Covered-Employee Payroll	\$ 13,606,702	\$ 13,521,159	\$ 13,110,071	\$ 12,702,380	\$ 12,089,237	\$ 12,340,840	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	539.90%	552.16%	614.01%	779.65%	643.79%	559.31%	N/A
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.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 2,469,095	\$ 2,758,354	\$ 3,344,541
Interest Cost	3,029,524	3,201,226	2,780,136
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(13,116,197)	(5,986,201)	
Changes of Assumptions	1,016,675	(8,815,375)	(11,700,058)
Member Contributions	62,047	70,993	74,751
Gross Benefit Payments	(2,093,141)	(2,054,115)	(2,030,026)
Net Change in Total OPEB Liability	<u>(8,631,997)</u>	<u>(10,825,118)</u>	<u>(7,530,656)</u>
Total OPEB Liability - Beginning	<u>76,819,094</u>	<u>87,644,212</u>	<u>95,174,868</u>
Total OPEB Liability - Ending	<u>\$ 68,187,097</u>	<u>\$ 76,819,094</u>	<u>\$ 87,644,212</u>
Covered-Employee Payroll	<u>\$ 16,161,216</u>	<u>\$ 15,935,591</u>	<u>\$ 15,444,918</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	421.92%	482.06%	567.46%

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
REVENUES:				
State Sources	\$	\$ 1,817,477	\$	\$ 1,817,477
Federal Sources	805,729			805,729
Local Sources			14,729	14,729
Total Revenues	805,729	1,817,477	14,729	2,637,935
EXPENDITURES:				
Instruction:				
Salaries of Teachers	174,908	569,266		744,174
Salaries of Paraprofessional	19,448	257,638		277,086
Tuition	449,604			449,604
Textbooks		5,640		5,640
General Supplies	13,737	175,315	13,868	202,920
Other Objects			861	861
Total Instruction	657,697	1,007,859	14,729	1,680,285
Support Services:				
Salaries of Principal/Asst	38,000	44,750		82,750
Salaries of Master Teacher		55,135		55,135
Personal Services - Employee Benefits	17,777	333,663		351,440
Purchased Professional - Educational Services		45,076		45,076
Cleaning, Repair, and Maintenance		19,857		19,857
Transportation	45,754	275,002		320,756
Other Purchased Services	46,501			46,501
Materials and supplies		4,000		4,000
Total Support Services	148,032	777,483		925,515
Facilities Acquisition and Const. Serv.:				
Instructional Equipment		26,235		26,235
Non-Instructional Equipment		5,900		5,900
Total Facilities Acquisition and Construction Services		32,135		32,135
Total Expenditures	805,729	1,817,477	14,729	2,637,935
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$	\$	\$	\$

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 593,417	\$ 569,266	\$ 24,151
Other Salaries for Instruction	227,133	257,638	(30,505)
General Supplies	170,343	168,546	1,797
Total Instruction	990,893	995,450	(4,557)
Support:			
Salaries of Principal/Asst	44,780	44,750	30
Salaries of Other Professional	53,507		53,507
Salaries of Master Teacher	54,324	55,135	(811)
Personal Services - Employee Benefits	477,796	333,663	144,133
Cleaning, Repair, and Maintenance	35,000	19,857	15,143
Transportation	59,000	275,002	(216,002)
Field Trips	2,000		2,000
Supplies and Materials	4,000	4,000	
Other Objects	2,000		2,000
Total Support Services	732,407	732,407	
Facilities Acquisition and Const. Services:			
Instructional Equipment	71,080	26,235	44,845
Non-instructional Equipment		5,900	(5,900)
Total Facilities Acquisition and Const. Services:	71,080	32,135	38,945
Total Expenditures	\$ 1,794,380	\$ 1,759,992	\$ 34,388

CALCULATION OF BUDGET & CARRYOVER

Total revised 2019-20 Preschool Education Aid Allocation	\$ 1,794,380	(1)
Add: Actual ECPA/PEA 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	1,794,380	(4)
Less: 2019-20 Budgeted Preschool Education Aid (including prior year budget carryover)	(1,794,380)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020		(6)
Add: June 30, 2020 Unexpended Preschool Education Aid	34,388	(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
2019-20 Carryover - Preschool Education Aid/Preschool Programs	\$ 34,388	(9)
 2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2020-21	 \$	 (10)

Note: Since the 2019-20 Actual Carryover is more than the amount budgeted in 2020-21, the District should consider revising its 2020-21 Preschool Education Program Budget in the amount of \$34,388.

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 19,003
Interest Income	2
	<hr/>
Total Revenues and Other Financing Sources	19,005
	<hr/>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	11,451
Construction Services	
Other Purchased Services	270,728
	<hr/>
Total Expenditures and Other Financing Uses	282,179
	<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures before Other Financing Sources (Uses)	(263,174)
--	-----------

Other Financing Sources and Uses

Transfer of Interest Income to General Fund	(2)
Cancellation of Unexpended Balances	(79,127)
	<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(342,303)
---	-----------

Fund Balance - Beginning	342,303
	<hr/>

Fund Balance - Ending	\$ <hr/> <hr/>
-----------------------	----------------

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
RFEPLACEMENT OF FIRE ALARM SYSTEM
AT PENNSVILLE MEMORIAL 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	\$ 148,240	\$ (11,933)	\$ 136,307	\$ 136,307
Capital Outlay Transferred to Capital Project Fund	222,360	(45,704)	176,656	176,656
Total Revenues and Other Financing Sources	<u>370,600</u>	<u>(57,637)</u>	<u>312,963</u>	<u>312,963</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	24,804		24,804	50,600
Construction Services	288,159		288,159	320,000
Total Expenditures and Other Financing Uses	<u>312,963</u>		<u>312,963</u>	<u>370,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 57,637</u>	<u>\$ (57,637)</u>	<u>\$</u>	<u>\$</u>

Additional project information:

DOE Project Number	4075-050-14-1003
SDA Project Number	4075-050-14-G2NO
Grant Number	G5-5774
Grant Date/Letter of Notification	9/11/15
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$370,600
Additional Authorized Cost	\$0
Revised Authorized Cost	\$370,600
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2018

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
RFEPLACEMENT OF WINDOWS AND TRANSOM
AT PENNSVILLE MEMORIAL 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	\$ 502,656	\$	\$ 502,656	\$ 502,656
Capital Reserve Transferred to Capital Project Fund	753,984	(33,423)	720,561	720,561
Total Revenues and Other Financing Sources	1,256,640	(33,423)	1,223,217	1,223,217
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	92,822		92,822	168,640
Construction Services	1,130,395		1,130,395	1,088,000
Total Expenditures and Other Financing Uses	1,223,217		1,223,217	1,256,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 33,423	\$ (33,423)	\$	\$

Additional project information:

DOE Project Number	4075-050-14-1010
SDA Project Number	4075-050-14-G2NS
Grant Number	G5-5778
Grant Date/Letter of Notification	9/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$1,256,640
Additional Authorized Cost	\$0
Revised Authorized Cost	\$1,256,640
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2018

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 4,596,714	\$	\$ 4,596,714	\$ 4,596,714
Total Revenues	4,596,714		4,596,714	4,596,714
Expenditures and Other Financing Uses:				
Purchased professional and technical services	358,310		358,310	358,310
Construction services	4,218,951		4,218,951	4,218,951
Other Purchased services	19,453		19,453	19,453
Total Expenditures	4,596,714		4,596,714	4,596,714
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-050-15-1000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$4,448,750
Bonds Issued	\$4,448,750
Original Project Authorized Cost	\$4,448,750
Additional Authorized Cost	\$147,964
Revised Authorized Cost	\$4,596,714
Percentage Increase Over Original Authorized Cost	3%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 4,804,467	\$	\$ 4,804,467	\$ 4,804,467
Total Revenues	4,804,467		4,804,467	4,804,467
Expenditures and Other Financing Uses:				
Purchased professional and technical services	393,233		393,233	393,233
Construction services	4,389,000		4,389,000	4,389,000
Other Purchased services	22,234		22,234	22,234
Total Expenditures	4,804,467		4,804,467	4,804,467
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-055-15-1000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$4,900,000
Bonds Issued	\$4,900,000
Original Project Authorized Cost	\$4,900,000
Additional Authorized Cost	(\$95,533)
Revised Authorized Cost	\$4,804,467
Percentage Increase Over Original Authorized Cost	-2%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 1,056,078	\$	\$ 1,056,078	\$ 1,056,078
Total Revenues	1,056,078		1,056,078	1,056,078
Expenditures and Other Financing Uses:				
Purchased professional and technical services	142,500		142,500	142,500
Construction services	909,872		909,872	909,872
Other Purchased services	3,706		3,706	3,706
Total Expenditures	1,056,078		1,056,078	1,056,078
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-050-15-3000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$1,225,750
Bonds Issued	\$1,225,750
Original Project Authorized Cost	\$1,225,750
Additional Authorized Cost	(\$169,672)
Revised Authorized Cost	\$1,056,078
Percentage Increase Over Original Authorized Cost	-14%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 4,032,404	\$	\$ 4,032,404	\$ 4,032,404
Total Revenues	4,032,404		4,032,404	4,032,404
Expenditures and Other Financing Uses:				
Purchased professional and technical services	298,240		298,240	298,240
Construction services	3,719,341		3,719,341	3,719,341
Other Purchased services	14,823		14,823	14,823
Total Expenditures	4,032,404		4,032,404	4,032,404
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-090-15-1000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$3,712,500
Bonds Issued	\$3,712,500
Original Project Authorized Cost	\$3,712,500
Additional Authorized Cost	\$319,904
Revised Authorized Cost	\$4,032,404
Percentage Increase Over	
Original Authorized Cost	9%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 3,789,869	\$	\$ 3,789,869	\$ 3,789,869
Total Revenues	3,789,869		3,789,869	3,789,869
Expenditures and Other Financing Uses:				
Purchased professional and technical services	310,620		310,620	310,620
Construction services	3,468,132		3,468,132	3,468,132
Other Purchased services	11,117		11,117	11,117
Total Expenditures	3,789,869		3,789,869	3,789,869
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-060-15-1000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$3,866,250
Bonds Issued	\$3,866,250
Original Project Authorized Cost	\$3,866,250
Additional Authorized Cost	(\$76,381)
Revised Authorized Cost	\$3,789,869
Percentage Increase Over	
Original Authorized Cost	-2%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 2,620,469	\$	\$ 2,620,469	\$ 2,620,469
Total Revenues	2,620,469		2,620,469	2,620,469
Expenditures and Other Financing Uses:				
Purchased professional and technical services	220,489		220,489	220,489
Construction services	2,392,569		2,392,569	2,392,569
Other Purchased services	7,411		7,411	7,411
Total Expenditures	2,620,469		2,620,469	2,620,469
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-078-15-1000
Bond Authorization/Referendum Date	1/19/2016
Bonds Authorized	\$2,746,750
Bonds Issued	\$2,746,750
Original Project Authorized Cost	\$2,746,750
Additional Authorized Cost	(\$126,281)
Revised Authorized Cost	\$2,620,469
Percentage Increase Over Original Authorized Cost	-5%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 1,332,037	\$	\$ 1,332,037	\$ 1,332,037
Total Revenues	1,332,037		1,332,037	1,332,037
Expenditures and Other Financing Uses:				
Purchased professional and technical services	105,400		105,400	105,400
Construction services	1,186,937		1,186,937	1,186,937
Other Purchased services	39,700		39,700	39,700
Total Expenditures	1,332,037		1,332,037	1,332,037
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-050-15-2000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$1,312,500
Bonds Issued	\$1,312,500
Original Project Authorized Cost	\$1,312,500
Additional Authorized Cost	\$19,537
Revised Authorized Cost	\$1,332,037
Percentage Increase Over	
Original Authorized Cost	1%
Percentage Completion	100%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 5,586,023	\$	\$ 5,586,023	\$ 5,586,023
Total Revenues	5,586,023		5,586,023	5,586,023
Expenditures and Other Financing Uses:				
Purchased professional and technical services	456,649		456,649	456,649
Construction services	5,100,000		5,100,000	5,100,000
Other Purchased services	29,374		29,374	29,374
Total Expenditures	5,586,023		5,586,023	5,586,023
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-055-15-2000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$5,700,000
Bonds Issued	\$5,700,000
Original Project Authorized Cost	\$5,700,000
Additional Authorized Cost	(\$113,977)
Revised Authorized Cost	\$5,586,023
Percentage Increase Over Original Authorized Cost	-2%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 2,474,815	\$	\$ 2,474,815	\$ 2,474,815
Total Revenues	2,474,815		2,474,815	2,474,815
Expenditures and Other Financing Uses:				
Purchased professional and technical services	194,395	11,451	205,846	205,846
Construction services	2,260,157		2,260,157	2,260,157
Other Purchased services	8,812		8,812	8,812
Total Expenditures	2,463,364	11,451	2,474,815	2,474,815
Excess (Deficiency) of revenues over (under) expenses	\$ 11,451	\$ (11,451)	\$ -	\$

Additional Project Information:

Project Number	4075-090-15-2000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$2,250,000
Bonds Issued	\$2,250,000
Original Project Authorized Cost	\$2,250,000
Additional Authorized Cost	\$224,815
Revised Authorized Cost	\$2,474,815
Percentage Increase Over	
Original Authorized Cost	10%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 392,813	\$	\$ 392,813	\$ 392,813
Total Revenues	392,813		392,813	392,813
Expenditures and Other Financing Uses:				
Purchased professional and technical services	32,226		32,226	32,226
Construction services	360,000		360,000	360,000
Other Purchased services	587		587	587
Total Expenditures	392,813		392,813	392,813
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-060-15-2000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$400,000
Bonds Issued	\$400,000
Original Project Authorized Cost	\$400,000
Additional Authorized Cost	(\$7,187)
Revised Authorized Cost	\$392,813
Percentage Increase Over	
Original Authorized Cost	-2%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 4,372,112	\$	\$ 4,372,112	\$ 4,372,112
Total Revenues	4,372,112		4,372,112	4,372,112
Expenditures and Other Financing Uses:				
Purchased professional and technical services	363,300		363,300	363,300
Construction services	4,000,000		4,000,000	4,000,000
Other Purchased services	8,812		8,812	8,812
Total Expenditures	4,372,112		4,372,112	4,372,112
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-078-15-2000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$4,500,000
Bonds Issued	\$4,500,000
Original Project Authorized Cost	\$4,500,000
Additional Authorized Cost	(\$127,888)
Revised Authorized Cost	\$4,372,112
Percentage Increase Over	
Original Authorized Cost	-3%
Percentage Completion	95%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	12/31/18

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS IMPROVEMENTS AND RENOVATIONS
AT PENNSVILLE MEMORIAL 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:				
Bond proceeds and transfers	\$ 567,200	\$	\$ 567,200	\$ 567,200
Total Revenues	567,200		567,200	567,200
Expenditures and Other Financing Uses:				
Purchased professional and technical services	45,000		45,000	45,000
Construction services	517,500		517,500	517,500
Other Purchased services	4,700		4,700	4,700
Total Expenditures	567,200		567,200	567,200
Excess (Deficiency) of revenues over (under) expenses	\$	\$	\$	\$

Additional Project Information:

Project Number	4075-050-15-4000
Bond Authorization/Referendum Date	11/9/2016
Bonds Authorized	\$562,500
Bonds Issued	\$562,500
Original Project Authorized Cost	\$562,500
Additional Authorized Cost	\$4,700
Revised Authorized Cost	\$567,200
Percentage Increase Over Original Authorized Cost	1%
Percentage Completion	90%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2018

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.

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.**

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020

ASSETS:

Current Assets:

Cash	\$	
Accounts Receivable:		
Federal		131,003
State		3,055
Other		449
Inventories		7,972
Total Current Assets		<u>142,479</u>

Fixed Assets:

Equipment		429,937
Accumulated Depreciation		(329,041)
Total Fixed Assets		<u>100,896</u>

Total Assets		<u>243,375</u>
--------------	--	----------------

LIABILITIES:

Current Liabilities:

Unearned Revenue		1,023
Interfund Payable		141,456
Total Current Liabilities		<u>142,479</u>

Total Liabilities		<u>142,479</u>
-------------------	--	----------------

NET POSITION:

Net Position:

Net Investment in Capital Assets		100,896
Unrestricted		
Total Net Position	\$	<u><u>100,896</u></u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OPERATING REVENUES:

Local Sources:

Daily Sales-Reimbursable Programs:

School Lunch Program \$ 111,113

School Breakfast Program 11,096

Daily Sales Non-Reimbursable Programs 94,058

Special Functions and Miscellaneous 12,141

Total Operating Revenue 228,408

OPERATING EXPENSES:

Salaries and Benefits 305,156

Supplies and Materials 38,506

Cost of Sales - Reimbursable Programs 246,344

Cost of Sales - Non Reimbursable Programs 36,045

Depreciation 8,281

Management/Admin Fee 45,000

Miscellaneous 13,028

Total Operating Expenses 692,360

Operating Loss (463,952)

Non-Operating Revenues (Expenses):

State Sources:

State School Lunch Program 8,373

Federal Sources:

National School Breakfast Program 118,384

National School Lunch Program 316,299

National School Snack Program 1,037

Food Distribution Program 64,250

Total Non-Operating Revenues 508,343

Net Income (Loss) Before Contributions and Transfers 44,391

Other Financing Sources and Uses:

Fixed Assets Adjustment 41,918

Change in Net Position 86,309

Total Net Position-July 1 14,587

Total Net Position-June 30 \$ 100,896

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 228,408
Payments to Employees and Employee Benefits	(305,156)
Payments to Suppliers	(367,345)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	(444,093)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
State Sources	8,373
Federal Sources	435,720
Transfer from General Fund	
	<hr/>
Net Cash Provided by (Used For) Non-Capital Financing Activities	444,093
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	
	<hr/>
Net Cash Provided by (Used For) Capital and Related Financing Activities	
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	
Cash and Cash Equivalents, July 1	
Cash and Cash Equivalents, June 30	\$
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (463,952)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	8,281
Food Distribution	64,250
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(122,414)
(Increase)/Decrease in Inventory	12,724
Increase/(Decrease) in Interfund Payable	74,559
Increase/(Decrease) in Unearned Revenue	(17,541)
	<hr/>
Net Cash Used by Operating Activities	\$ (444,093)
	<hr/> <hr/>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020

ASSETS

Current Assets:

Cash	\$	442,240
Interfund Receivable		74,559

Total Current Assets		<u>516,799</u>
----------------------	--	----------------

Fixed Assets

Equipment		193,479
Accumulated Depreciation		(193,479)

Total Fixed Assets		<u> </u>
--------------------	--	-----------------------------

Total Assets	\$	<u>516,799</u>
--------------	----	----------------

LIABILITIES

Current Liabilities:

Due to General Fund		128,138
---------------------	--	---------

Total Current Liabilities		<u>128,138</u>
---------------------------	--	----------------

Total Liabilities		<u>128,138</u>
-------------------	--	----------------

NET POSITION

Net Position:

Net Investment In Capital Assets		
Unrestricted		388,661

Total Net Position	\$	<u><u>388,661</u></u>
--------------------	----	-----------------------

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>SCC Interlocal</u>	<u>Pennsville Township Interlocal</u>	<u>Graphic Arts Academy</u>	<u>Creative Arts Academy</u>	<u>Quinton B.O.E.</u>	<u>Total</u>
OPERATING REVENUES:						
Program Fees	\$	\$ 33,481	\$ 257,713	\$ 290,464	\$ 41,056	\$ 622,714
Total Operating Revenue		33,481	257,713	290,464	41,056	622,714
OPERATING EXPENSES:						
Salaries		29,770	125,826	168,008	29,840	353,444
Employee Benefits			31,591	54,854	9,125	95,570
Other Purchased Services			8,869	26,215		35,084
Supplies and Materials			43,422	40,239		83,661
Total Operating Expenses		29,770	209,708	289,316	38,965	567,759
Operating Income (Loss)		3,711	48,005	1,148	2,091	54,955
Non-Operating Sources and Uses:						
Retained Earnings - July 1	65,881	18,475	94,412	94,695	60,243	333,706
Retained Earnings - June 30	\$ 65,881	\$ 22,186	\$ 142,417	\$ 95,843	\$ 62,334	\$ 388,661

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 548,155
Payments to Employees and Employee Benefits	(345,597)
Payments to Suppliers	(118,745)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	83,813
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
Transfer to General Fund	
	<hr/>
Total Cash Flows from Non-Capital Financing Activities	
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	83,813
Cash and Cash Equivalents, July 1	358,427
	<hr/>
Cash and Cash Equivalents, June 30	\$ 442,240
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ 54,955
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	103,417
(Increase)/Decrease in Interfund Receivable	(74,559)
	<hr/>
Net Cash Used by Operating Activities	\$ 83,813
	<hr/> <hr/>

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.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Agency</u>		<u>Total</u>
		<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:				
Cash and Cash Equivalents	\$ 53,600	\$ 242,783	\$ 100,459	\$ 396,842
Due from Agency	27,802			27,802
Accounts Receivable		73,845		73,845
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 81,402	\$ 316,628	\$ 100,459	\$ 498,489
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, RESERVES AND NET POSITION:				
Payroll Deductions and Withholdings	\$	\$	\$ 21,500	\$ 21,500
Due to General Fund			28,187	28,187
Due to Unemployment			27,802	27,802
Flexible Spending Reserve			22,970	22,970
Due to Student Groups		316,628		316,628
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities		316,628	100,459	417,087
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	81,402			81,402
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position	81,402			81,402
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Position	\$ 81,402	\$ 316,628	\$ 100,459	\$ 498,489
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

EXHIBIT H-2

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
OPERATING REVENUES	
Deductions from Employees' Salaries	\$ 44,848
Interest Earned	102
	<hr/>
Total Operating Revenue	44,950
	<hr/>
OPERATING EXPENSES	
Total Deductions	34,875
	<hr/>
Total Operating Expenses	34,875
	<hr/>
Operating Income (Loss)	10,075
	<hr/>
Net Position - July 1	71,327
	<hr/>
Net Position - June 30	\$ 81,402
	<hr/> <hr/>

PENNSVILLE TOWNSHIP 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
Elementary Schools				
Central Park	\$ 2,373	\$ 4	\$	\$ 2,377
Penn Beach	3,392	1,011	915	3,488
Valley Park	5,025	608		5,633
Total Elementary Schools	10,790	1,623	915	11,498
Junior High School				
Pennsville Middle School	13,745	5,008	6,207	12,546
Total Middle School	13,745	5,008	6,207	12,546
Senior High School				
Pennsville Memorial High School	175,290	202,752	114,686	263,356
Pennsville Athletic Fund	20,937	8,291		29,228
Total Senior High School	196,227	211,043	114,686	292,584
Total All Schools	\$ 220,762	\$ 217,674	\$ 121,808	\$ 316,628

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1,</u> <u>2019</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30,</u> <u>2020</u>
ASSETS:							
Cash and Cash Equivalents	\$ 232,703	\$	25,708,351	\$	25,840,595	\$	100,459
Total Assets	\$ 232,703	\$	25,708,351	\$	25,840,595	\$	100,459
LIABILITIES:							
Net Payroll	\$	\$	10,678,671	\$	10,678,671	\$	
Payroll Deductions & Withholdings	30,824		14,960,965		14,970,289		21,500
Flexible Spending Reserve	21,308		12,690		11,028		22,970
Summer Payment Salaries and Wages	180,571		36		180,607		
Due to Unemployment			27,802				27,802
Due to General			28,187				28,187
Total Liabilities	\$ 232,703	\$	25,708,351	\$	25,840,595	\$	100,459

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.

PENNSVILLE TOWNSHIP 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 Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2020</u>
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School and Pennsville Memorial High School; Equipment and Associate Site Work	2/17/16	\$ 20,900,000	9/1/20	\$ 800,000	2.25%	\$ 19,000,000	\$	\$ 750,000	\$ 18,250,000
			9/1/21	850,000	2.25%				
			9/1/22	900,000	2.25%				
			9/1/23	950,000	2.25%				
			9/1/24	1,000,000	2.50%				
			9/1/25	1,050,000	2.50%				
			9/1/26	1,150,000	2.50%				
			9/1/27	1,200,000	2.50%				
			9/1/28	1,250,000	2.50%				
	9/1/29-35	1,300,000	3.00%						
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School; Pennsville Memorial High School for the Auditorium Masonry Work and Stadium and Bleachers	11/9/16	14,725,000	9/1/20	650,000	2.50%	13,660,000		630,000	13,030,000
			9/1/21	675,000	2.50%				
			9/1/22	700,000	2.50%				
			9/1/23	730,000	2.50%				
			9/1/24	750,000	2.50%				
			9/1/25	775,000	2.50%				
			9/1/26	800,000	3.00%				
			9/1/27	825,000	3.00%				
			9/1/28	850,000	3.00%				
			9/1/29	875,000	3.00%				
			9/1/30-32	900,000	3.00%				
			9/1/33-34	900,000	3.125%				
			9/1/35	900,000	3.25%				
						<u>\$ 32,660,000</u>	<u>\$</u>	<u>\$ 1,380,000</u>	<u>\$ 31,280,000</u>

PENNSVILLE TOWNSHIP 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>	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,504,222		\$ 1,504,222	\$ 1,504,222	
State Sources:					
Debt Service Aid Type II	759,091		759,091	759,091	
Total Revenues	<u>2,263,313</u>		<u>2,263,313</u>	<u>2,263,313</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	883,313		883,313	883,313	
Redemption of Principal	1,380,000		1,380,000	1,380,000	
Total expenditures	<u>2,263,313</u>		<u>2,263,313</u>	<u>2,263,313</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	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

PENNSVILLE TOWNSHIP 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										
Net Investment in Capital Assets	\$ 9,010,920	\$ 9,417,084	\$ 6,310,701	\$ (6,650,564)	\$ (12,697,942)	\$ 4,202,433	\$ 2,394,049	\$ 2,417,555	\$ 1,239,386	\$ 2,531,921
Restricted	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092	2,186,240	2,006,486	1,111,144
Unrestricted (Deficit)	(8,115,205)	(8,038,537)	(7,683,923)	(7,762,564)	(6,648,633)	(6,330,384)	(1,784,221)	(1,581,023)	(1,635,105)	(1,730,013)
Total Governmental Activities Net Position	\$ 2,196,305	\$ 2,389,281	\$ 1,755,245	\$ (14,481)	\$ 235,512	\$ (1,285,248)	\$ 2,696,920	\$ 3,022,772	\$ 1,610,767	\$ 1,913,052
Business-Type Activities										
Net Investment in Capital Assets	\$ 100,896	\$ 51,299	\$ 29,527	\$ 17,994	\$ 20,111	\$ 39,310	\$ 38,498	\$ 39,874	\$ 34,986	\$ 25,826
Restricted										
Unrestricted (Deficit)		(36,712)	(29,527)	(4,132)			12,601	24,633	54,969	16,866
Total Business-Type Activities Net Position	\$ 100,896	\$ 14,587	\$	\$ 13,862	\$ 20,111	\$ 39,310	\$ 51,099	\$ 64,507	\$ 89,955	\$ 42,692
District-wide Activities:										
Invested in Capital Assets, Net of Related Debt (Deficit)	\$ 9,111,816	\$ 9,468,383	\$ 6,340,228	\$ (6,632,570)	\$ (12,677,831)	\$ 4,241,743	\$ 2,432,547	\$ 2,457,429	\$ 1,274,372	\$ 2,557,747
Restricted	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092	2,186,240	2,006,486	1,111,144
Unrestricted (Deficit)	(8,115,205)	(8,075,249)	(7,713,450)	(7,766,696)	(6,648,633)	(6,330,384)	(1,771,620)	(1,556,390)	(1,580,136)	(1,713,147)
	\$ 2,297,201	\$ 2,403,868	\$ 1,755,245	\$ (619)	\$ 255,623	\$ (1,245,938)	\$ 2,748,019	\$ 3,087,279	\$ 1,700,722	\$ 1,955,744

Source: CAFR Schedule A-1

PENNSVILLE TOWNSHIP 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	\$ 9,955,201	9,893,375	9,226,363	8,823,154	8,461,512	8,786,497	8,250,989	8,548,429	9,021,795	9,174,353
Special Education	2,615,177	2,472,257	2,409,443	2,505,567	2,706,249	2,601,154	2,666,345	2,569,675	2,484,988	2,447,378
Other Special Instruction	653,006	566,459	532,027	334,218	322,866	306,440	222,500	227,489	215,568	193,617
Other Instruction	1,135,551	1,086,792	1,291,863	1,205,322	1,163,229	1,034,293	1,050,172	937,070	1,088,855	1,227,484
Support Services										
Tuition	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457	1,225,452	859,808	894,823
Student and Instruction Related Services	4,953,225	4,231,591	3,618,092	3,554,227	3,295,108	3,024,580	3,183,312	3,322,246	3,303,486	3,084,588
General and Business Administration	624,736	649,281	604,557	603,386	669,175	649,670	627,813	681,586	680,987	1,262,409
School Administrative Services	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901	1,327,618	930,355	920,639
Central Services	417,557	437,095	404,197	410,757	419,505	389,746	374,769	381,669	365,581	358,838
Administrative Information Technology	256,755	195,707	131,935	201,139	244,064	218,615	249,148	310,434	331,290	
Plant Operations and Maintenance	2,961,606	2,674,750	2,724,632	2,675,206	2,802,953	2,277,076	3,112,268	2,843,147	2,895,403	2,732,052
Pupil Transportation	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096	1,261,716	1,300,477	1,194,498
Other Support Services	12,964,787	14,659,703	17,115,766	15,956,422	12,221,353	6,753,509	7,292,506	7,308,903	6,428,462	6,198,514
Special Schools										
Interest on Long-Term Debt	868,511	904,265	934,326	801,841	217,154	10,307	513	12,214	25,207	39,699
Unallocated Depreciation	349,385	357,376	112,292	99,361	80,275	354,211	308,453	260,016	248,000	213,586
Total Governmental Activities Expenses	42,702,812	43,534,649	44,407,425	41,794,105	36,477,104	30,160,820	31,720,242	31,217,664	30,180,262	29,944,786
Business-Type Activities										
Food Service	692,360	695,221	661,287	651,121	675,221	664,682	637,617	659,151	648,243	611,521
Total Business-Type Activities Expense	692,360	695,221	661,287	651,121	675,221	664,682	637,617	659,151	648,243	611,521
Total District Expenses	\$ 43,395,172	44,229,870	45,068,712	42,445,226	37,152,325	30,825,502	32,357,859	31,876,815	30,828,505	30,556,307
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 622,714	500,378	594,296	598,423	604,953	614,946	592,269	644,753	673,440	761,469
Operating Grants and Contributions	9,144,507	10,223,120	2,998,342	2,949,400	2,927,881	2,879,293	3,408,167	3,684,433	3,134,513	3,028,881
Total Governmental Activities Prog Revenues	9,767,221	10,723,498	3,592,638	3,547,823	3,532,834	3,494,239	4,000,436	4,329,186	3,807,953	3,790,350
Business-Type Activities										
Charges for Services										
Food Service	228,408	277,824	302,761	315,910	328,832	345,167	355,732	368,799	410,109	351,712
Operating Grants and Contributions	508,343	359,471	331,744	328,962	318,978	290,717	268,477	264,903	278,725	242,880
Total Business-Type Activities Prog Revenues	736,751	637,295	634,505	644,872	647,810	635,884	624,209	633,702	688,834	594,592
Total District Program Revenues	\$ 10,503,972	11,360,793	4,227,143	4,192,695	4,180,644	4,130,123	4,624,645	4,962,888	4,496,787	4,384,942
Net (Expense)/Revenue										
Governmental Activities	\$ 32,935,591	32,811,151	40,814,787	38,246,282	32,944,270	26,666,081	(27,719,806)	(26,888,478)	(26,372,309)	(26,154,436)
Business-Type Activities	44,391	(57,926)	(26,782)	(6,249)	(27,411)	28,798	(13,408)	(25,449)	40,591	(16,929)
Total District-Wide Net Expense	\$ 32,979,982	32,753,225	40,788,005	38,240,033	32,916,859	26,694,879	(27,733,214)	(26,913,927)	(26,331,718)	(26,171,365)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 22,965,588	22,521,557	22,063,034	20,792,706	19,610,791	18,968,608	18,596,675	18,232,034	17,874,543	17,524,062
Taxes Levied for Debt Service							206,967	208,838	210,678	212,653
Unrestricted Grants and Contributions	11,114,366	10,507,121	20,046,030	16,705,692	14,353,051	8,917,099	8,643,567	8,625,509	8,678,128	7,914,969
Restricted Grants and Contributions							64,992		589,340	255,526
Tuition Received	364,286	164,996	297,768	227,126	172,231	127,810	87,733	161,614	152,888	120,125
Transportation Fees from Individuals	34,776	55,236	82,283	39,003	32,989	58,571	55,705	59,014	57,801	57,110
Investment Earnings	2,806	5,014	12,110	29,094	16,714	3,679	3,611	5,569	8,169	9,726
Miscellaneous Income	195,735	241,722	101,481	202,668	300,924	176,275	27,709	353,234	394,969	292,267
Transfers		(50,459)	(12,920)		(11,937)	(17,009)				
Fixed Asset Adjustments	(1,934,942)		(5,273)		(9,733)		886,076	559,514	(662,889)	343,647
Capital Lease Issued							(1,200,000)		(1,332,314)	
Capital Lease Adjustment										
Compensated Absences (Increase)/reduction							20,919	95,157	98,711	280,177
Total Governmental Activities	32,742,615	33,445,187	42,584,513	37,996,289	34,465,030	28,235,033	27,393,954	28,300,483	26,070,024	27,010,262
Business-Type Activities										
Miscellaneous Income									5,009	
Fixed Asset Disposals and Prior Period Adjustmen	41,918	22,054			(3,725)				1,464	3,357
Transfers		50,459	12,920		11,937	17,009				
Total Business-Type Activities	41,918	72,513	12,920		8,212	17,009			6,473	3,357
Total District-Wide	\$ 32,784,533	33,517,700	42,597,433	37,996,289	34,473,242	28,252,042	27,393,954	28,300,483	26,076,497	27,013,619
Change in Net Position										
Governmental Activities	\$ (192,976)	634,036	1,769,726	(249,993)	1,520,760	1,568,952	(325,852)	1,412,005	(302,285)	855,826
Business-Type Activities	86,309	14,587	(13,862)	(6,249)	(19,199)	(1,789)	(13,408)	(25,449)	47,064	(13,572)
Total District-Wide	\$ (106,667)	648,623	1,755,864	(256,242)	1,501,561	1,557,163	(339,260)	1,386,556	(255,221)	842,254

Source: CAFR Schedule A-2

PENNSVILLE TOWNSHIP 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										
Reserved	\$		\$	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Restricted	1,211,866	579,708	1,179,327	1,140,329	539,944	1,137	77,650	79,089	99,189	222,964
Assigned	118,830	413,884	365,233	141,238	488,588	1,403,984	667,455	1,495,183	133,860	706,024
Unassigned (Deficit)	47,224	(117,542)	(58,939)	(135,250)	(197,144)	(389,220)	(442,214)	(212,450)	(165,361)	(156,957)
Total General Fund	\$ 1,377,920	\$ 876,050	\$ 1,485,621	\$ 1,146,317	\$ 831,388	\$ 1,015,901	\$ 302,891	\$ 1,361,822	\$ 67,688	\$ 772,031
All Other Governmental Funds										
Assigned	\$	\$	\$	\$	\$	88,706	\$	\$	\$	\$
Committed to Capital Projects Fund		342,303	1,861,581	13,170,754	18,954,570		62,124	62,124	535,196	626,408
Unassigned, reported in:										
Special Revenue Fund (Deficit)	(179,438)	(69,272)					(86,697)	(79,059)	(78,660)	(74,232)
Nonspendable Permanent Fund	88,724	88,723	88,722	88,721	88,720	13				
Total All Other Governmental Funds	\$ (90,714)	\$ 361,754	\$ 1,950,303	\$ 13,259,475	\$ 19,043,290	\$ 88,719	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176

Source: CAFR Schedule B-1

PENNSVILLE TOWNSHIP 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	\$ 22,965,588	\$ 22,521,557	\$ 22,063,034	\$ 20,792,706	\$ 19,610,791	\$ 18,968,608	\$ 18,803,642	\$ 18,440,872	\$ 18,085,221	\$ 17,736,715
Tuition Charges	364,286	164,996	297,768	227,126	172,231	127,810	87,733	161,614	152,888	120,125
Transportation Charges	34,776	55,236	82,283	39,003	32,989	58,571	55,705	59,014	57,801	57,110
Interest Earnings	2,806	5,014	12,110	29,094	16,714	3,679	3,611	5,569	8,169	9,726
Miscellaneous	195,735	241,722	101,481	202,668	300,924	176,275	27,709	373,996	394,969	321,023
State Sources	17,553,875	15,675,679	14,673,570	12,662,364	12,742,683	11,555,209	11,167,790	11,394,253	11,146,578	10,169,491
Federal Sources	876,869	1,057,049	863,325	894,605	794,024	907,416	948,936	902,726	1,255,403	1,001,129
Total Revenues	41,993,935	39,721,253	38,093,571	34,847,566	33,670,356	31,797,568	31,095,126	31,338,044	31,101,029	29,415,319
Expenditures										
Instruction										
Regular Instruction	9,955,201	9,893,375	9,221,957	8,818,051	8,455,906	8,786,497	8,250,988	8,548,429	9,021,795	9,174,353
Special Education Instruction	2,615,177	2,472,257	2,408,713	2,504,837	2,705,519	2,601,154	2,666,345	2,569,676	2,484,988	2,447,378
Other Special Instruction	653,006	566,459	532,027	334,218	322,866	306,440	222,500	227,489	215,568	193,617
Other Instruction	567,792	596,991	555,154	531,701	519,059	481,560	467,418	468,408	438,538	439,223
Support Services										
Tuition	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457	1,225,452	859,808	894,823
Student and Instruction Related Services	4,953,225	4,231,591	3,615,370	3,551,505	3,292,386	3,024,580	3,183,312	3,209,515	3,303,486	3,084,588
General Administration	624,736	649,281	597,077	595,906	661,695	649,670	627,813	681,586	680,987	611,374
School Administrative Services	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901	1,327,618	1,295,935	1,279,476
Central Services	417,557	437,095	404,197	410,757	419,505	389,746	374,769	381,669	365,581	358,837
Administrative Information Technology	199,650	195,707	131,935	201,139	244,064	218,614	249,148	310,434	331,290	292,198
Plant Operations and Maintenance	2,958,592	2,671,736	2,626,350	2,569,927	2,696,540	2,576,717	3,112,268	2,843,147	2,529,822	2,732,052
Security	57,105									
Pupil Transportation	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096	1,261,716	1,300,477	1,194,498
Employee Benefits	11,230,687	10,366,944	9,264,412	9,212,690	8,259,660	7,515,131	7,292,506	7,308,903	6,428,462	6,198,514
Special Schools										
Capital Outlay	501,177	2,152,936	11,668,159	21,118,034	4,337,500	1,864,831	2,706,628	625,047	2,002,278	2,308
Debt Service										
Principal	1,380,000	1,315,000	1,650,000				270,991	261,424	252,314	243,850
Interest and Other Charges	883,313	913,544	1,073,236				6,160	18,228	29,802	40,911
Total Expenditures	41,944,533	41,868,914	49,050,519	54,472,270	35,788,361	32,169,662	33,812,300	31,268,741	31,541,131	30,105,673
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	49,402	(2,147,661)	(10,956,948)	(19,624,704)	(2,118,005)	(372,094)	(2,717,174)	69,303	(440,102)	(690,354)
Other Financing Sources (Uses)										
Bond Proceeds				14,725,000	20,900,000					
Proceeds from Capital Lease							1,178,748			
Capital Leases							1,200,000		1,332,314	
Transfers In						8,538	1			325,516
Transfers Out		(50,459)	(12,920)		(11,937)	(17,009)	(1)			(325,516)
Total Other Financing Sources (Uses)		(50,459)	(12,920)	14,725,000	20,888,063	(8,471)	2,378,748		1,332,314	
Net Change in Fund Balances	\$ 49,402	\$ (2,198,120)	\$ (10,969,868)	\$ (4,899,704)	\$ 18,770,058	\$ (380,565)	\$ (338,426)	\$ 69,303	\$ 892,212	\$ (690,354)
Debt Service as a Percentage of Noncapital Expenditures	5.46%	5.61%	7.28%	0.00%	0.00%	0.00%	0.89%	0.91%	0.96%	0.98%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Tuition	Interest on Investment	Transportation Fees	Solar Renewable Credits	Prior Year Tuition and Transportation	Prior Year Order Adjustments	ERATE	Miscellaneous	Total
2020	\$ 364,286	\$ 2,803	\$ 34,776		\$ 1,000		\$ 59,803	\$ 120,203	\$ 582,871
2019	164,996	5,010	55,236		4,493		49,845	18,384	297,964
2018	297,768	7,312	82,283		3,620		52,716	45,145	488,844
2017	227,126	2,751	39,003	67,404	38,614	14,146	56,425	26,089	471,558
2016	172,231	10,382	32,989	63,940	96,054	78,195		62,735	516,526
2015		3,669	58,571	44,480	91,003	28,601		12,200	238,524
2014	87,733	3,611	55,705					27,709	174,758
2013	161,614	5,569	59,014					373,996	600,193
2012	152,888	8,169	57,801					394,969	613,827
2011	120,125	9,726	57,110	73,656				218,327	478,944

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate**
2020	\$ 20,379,832	\$ 711,130,043	\$ 10,551,600	\$ 1,556,200	\$ 106,102,440	\$ 117,114,500	\$ 29,698,300	\$ 996,532,915	\$ 1,545,538	\$ 998,078,453	\$ 999,536,234	\$ 2.325
2019	20,506,032	713,092,743	10,652,200	1,554,800	107,469,040	122,114,500	29,748,300	1,005,137,615	1,545,538	1,006,683,153	999,536,234	2.254
2018	21,254,797	717,424,427	10,652,200	1,581,500	107,201,840	151,114,500	29,860,100	1,038,214,399	1,533,759	1,039,748,158	1,015,628,349	2.14
2017	22,034,897	722,771,132	10,397,400	1,582,200	105,785,300	151,114,500	29,860,100	1,043,545,529	1,517,052	1,045,062,581	980,683,704	2.11
2016	21,416,297	726,819,334	10,285,200	1,558,200	108,446,400	151,114,500	30,360,100	1,050,000,031	1,511,704	1,051,511,735	997,620,210	1.92
2015	21,897,997	729,661,534	10,492,000	1,562,200	126,578,900	153,447,700	29,973,300	1,073,613,631	1,539,239	1,075,152,870	1,115,270,411	1.80
2014	21,943,897	731,985,434	10,730,400	1,557,600	129,111,400	166,993,000	29,973,300	1,092,295,031	1,451,982	1,093,747,013	1,179,652,954	1.73
2013	22,701,800	733,533,934	10,992,200	1,685,200	132,021,500	166,993,000	30,560,300	1,098,487,934	1,813,332	1,100,301,266	1,232,034,873	1.69
2012	23,648,600	734,678,147	11,129,700	1,685,200	134,762,900	177,993,000	30,560,300	1,114,457,847	2,051,986	1,116,509,833	1,264,372,477	1.64
2011	21,956,000	741,079,700	11,909,600	1,734,900	147,404,300	202,993,000	32,747,600	1,159,825,100	2,592,983	1,162,418,083	1,412,292,003	1.56

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Source: District records Tax list summary & Municipal Tax Assessor

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

**Tax rates are per \$100

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value)

(UNAUDITED)

Township of Pennsville

Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate *	General Obligation Debt Service **	Total Direct School Tax Rate	Municipality	County	
2020	\$ 2.173	\$ 0.152	\$ 2.325	\$ 0.891	\$ 1.267	\$ 4.483
2019	2.106	0.148	2.254	0.891	1.116	4.261
2018	2.001	0.139	2.140	0.762	1.206	4.108
2017	2.053	0.058	2.111	0.737	1.115	3.963
2016	1.924	0.000	1.924	0.698	1.005	3.627
2015	1.776	0.019	1.795	0.673	1.012	3.480
2014	1.708	0.019	1.727	1.600	0.864	4.191
2013	1.674	0.019	1.693	1.512	0.946	4.151
2012	1.617	0.019	1.636	1.450	0.940	4.026
2011	1.540	0.018	1.558	1.420	0.920	3.898

Source: District Records and Municipal Tax Collector

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

* The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

** Rates for Debt Service are based on each year's requirements.

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

<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 Company FC LLC	\$ 95,000,000	1	9.53%	\$		
Siegfried USA, LLC	16,181,900	2	1.62%			
Calpine New Jersey Generation, LLC	10,932,600	3	1.10%			
Orchard Court Association	8,752,200	4	0.88%			
Lauras Glen DE 1,2,3 LLC	8,000,000	5	0.80%			
Pennsville Hotel Corporation	6,500,000	6	0.65%			
Pennsville Holdings, LLC	5,363,800	7	0.54%			
ACP Pennsville Assoc.	4,754,900	8	0.48%			
Penn Norse, LLC	3,650,000	9	0.37%			
M & P Ree, LLC	3,606,600	10	0.36%			
Total	\$ 162,742,000		16.33%	\$		0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 22,965,588	\$ 22,965,588	100.00%	\$
2019	22,521,557	22,521,557	100.00%	
2018	22,063,034	22,063,034	100.00%	
2017	20,792,706	20,792,706	100.00%	
2016	19,610,791	19,610,791	100.00%	
2015	18,968,608	18,968,608	100.00%	
2014	18,803,642	18,803,642	100.00%	
2013	18,440,872	18,440,872	100.00%	
2012	18,085,221	18,085,221	100.00%	
2011	17,736,715	17,736,715	100.00%	

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2020	\$ 31,280,000	\$	\$ 31,280,000	5.32%	\$ 658
2019	32,660,000		32,660,000	5.56%	685
2018	33,975,000	246,831	34,221,831	5.90%	728
2017	35,625,000	489,736	36,114,736	6.56%	830
2016	20,900,000	790,201	21,690,201	3.78%	476
2015		1,296,435	1,296,435	0.23%	29
2014		1,796,975	1,796,975	0.32%	42
2013	270,991	855,241	1,126,232	0.21%	85
2012	532,414	1,107,335	1,639,749	0.30%	123
2011	784,728		784,728	0.14%	59

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property*</u>	<u>Per Capita**</u>
2020	\$ 31,280,000	3.13%	\$ 2,527
2019	32,660,000	3.27%	2,649
2018	33,975,000	3.35%	2,756
2017	35,625,000	3.63%	2,833
2016	20,900,000	2.13%	1,653
2015		0.00%	
2014		0.00%	
2013	270,991	0.02%	20
2012	532,414	0.05%	40
2011	784,728	0.07%	59

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

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

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

PENNSVILLE TOWNSHIP 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			
Pennsville Township	\$ 6,476,104		\$ 6,476,104
Salem County General Obligation Debt	38,650,075	20.45%	7,903,467
Subtotal, Overlapping Debt			<u>14,379,571</u>
District's Direct Debt			<u>31,280,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 45,659,571</u></u>

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

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

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

Local Debt Margin Calculation for Fiscal Year 2020:

Equalized valuation basis:

2019	\$ 1,004,936,628
2018	983,706,678
2017	1,019,983,901
	<u>\$ 3,008,627,207</u>

Average equalized valuation of taxable property \$ 1,002,875,736

Debt Limit (4% of average equalized value)* 40,115,029
 Net Bonded Debt 31,280,000

Local Debt Margin \$ 8,835,029

Fiscal Year Ending June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 40,115,029	39,847,473	\$ 40,358,084	\$ 41,067,528	\$ 42,908,845	\$ 45,058,170	\$ 47,146,163	\$ 48,911,352	\$ 50,927,114	\$ 51,576,593
Total Net Debt Applicable to Limit	<u>31,280,000</u>	<u>32,660,000</u>	<u>33,975,000</u>	<u>35,625,000</u>	<u>20,900,000</u>			<u>270,991</u>	<u>532,414</u>	<u>784,728</u>
Legal Debt Margin	<u>\$ 8,835,029</u>	<u>\$ 7,187,473</u>	<u>\$ 6,383,084</u>	<u>\$ 5,442,528</u>	<u>\$ 22,008,845</u>	<u>\$ 45,058,170</u>	<u>\$ 47,146,163</u>	<u>\$ 48,640,361</u>	<u>\$ 50,394,700</u>	<u>\$ 50,791,865</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	77.98%	81.96%	84.18%	86.75%	48.71%	0.00%	0.00%	0.55%	1.05%	1.52%

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

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

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

<u>Year</u>	<u>Population*</u>	<u>Personal Income (thousands of dollars)**</u>	<u>Per Capita Personal Income***</u>	<u>Unemployment Rate****</u>
2020	[^] 12,381	\$ 588,356,033	\$ 47,522	3.9%
2019	12,418	587,602,899	47,474	4.1%
2018	12,493	546,874,820	47,427	4.6%
2017	12,528	577,922,796	47,191	5.3%
2016	12,640	575,499,200	45,530	5.7%
2015	12,750	573,609,750	44,989	6.7%
2014	12,879	554,904,594	43,086	7.5%
2013	12,989	545,875,714	42,026	8.9%
2012	13,140	547,294,140	41,651	10.5%
2011	13,293	556,444,980	41,860	10.2%

[^] Estimate

Source:

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

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

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

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

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

TOWNSHIP OF PENNSVILLE

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

Source: Salem County Office of Development

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

N/A - Information not available

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(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 and Special Education	179.0	171.5	164.5	166.0	167.0	166.5	166.5	166.5	163.5	163.0
Other Special Education	44.0	38.0	37.0	35.0	34.0	33.0	33.0	33.0	36.0	36.0
Other Instruction	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Support Services:										
Student & Instruction Related Services	13.0	13.0	15.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0
General Administrative Services	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Administrative Services	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5
School Administrative Services	17.0	17.0	15.0	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Business Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	5.0	4.5	4.5	4.5	4.5	4.5	4.0	4.0
Plant Operations and Maintenance	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5
Total	289.0	274.5	267.5	267.5	267.5	266.0	266.0	266.0	267.0	266.5

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)***	Average Daily Attendance (ADA)***	% Change in Average Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2020	1,796.0	36,986,180	20,594	-7.64%	198	1 : 10	1 : 9	1 : 8	1,795.3	1,713.8	2.43%	95.46%
2019	1,697.0	37,835,545	22,296	-13.30%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	0.00%	94.85%
2018	1,766.0	45,416,631	25,717	-14.20%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	-1.37%	94.85%
2017	1,787.0	53,560,382	29,972	53.35%	198	1 : 12	1 : 10	1 : 9	1,777.0	1,646.5	1.20%	92.66%
2016	1,789.0	34,966,080	19,545	17.67%	198	1 : 12	1 : 10	1 : 9	1,756.0	1,675.5	-3.70%	95.41%
2015	1,790.0	31,259,846	17,464	5.14%	199	1 : 12	1 : 10	1 : 9	1,762.0	1,674.4	-3.37%	95.03%
2014	1,856.0	30,828,521	16,610	4.59%	199	1 : 12	1 : 9.7	1 : 9.3	1,823.5	1,738.9	-4.63%	95.36%
2013	1,912.0	30,364,042	15,881	6.01%	199	1 : 13	1 : 10.7	1 : 10.3	1,912.0	1,779.7	-2.10%	93.08%
2012	1,953.0	29,256,238	14,980	5.63%	198	1 : 15	1 : 10.6	1 : 8.9	1,953.0	1,838.7	4.80%	94.15%
2011	2,038.0	28,903,240	14,182	4.57%	198	1 : 12.3	1 : 11	1 : 8	1,863.6	1,757.3	-13.85%	94.30%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

*** Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

District Building	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administrative Offices:										
Square Feet	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096
Capacity (Students)										
Enrollment										
Elementary										
Central Park Elementary School (1956):										
Square Feet	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	270	257	305	281	267	241	259	306	274	259
Penn Beach Elementary School (1964):										
Square Feet	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	307	265	258	244	262	282	265	272	294	326
Valley Park Elementary School (1969):										
Square Feet	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	361	289	276	297	283	303	323	305	295	321
Middle School										
Pennsville Middle School (1959)										
Square Feet	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938
Capacity (students)	984	984	984	984	984	984	984	984	984	984
Enrollment	416	399	411	422	423	423	458	451	446	473
High School										
Pennsville Memorial High School										
Square Feet	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426
Capacity (students)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Enrollment	442	487	516	543	554	541	551	571	596	554

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.

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>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>
District Office	42,096	\$ 7,578	\$ 3,968	\$ 4,360	\$ 5,482	\$ 7,257	\$ 4,327	\$ 17,775	\$ 31,886	\$ 3,715	\$ 49,630
Pennsville Memorial High School	158,426	16,656	35,396	26,398	20,631	97,866	58,350	239,675	177,323	45,447	32,550
Pennsville Middle School	98,938	47,046	10,142	9,117	12,884	18,964	11,307	46,444	65,066	36,179	16,449
Central Park Elementary School	34,960	7,580	3,228	3,568	4,553	16,908	10,081	41,407	46,334	840	29,143
Penn Beach Elementary School	36,330	7,580	22,028	3,964	4,731	50,130	29,889	58,860	29,860	17,401	117,913
Valley Park Elementary School	61,132	313,983	4,250	9,313	7,962	24,036	14,330	122,770	39,404	15,212	48,916
Total School Facilities		<u>400,423</u>	<u>79,012</u>	<u>56,720</u>	<u>56,243</u>	<u>215,161</u>	<u>128,284</u>	<u>526,931</u>	<u>389,873</u>	<u>118,794</u>	<u>294,601</u>
Grand Total		<u>\$ 400,423</u>	<u>\$ 79,012</u>	<u>\$ 56,720</u>	<u>\$ 56,243</u>	<u>\$ 215,161</u>	<u>\$ 128,284</u>	<u>\$ 526,931</u>	<u>\$ 389,873</u>	<u>\$ 118,794</u>	<u>\$ 294,601</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
(UNAUDITED)

	Coverage	GCSSDJIF Self Insured Retention	Deductible
School Package Policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property, Inland Marine and Automobile physical damages	\$ 150,000,000	\$ 250,000	\$ 500
Property Valuation			
Buildings and Contents	Replacement Cost	N/A	N/A
Contractors Equipment	Actual Cash Value	N/A	N/A
Automobiles	Replacement Cost	N/A	N/A
Boiler and Machinery	125,000,000	None	1,000
Crime	500,000	250,000	500
General Automobile Liability	20,000,000	250,000	None
Worker's Compensation	Statutory	250,000	None
Educator's Legal Liability	20,000,000	175,000	None
Pollution Legal Liability	3,000,000	None	25,000
Cyber Liability	1,000,000	None	25,000
Public Employees' Faithful Performance Blanket			
Position Bond - Ohio Casualty Insurance:			
Board Secretary/Business Administrator	10,000		N/A
Treasurer of School Monies	140,000		N/A
* Excess and reinsurance carries involved:			
Property and Crime		SPELLJIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Co. Alterra Excess & Surplus Insurance Co. Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company SPELLJIF, Great American Insurance Company SPELLJIF, Great American Insurance Company, Safety National Corp. SPELLJIF, Great American Insurance Company General Reinsurance Corp.	
General Liability and Automobile Liability		Travelers Insurance Company AIG/Commerce and Industry Insurance Company AIG/ Lexington Insurance Company, Inc. Lloyd's of London	
Workers Compensation			
Educator's Legal Liability			
Group Purchase of primary insurance coverage carrier array:			
Boiler and Machinery		Travelers Insurance Company AIG/Commerce and Industry Insurance Company AIG/ Lexington Insurance Company, Inc. Lloyd's of London	
Pollution Legal Liability			
Cyber Liability			
Violent Malicious Acts			
Public Employees' Faithful Performance Blanket			
Position Bond - Selective Insurance Company:			
Board Secretary/Business Administrator	10,000	N/A	N/A
Treasurer of School Monies	250,000	N/A	N/A
Student Accident Insurance - AIG Educational Markets	5,000,000	N/A	None
Volunteer Workers Policy - Markel Insurance Company	1,000,000	N/A	None

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

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
Pennsville Township 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 Pennsville Township 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 of Education of the Pennsville Township 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 Pennsville Township 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 Pennsville Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pennsville Township 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 Pennsville Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

December 22, 2020

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

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

Management's Responsibility

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

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Pennsville Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Pennsville Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pennsville Township 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 Pennsville Township School District Board of Education's internal control over compliance.

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


Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated December 22, 2020. However, material weaknesses may exist that have not been identified.

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

This report is intended solely for the information and use of management, the Pennsville Township 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

**PENNSVILLE TOWNSHIP 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)	Repayment of Prior Year Balance	JUNE 30, 2020		
						Accounts Receivable	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education:																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	7/1/19-6/30/20	\$ 71,140	\$	\$	\$	\$ 71,140	\$ (71,140)	\$	\$ (71,140)	\$	\$	\$	
Total General Fund									71,140	(71,140)		(71,140)				
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	ESEA407520	7/1/19-9/30/20	262,167							(237,433)		(124,182)		
Title I - Part A	84.010	S010A180030	ESEA407519	7/1/17-6/30/18	284,579			23,376					(23,376)			
Title II A	84.367A	S367A190029	ESEA407520	7/1/19-9/30/20	68,908				41,596	(68,908)		(68,908)		(27,312)		
Title III Immigrant	84.365A	S365A190030	ESEA407520	7/1/19-9/30/20	1,292					(1,292)		(1,292)		(1,292)		
Title IV	84.424	S424A190031	ESEA407520	7/1/19-9/30/20	20,151					(16,916)		(16,916)		(3,316)		
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES407520	3/13/20-9/30/22	232,184											
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA407520	7/1/19-9/30/20	460,244				452,971	(460,244)		(460,244)		(7,273)		
I.D.E.A. Preschool	84.173	H173A190114	IDEAPS407520	7/1/19-9/30/20	20,936				20,936	(20,936)		(20,936)				
Total US Department of Education								23,376	642,354	(805,729)		(805,729)	(23,376)	(163,375)		
U.S. Dept. of Agriculture Passed-through State Dept. of Education:																
Enterprise Fund																
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	316,299				235,816	(316,299)		(316,299)		(80,483)		
National School Breakfast Program	10.653	201NJ304N1099	N/A	7/1/19-6/30/20	118,384				67,864	(118,384)		(118,384)		(50,520)		
National School Snack Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	1,037				1,037	(1,037)		(1,037)				
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	N/A	7/1/19-6/30/20	64,250				64,250	(64,250)		(64,250)				
Food Distribution Program	10.565	Unknown	N/A	7/1/18-6/30/19	48,674		11,406			(11,406)		(11,406)				
Total U.S. Department of Agriculture							11,406		368,967	(511,376)		(511,376)		(131,003)		
Total Federal Financial Awards						\$	\$ 11,406	\$ 23,376	\$ 1,082,461	\$ (1,388,245)	\$	\$ (1,388,245)	\$ (23,376)	\$ (294,378)	\$	

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

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

**PENNSVILLE TOWNSHIP 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	Adjustment / Repayment of Prior Year Balance	Adjustment	June 30, 2020			MEMO	
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund - Current Expense:														
Equalization Aid	20-495-034-5120-078	\$ 8,282,638	7/1/19 to 6/30/20	\$	\$	7,599,868	(8,282,638)	\$	\$	(682,770)	\$	\$	(682,770)	\$ 8,282,638
Equalization Aid	19-495-034-5120-078	7,691,680	7/1/18 to 6/30/19	(684,776)		684,776								
Special Education Categorical Aid	20-495-034-5120-089	1,010,823	7/1/19 to 6/30/20			898,509	(1,010,823)			(112,314)			(112,314)	1,010,823
Special Education Categorical Aid	19-495-034-5120-089	1,010,823	7/1/18 to 6/30/19	(89,992)		89,992								
School Choice Aid	20-495-034-5120-068	180,403	7/1/19 to 6/30/20			160,359	(180,403)			(20,044)			(20,044)	180,403
School Choice Aid	19-495-034-5120-068	194,724	7/1/18 to 6/30/19	(17,336)		17,336								
Security Aid	20-495-034-5120-084	67,439	7/1/19 to 6/30/20			59,945	(67,439)			(7,494)			(7,494)	67,439
Security Aid	19-495-034-5120-084	67,439	7/1/18 to 6/30/19	(6,004)		6,004								
Transportation Aid	20-495-034-5120-014	528,133	7/1/19 to 6/30/20			469,451	(528,133)			(58,682)			(58,682)	528,133
Transportation Aid	19-495-034-5120-014	528,133	7/1/18 to 6/30/19	(47,019)		47,019								
Homeless Aid	N/A	37,116	7/1/19 to 6/30/20				(37,116)			(37,116)				37,116
Extraordinary Aid	20-495-034-5120-473	287,517	7/1/19 to 6/30/20				(287,517)			(287,517)				287,517
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	979,157	7/1/19 to 6/30/20			931,657				(47,500)				979,157
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	973,198	7/1/18 to 6/30/19	(48,029)		48,029								
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	2,720,041	7/1/19 to 6/30/20			2,720,041	(2,720,041)							2,720,041
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	1,009,086	7/1/19 to 6/30/20			1,009,086	(1,009,086)							1,009,086
On-Behalf Long-term Disability	20-495-034-5094-004	2,294	7/1/19 to 6/30/20			2,294	(2,294)							2,294
				(893,156)		14,744,366	(15,104,647)			(1,253,437)			(881,304)	15,104,647
Special Revenue Fund:														
Preschool Education Expansion Aid	20-495-034-5120-086	1,794,380	7/1/19 to 6/30/20			1,614,942	(1,759,992)			(179,438)	34,388		(179,438)	1,759,992
Preschool Education Expansion Aid	19-495-034-5120-086	692,725	7/1/18 to 6/30/19	(69,272)		69,272								
N.J. Nonpublic Aid:														
Textbook Aid	20-100-034-5120-064	5,640	7/1/19 to 6/30/20			5,640	(5,640)							5,640
Textbook Aid	19-100-034-5120-064	8,301	7/1/18 to 6/30/19		1,876			(1,876)						
Nursing Aid	20-100-034-5120-070	10,379	7/1/19 to 6/30/20			10,379	(10,379)							10,379
Technology Aid	19-100-034-5120-373	4,248	7/1/18 to 6/30/19		99			(99)						
Technology Aid	20-100-034-5120-373	3,852	7/1/19 to 6/30/20			3,852	(3,852)							3,852
Security Aid	20-100-034-5120-509	16,050	7/1/19 to 6/30/20			16,050	(2,917)				13,133			2,917
Security Aid	19-100-034-5120-509	17,700	7/1/18 to 6/30/19		9			(9)						
Auxiliary Services:														
Compensatory Education Aid	20-100-034-5120-067	21,091	7/1/19 to 6/30/20			18,982	(21,091)			(2,109)				21,091
Handicapped Services:														
Examination & Classification Aid	20-100-034-5120-066	5,206	7/1/19 to 6/30/20			5,206	(5,206)							5,206
Corrective Speech	20-100-034-5120-066	2,734	7/1/19 to 6/30/20			2,734	(2,734)							2,734
Supplemental Instruction Aid	20-100-034-5120-066	5,666	7/1/19 to 6/30/20			4,306	(5,666)			(1,360)				5,666
Total Special Revenue Fund				(69,272)	1,984	1,751,363	(1,817,477)	(1,984)		(182,907)	34,388	13,133	(179,438)	1,817,477
Capital Projects Fund:														
PMHS Fire Alarm Renovations	4075-050-14-1003	148,240	7/1/15 - Closing	(131,557)					(4,750)	(136,307)				
PMHS Window/Transom Replacement	4075-050-14-1010	502,656	7/1/15 - Closing	(488,403)					(14,253)	(502,656)				
Total Capital Projects Fund				(619,960)					(19,003)	(638,963)				
Debt Service Fund:														
Debt Service Aid Type II	20-495-034-5120-075	759,091	7/1/19 to 6/30/20			759,091	(759,091)							759,091
State Department of Agriculture:														
Enterprise Fund														
National School Lunch Program (State Share)	20-100-010-3350-023	8,373	7/1/19 to 6/30/20			5,318	(8,373)			(3,055)				8,373
						5,318	(8,373)			(3,055)				8,373
Total State Financial Assistance				\$ (1,682,388)	\$ 1,984	\$ 17,260,138	\$ (17,689,588)	\$ (1,984)	\$ (19,003)	\$ (2,078,362)	\$ 34,388	\$ 13,133	\$ (1,060,742)	\$ 17,689,588
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	2,720,041	7/1/19 to 6/30/20			\$ 2,720,041	\$ (2,720,041)							
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	1,009,086	7/1/19 to 6/30/20			1,009,086	(1,009,086)							
On-Behalf Long-term Disability	20-495-034-5094-004	2,294	7/1/19 to 6/30/20			2,294	(2,294)							
Total State Financial Assistance - Major Program Determination						\$ 13,528,717	\$ (13,958,167)							

See accompanying notes to schedules of financial assistance

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$36,177) for the general fund and (\$110,166) 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:

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 71,140	\$ 15,068,470	\$ 15,139,610
Special Revenue Fund	805,729	1,707,311	2,513,040
Capital Project Fund		19,003	19,003
Debt Service Fund		759,091	759,091
Food Service Fund	<u>499,970</u>	<u>8,373</u>	<u>508,343</u>
Total Awards & Financial Assistance	\$ <u>1,376,839</u>	\$ <u>17,562,248</u>	\$ <u>18,939,087</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

Pennsville Township 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

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There was one adjustment in the amount of (\$19,003) on the Schedule of State Financial Assistance, as reflected on Schedule B.

PENNSVILLE TOWNSHIP 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
- 2) Significant deficiencies identified? _____ yes X none reported

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

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ 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 2 CFR 200 section .516(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027, 84.173	H027A190100, H173A190114	IDEA Education Cluster

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

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

PENNSVILLE TOWNSHIP 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: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-068	School Choice Aid
20-495-034-5094-003	Reimbursed TPAF SSC
20-495-034-5120-086	Preschool Education Expansion Aid

**PENNSVILLE TOWNSHIP 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: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

PENNSVILLE TOWNSHIP 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 N/A

Finding:

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNSVILLE TOWNSHIP 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 N/A

Finding:

Condition:

Current Status: