

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF PITTSGROVE**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

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

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OF THE PITTSBORO TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

PITTSGROVE TOWNSHIP SCHOOLS

Administration Building

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Pittsgrove, New Jersey 08318-3950

(856) 358-3094 Fax: (856) 358-6020

Thomas Coleman
Interim Superintendent of Schools
(Ext. 4016)

Darren Harris
Business Admin./Board Sec.
(Ext. 4018)

December 30, 2020

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

Dear Board Members:

The comprehensive annual financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 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.

We are an Equal Opportunity Employer - E/M

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK–12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2019-20 fiscal year with an enrollment of 1,664 students, including Academy students, which is 91 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	1,664.0	(5.19)%
2018-19	1,755.0	0.57%
2017-18	1,745.0	3.56%
2016-17	1,685.0	(6.54)%
2015-16	1,803.0	0.11%
2014-15	1,801.0	3.32%
2013-14	1,743.0	1.34%
2012-13	1,720.0	(1.29)%
2011-12	1,742.1	(5.12)%
2010-11	1,836.2	2.93%
2009-10	1,784.0	(.59)%

2. ECONOMIC CONDITION AND OUTLOOK:

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to level off for the immediate future according to the most recent demographic study. The 2017-2018 school year marked the full consolidation between the Elmer Borough Board of Education and Pittsgrove Township Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade.

3. MAJOR INITIATIVES/CURRICULAR INITIATIVES:

Technology:

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

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

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

Norma, Elmer, and Olivet Elementary Schools:

Norma Elementary School continues to operate a Pre-School Program, which now offers eight tuition free full-day programs for three and four-year-old students. The program operates from state preschool funding with a local contribution to support students with IEPs.

Norma, Elmer, and Olivet School continue to receive professional development and support materials for curricula revision, benchmark creation, and the implementation of an RTI program.

Pittsgrove Township Middle School:

During the 2019-2020 school year, Staff members have revised their current assessments to align the questions with the revised curricula.

Arthur P. Schalick High School:

Arthur P. Schalick High School strives to attain the highest level of academic achievement for all of its students. Academic rigor, high expectations, social and moral standards, and a commitment to excellence are embedded in all educational programs. The Academy is a joint venture with the Salem County Vocational Technical School District and is housed at Schalick High School. Each year, many students from the surrounding areas, as well as Schalick students, are accepted into the Academy Program.

The utilization of half-day in-service sessions has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis. This professional development will better enable teachers to use data from assessments to inform instruction.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Dr. Scott Hoopes

Dr. Scott Hoopes

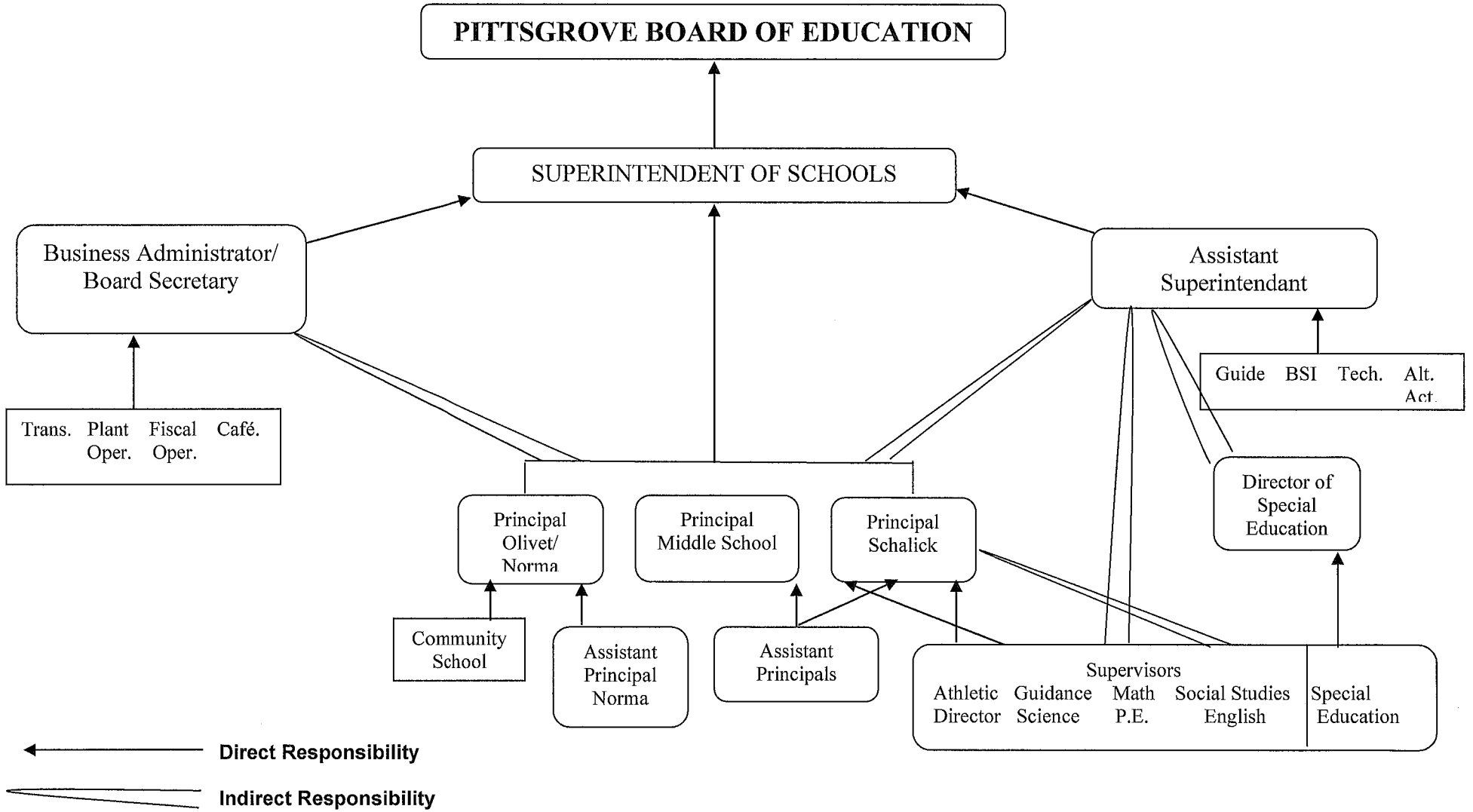
Superintendent of Schools

Darren Harris

Darren Harris

Business Administrator/
Board Secretary

**ADMINISTRATOR/SUPERVISOR
RESPONSIBILITY AND ORGANIZATION**



PITTSGROVE TOWNSHIP BOARD OF EDUCATION
PITTSGROVE, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2020

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Emily Cannon	President	2023
Steven DiMatteo	Vice President	2021
Dominick J. Miletta, III	Board Member	2021
Denzil Hardman	Board Member	2022
Andrea Foster	Board Member	2023
Brandon Hancock	Board Member	2023
Carrie Mullin	Board Member	2021
Joseph E. Wentzell	Board Member	2022
Samuel Wheaton	Board Member	2022
		<u>Amount</u>
<u>Other Officials</u>		<u>of Bond</u>
Thomas Coleman	Interim Superintendent	\$ 250,000
Darren Harris	Business Administrator/ Board Secretary	250,000
Parker, McCay, PA	General Counsel/Bond Council	
Weiner Law Group	General Counsel/Labor Relations & Negotiations	

TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
14000F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
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Williamstown, NJ 08094

ATTORNEY

General Counsel/Labor Relations & Negotiations

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Carehart Scatchard
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Mount Laurel, New Jersey 08054

General Counsel

Mr. Frank Cavallo
Parker McCay, P.A.
PO Box 5054
Mount Laurel, NJ 08054

Bond Counsel

Mr. Phillip A. Norcross
Parker McCay, P.A.
Three Greentree Center
7001 Lincoln Drive-West
Marlton, NJ 08053-3292

OFFICIAL DEPOSITORY

First National Bank of Elmer
P.O. Box 980
Elmer, NJ 08318

TOWNSHIP OF PITTSBORO BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

FISCAL AGENT

Parker, McCay & Criscuolo, P.C.
Three Greentree Centre, Suite 401
Marlton, NJ 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
Pittsgrove Township School District
County of Salem, New Jersey 08318-3950

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Pittsgrove Township Board of Education in the County of Salem, State of New Jersey, as of June 30, 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 Pittsgrove Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2020 on our consideration of the Pittsgrove Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pittsgrove Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Pittsgrove Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 30, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

UNAUDITED

The discussion and analysis of Pittsgrove Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- ❖ General revenues of the District accounted for \$34,852,397 in revenue or 86.8% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,302,449 or 13.2% percent to total revenues of \$40,154,846.
- ❖ Total Net Position of governmental activities increased by \$1,818,241 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The Net Position of the Business-type Activities decreased by \$1,179.
- ❖ The School District had \$37,951,881 in total expenses, of which 5,302,449 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$34,852,397 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$34,092,906 in revenues, \$35,111,201 in expenditures and \$2,115,085 in net other financing uses. Other financing sources represented proceeds from capital leases of \$2,500,988 offset by \$385,903 transferred to a Charter School, The General Fund balance increased by \$1,096,790 over 2019. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains numerous funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2020 and 2019.

Table 1
Net Position

	2020	2019
Assets		
Current and Other Assets	\$ 4,234,435	\$ 4,284,595
Capital Assets, Net	14,354,662	12,726,495
Total Assets	18,589,097	17,011,090
Deferred Outflows of Resources	1,095,752	1,587,346
Liabilities		
Other Liabilities	1,816,753	2,941,476
Non-Current Liabilities	13,908,909	13,368,069
Total Liabilities	15,725,662	16,309,545
Deferred Inflows of Resources	3,137,839	3,284,605
Net Position		
Invested in Capital Assets, Net of Debt	6,884,376	6,618,990
Restricted	1,911,866	1,161,331
Unrestricted (Deficit)	(7,974,894)	(8,776,035)
Total Net Position	\$ 821,348	\$ (995,714)

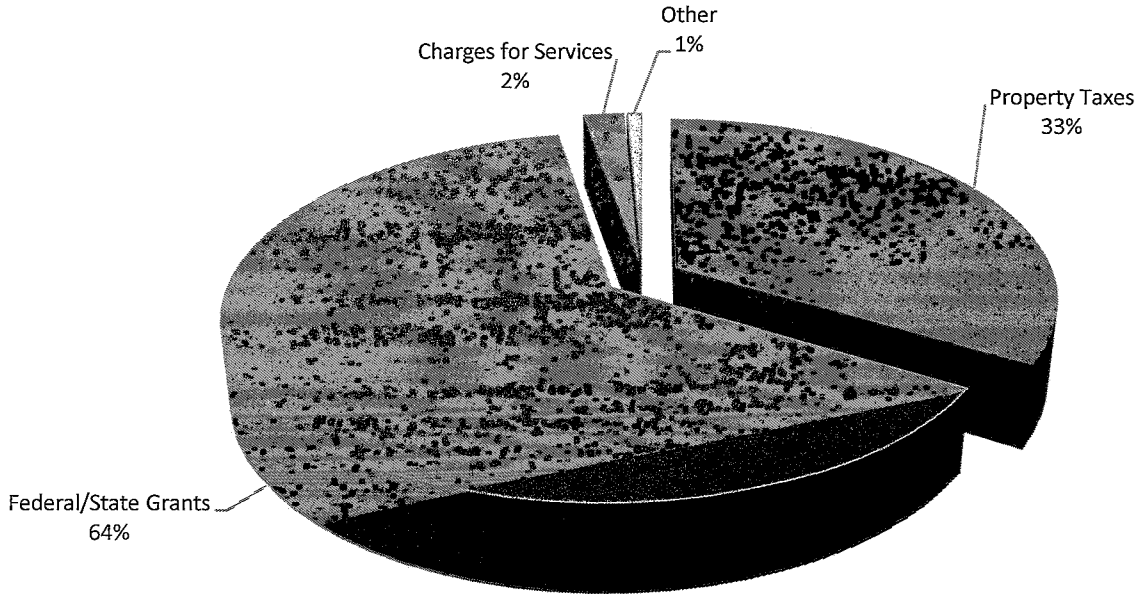
Table 2 shows the changes in Net Position from fiscal year's 2020 and 2019.

Table 2
Changes in Net Position

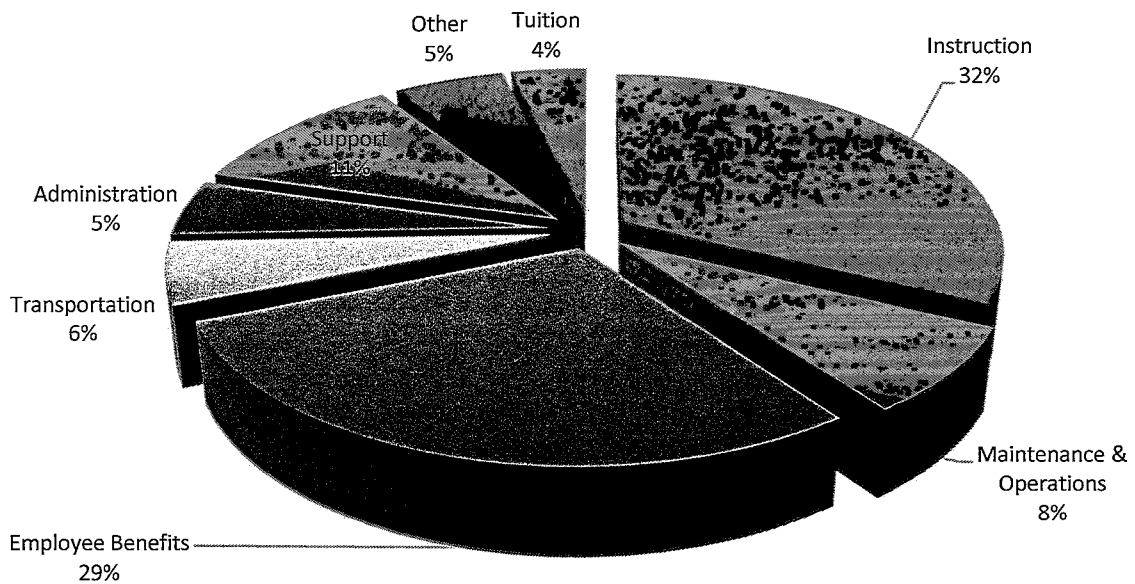
	2020	2019
Revenues		
Programs Revenues		
Charges for Services	\$ 819,076	\$ 1,443,238
Operating Grants and Contributions	4,483,373	6,780,956
General Revenues		
Property Taxes	13,469,545	13,104,139
Grants and Entitlements	21,068,966	20,546,100
Other	313,886	911,769
Total Revenues	40,154,846	42,786,202
Program Expenses		
Instruction	12,253,806	12,363,028
Tuition	1,419,360	1,359,636
Support Services		
Pupils and Instructional Staff	4,299,615	4,385,920
General Administration, School Administration, Business	1,891,307	2,341,364
Operations and Maintenance of Facilities	2,927,399	4,278,576
Pupil Transportation	2,125,911	1,349,898
Employee Benefits	10,932,326	12,786,485
Special Schools		
Interest on Debt	208,935	199,185
Food Service and Child Care	716,576	910,664
Other	1,176,646	1,257,949
Total Expenses	37,951,881	41,232,705
Excess of Expenditures over Revenues	2,202,965	1,553,497
Other Adjustments:		
Transfer to Charter School	(385,903)	(19,607)
(Decrease) Increase in Net Position	\$ 1,817,062	\$ 1,533,890

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2020 are illustrated in the two charts shown below:

Revenue for Fiscal Year 2020



Expenses for Fiscal Year 2020



Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental revenues of the Pittsgrove Township School District for fiscal year 2020, excluding business-type activities and other net financing uses, were \$34,851,515. The District's Property taxes made up 38.6% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 60.5%. The total cost of services was \$37,951,881. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$32,647,371. Instruction comprises 32.8% of these net District expenses.

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

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 12,253,806	\$ 10,699,502	\$ 12,363,028	\$ 10,441,423
Tuition	1,419,360	1,419,360	1,359,636	1,359,636
Support Services				
Pupils and Instructional Staff	4,299,615	3,201,971	4,385,920	3,095,452
General Administration, School				
Administration, Business	1,891,307	1,724,161	2,341,364	2,200,611
Operation and Maintenance of Facilities	2,927,399	2,896,308	4,278,576	4,239,806
Pupil Transportation	2,125,911	2,030,463	1,349,898	1,185,336
Employee Benefits	10,932,326	9,290,025	12,786,485	9,088,109
Special Schools				
Interest and Fiscal Charges	208,935	208,935	199,185	199,185
Other	1,176,646	1,176,646	1,257,949	1,257,949
Total Expenses	<u>\$ 37,235,305</u>	<u>\$ 32,647,371</u>	<u>\$ 40,322,041</u>	<u>\$ 33,067,507</u>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization of debt issue costs.

Business-Type Activities

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

- ❖ Program expenses exceeded revenues by \$2,061. There was no board subsidy required for the year. There was also miscellaneous interest revenue of \$882, resulting in a positive change in Net Position of \$(1,179).
- ❖ Charges for services represent \$249,378 for the Food Service Fund and \$134,177 in the Child Care (SACC) Fund. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$330,960.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$37,752,615, expenditures of \$38,766,055 and other financing sources/uses of \$2,115,085, including the transfer to a Charter School of \$385,903 and proceeds from capital leases of \$2,500,988. The net positive change in Governmental fund balances for the year was \$1,101,645, which includes \$1,096,790 in the General fund, (\$3,439) in the Special Revenue Fund and \$8,294 in the Permanent fund. The District was, therefore, able to meet current operating costs without an appropriation of surplus and with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2019	Percent Increase/ (Decrease)
Local Sources	\$ 13,782,548	36.51%	\$ 385,606	2.88%
State Sources	23,107,750	61.21%	493,390	2.18%
Federal Sources	862,317	2.28%	(28,138)	-3.16%
Total	\$ 37,752,615	100.00%	\$ 850,858	2.31%

The increase in Local sources is attributed to increases in local tax levy of \$365,406, \$4,637 in tuition revenue and other miscellaneous revenue of \$20,823, offset by a decrease of \$5,260 in interest earned.

The increase in State sources is attributed to increases in various state public aid of \$493,390.

The decrease in Federal sources is due to reductions in various other special revenue grants of \$28,138. In addition, the 2020 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2020 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 12,132,487	31.30%	\$ 224,964	1.89%
Undistributed Expenditures	22,971,204	59.26%	(27,427)	-0.12%
Capital Outlay	2,908,611	7.50%	1,658,251	132.62%
Debt Service:				
Principal	605,000	1.56%	10,000	1.68%
Interest	148,753	0.38%	(24,175)	-13.98%
Total	\$ 38,766,055	100.00%	\$ 1,841,613	4.99%

The increase in instructional expenditures is attributed to increases in regular instruction of \$325,780 and other instruction of \$34,084, offset by decreases in special education instruction of \$48,548 and other special instruction expenses of \$86,352.

The increase in undistributed expenditures was due to increases in tuition costs of \$59,724, central services and information technology of \$1,437 and employee benefits of \$359,874, offset by a decrease in student and instruction related services of \$86,305, general administrative services of \$54,740, school administrative services of \$64,485, plant operations and maintenance of \$78,178 and pupil transportation of \$164,754

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

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

General Fund Budgeting Highlights

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

During the course of the fiscal year 2020, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's original general fund budget anticipated using \$851,433 in fund balance, the actual results for the year show an increase of \$1,116,617, as shown on Exhibit C-1.

- ❖ Actual revenues were \$342,640 more than expected, excluding on-behalf pension, social security and long term disability reimbursements of \$4,526,708, reflecting a positive variance of \$4,869,348.
- ❖ Actual expenditures were \$1,909,947 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension, social security and long term disability reimbursements of \$4,526,708, along with assets acquired under capital leases in the amount of \$2,500,988.

Capital Assets

At the end of the fiscal year 2020, the School District had \$14,354,662 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 196,431	\$ 196,431
Work in Progress	2,500,988	
Land Improvements	109,084	144,173
Building and Improvements	9,685,227	10,176,854
Buses	1,178,293	1,436,398
Furniture and Equipment	684,639	772,639
Totals	<u>\$ 14,354,662</u>	<u>\$ 12,726,495</u>

Overall capital assets increased \$1,628,167 from fiscal year 2019 to fiscal year 2020. Increases in capital assets by purchase or construction were \$2,842,859. These additions were offset by depreciation expenses of \$1,214,692 for the year.

Debt Administration:

- At June 30, 2020, the District's outstanding debt was \$13,908,909 and included \$3,570,000 of general obligation bonds, \$719,607 in compensated absences and \$3,900,286 in capital leases. In addition, there was \$5,719,016 in Net Pension Liability. At June 30, 2020, the School District's overall legal debt margin was \$26,177,719 and the amount available in the debt margin for future borrowing \$22,607,719 or 86% of the total allowable amount.

Remaining outstanding debt at June 30, 2020 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2020</u>
2020 Refunding Issue	5/1/1999	\$ 2,580,000	\$ 2,580,000
2013 Refunding Issue	3/20/2013	1,805,000	990,000

For the Future

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

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,722,324	\$ 245,456	\$ 1,967,780
Receivables, Net	1,194,124	37,641	1,231,765
Inventory		11,106	11,106
Restricted Assets - Cash:	1,052,791		1,052,791
Capital Assets, Net (Note 6)	14,248,279	106,383	14,354,662
Total Assets	18,217,518	400,586	18,618,104
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	983,531		983,531
Deferred Amounts on Refunding of Debt	112,221		112,221
	1,095,752		1,095,752
LIABILITIES			
Accounts Payable	309,051	26,881	335,932
Accrued Interest Payable	81,183		81,183
Unearned Revenue	1,369,357	30,281	1,399,638
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,525,921		1,525,921
Due Beyond One Year	12,382,988		12,382,988
Total Liabilities	15,668,500	57,162	15,725,662
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	3,137,839		3,137,839
NET POSITION			
Invested in Capital Assets, Net of Related Debt	6,777,993	106,383	6,884,376
Restricted for:			
Capital Reserve	202,781		202,781
Maintenance Reserve	850,010		850,010
Debt Service	29,007		29,007
Excess Surplus	756,934		756,934
Permanent Endowment - Nonexpendable	102,141		102,141
Unrestricted (Deficit)	(8,211,935)	237,041	(7,974,894)
Total Net Position (Deficit)	\$ 506,931	\$ 343,424	\$ 850,355

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 9,142,487	\$ 141,836	\$ 1,412,468	\$ (7,588,183)	\$	\$ (7,588,183)
Special Education	2,584,426			(2,584,426)		(2,584,426)
Other Special Instruction	59,557			(59,557)		(59,557)
Other Instruction	467,336			(467,336)		(467,336)
Support Services:						
Tuition	1,419,360			(1,419,360)		(1,419,360)
Student & Instruction Related Serv.	4,299,615		1,097,644	(3,201,971)		(3,201,971)
School Administrative Services	918,313			(918,313)		(918,313)
General and Business Admin. Serv.	268,147	159,896		(108,251)		(108,251)
Central Services and Info. Tech.	704,847	7,250		(697,597)		(697,597)
Plant Operations and Maintenance	2,927,399	31,091		(2,896,308)		(2,896,308)
Pupil Transportation	2,125,911	95,448		(2,030,463)		(2,030,463)
Employee Benefits	10,932,326		1,642,301	(9,290,025)		(9,290,025)
Interest on Long-Term Debt	179,928			(179,928)		(179,928)
Unallocated Depreciation	1,176,646			(1,176,646)		(1,176,646)
Total Governmental Activities	37,206,298	435,521	4,152,413	(32,618,364)		(32,618,364)
Business-Type Activities:						
Food Service	546,050	249,378	330,960		34,288	34,288
Child Care	170,526	134,177			(36,349)	(36,349)
Total Business-Type Activities	716,576	383,555	330,960		(2,061)	(2,061)
Total Primary Government	\$ 37,922,874	\$ 819,076	\$ 4,483,373	(32,618,364)	(2,061)	(32,620,425)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				12,956,017		12,956,017
Taxes Levied for Debt Service				513,528		513,528
Federal and State Aid not Restricted				21,068,966		21,068,966
Tuition Received				139,514		139,514
Investment Earnings				15,102	882	15,984
Miscellaneous Income				158,388		158,388
Transfer to Charter school				(385,903)		(385,903)
Total General Revenues, Special Items, Extraordinary Items and Transfers				34,465,612	882	34,466,494
Change in Net Position				1,847,248	(1,179)	1,846,069
Net Position—Beginning (Deficit)				(1,340,317)	344,603	(995,714)
Net Position—Ending (Deficit)				\$ 506,931	\$ 343,424	\$ 850,355

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

**PITTSBURGH 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>Debt</u> <u>Service</u> <u>Fund</u>	<u>Permanent</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 543,202	\$	\$ 29,007	\$ 102,141	\$ 674,350
Due from Other Funds	325,007				325,007
District Tax Receivable - Elmer	347,769				347,769
State Aid Receivable	309,623				309,623
Federal Aid Receivable		445,689			445,689
Receivables from Other Governments	9,508				9,508
Other Accounts Receivable		23,863			23,863
Restricted Cash - Capital Reserve	202,781				202,781
Restricted Cash - Maintenance Reserve	850,010				850,010
Total Assets	<u>\$ 2,587,900</u>	<u>\$ 469,552</u>	<u>\$ 29,007</u>	<u>\$ 102,141</u>	<u>\$ 3,188,600</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 229,389	\$ 77,206	\$	\$	\$ 306,595
Interfund Payable		318,801			318,801
Unearned Revenue		272,478			272,478
Total Liabilities	<u>229,389</u>	<u>668,485</u>			<u>897,874</u>
Fund Balances:					
Restricted:					
Capital Reserve	202,781				202,781
Maintenance Reserve	850,010				850,010
Excess Surplus	339,733				339,733
Excess Surplus - Designated for Subsequent Year's Expenditures	417,201				417,201
Debt Service			29,007		29,007
Assigned:					
Year-End Encumbrances	447,760				447,760
Deassigned for Subsequent Year's Expenditures	831,466				831,466
Permanent Fund				102,141	102,141
Unassigned, Reported In:					
General Fund (Deficit)	(730,440)	(198,933)			(929,373)
Total Fund Balances (Deficit)	<u>2,358,511</u>	<u>(198,933)</u>	<u>29,007</u>	<u>102,141</u>	<u>2,290,726</u>
Total Liabilities and Fund Balances	<u>\$ 2,587,900</u>	<u>\$ 469,552</u>	<u>\$ 29,007</u>	<u>\$ 102,141</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 \$44,119,328 and the accumulated depreciation is \$29,871,049 (See Note 5).	14,248,279
Deferred Outflow of Resources - Refunding of Debt	112,221
Deferred Inflows of Resources - Pension Actuarial Gains.	983,531
Deferred Inflows of Resources - Employer Pension	(3,137,839)
Long Term Net Pension Liability	(5,719,016)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(81,183)
Internal Service Fund - Reserve for Encumbrances	105
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).	(8,189,893)
Net Position of Governmental Activities (Deficit)	<u>\$ 506,931</u>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 12,956,017		\$ 513,528		\$ 13,469,545
Tuition Charges - LEA's	139,514				139,514
Interest Earned	14,808			294	15,102
Miscellaneous	103,545	46,842		8,000	158,387
Total - Local Sources	13,213,884	46,842	513,528	8,294	13,782,548
State Sources	20,861,754	2,005,771	240,225		23,107,750
Federal Sources	17,268	845,049			862,317
Total Revenues	34,092,906	2,897,662	753,753	8,294	37,752,615
EXPENDITURES					
Current:					
Regular Instruction	7,608,700	1,412,468			9,021,168
Special Education Instruction	2,584,426				2,584,426
Other Special Instruction	59,557				59,557
Other Instruction	467,336				467,336
Support Services:					
Tuition	1,419,360				1,419,360
Student & Instruction Related Services	3,201,971	1,097,644			4,299,615
General Administrative Services	519,972				519,972
School Administrative Services	913,491				913,491
Central Services and Information Tech.	700,414				700,414
Plant Operations and Maintenance	2,937,512				2,937,512
Pupil Transportation	2,097,811				2,097,811
Employee Benefits	9,692,040	390,989			10,083,029
Debt Service:					
Principal			605,000		605,000
Interest and Other Charges			119,746		119,746
Capital Outlay	2,908,611				2,908,611
Total Expenditures	35,111,201	2,901,101	724,746		38,737,048
Excess (Deficiency) of Revenues over Expenditures	(1,018,295)	(3,439)	29,007	8,294	(984,433)
OTHER FINANCING SOURCES (USES)					
Transfer to Charter School	(385,903)				(385,903)
Proceeds from Capital Leases	2,500,988				2,500,988
Total Other Financing Sources and Uses	2,115,085				2,115,085
Net Change in Fund Balances	1,096,790	(3,439)	29,007	8,294	1,130,652
Fund Balance—July 1 (Deficit)	1,261,721	(195,494)		93,847	1,160,074
Fund Balance—June 30 (Deficit)	\$ 2,358,511	\$ (198,933)	\$ 29,007	\$ 102,141	\$ 2,290,726

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,101,645

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense \$	(1,207,470)	
Capital Lease Principal paid in Operating Budget		612,207	
Capital Outlays		2,812,648	
			2,217,385

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. 469,992

Net Proceeds from Capital Leases is not a revenue in the Statement of Activities (2,500,988)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 605,000

Increase in Compensated Absences is not considered an expense in the fund statements. (67,976)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due. (3,019)

In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred. (3,903)

Internal Service Fund - Decrease in Reserve for Encumbrances 105

Change in Net Position of Governmental Activities (See A-2) **\$ 1,818,241**

PROPRIETARY FUNDS

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 110,092	\$ 140,362	\$ 250,454	\$ 1,042,976
Accounts Receivable	36,408	1,233	37,641	57,672
Inventories	11,106		11,106	
Total Current Assets	<u>157,606</u>	<u>141,595</u>	<u>299,201</u>	<u>1,100,648</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	342,436		342,436	
Less Accumulated Depreciation	(236,053)		(236,053)	
Total Noncurrent Assets	<u>106,383</u>		<u>106,383</u>	
Total Assets	<u>263,989</u>	<u>141,595</u>	<u>405,584</u>	<u>1,100,648</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	15,138	11,743	26,881	2,456
Interfund Payable	729	4,269	4,998	1,208
Unearned Revenue	24,660	5,621	30,281	1,096,879
Total Liabilities	<u>40,527</u>	<u>21,633</u>	<u>62,160</u>	<u>1,100,543</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	106,383		106,383	
Assigned to:				
Encumbrances				105
Unrestricted	117,079	119,962	237,041	
Total Net Position	<u>\$ 223,462</u>	<u>\$ 119,962</u>	<u>\$ 343,424</u>	<u>\$ 105</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 136,398	\$	\$ 136,398	\$
Daily Sales - Non-reimbursable Programs	79,352		79,352	
Special Functions	4,088		4,088	
Service Charges	29,540	134,177	163,717	856,652
Total Operating Revenues	249,378	134,177	383,555	856,652
Operating Expenses:				
Cost of Sales - Non-Reimbursable Programs	95,177		95,177	
Purchased Services (Including Fixed Price Contract)	405,046		405,046	
Salaries		123,594	123,594	390,188
Employee Benefits		9,357	9,357	4,616
Purchased Professional/ Technical Services				6,516
Other Purchased Services				4,064
Cleaning, Repairs and Maintenance				15,278
Supplies and Materials				14,138
Miscellaneous Other Costs	38,605	37,575	76,180	616
Depreciation	7,222		7,222	
Total Operating Expenses	546,050	170,526	716,576	435,416
Operating Income (loss)	(296,672)	(36,349)	(333,021)	421,236
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	6,684		6,684	
Federal Sources:				
National School Lunch Program	202,705		202,705	
National School Breakfast Program	88,599		88,599	
Food Distribution Program	32,972		32,972	
Transfer to Unearned Revenue				(421,131)
Interest and Miscellaneous Items	410	472	882	
Total Non-operating Revenues (Expenses)	331,370	472	331,842	(421,131)
Income (Loss) before Contributions & Transfers	34,698	(35,877)	(1,179)	105
Change in Net Position	34,698	(35,877)	(1,179)	105
Total Net Position—Beginning	188,764	155,839	344,603	
Total Net Position—Ending	\$ 223,462	\$ 119,962	\$ 343,424	\$ 105

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

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 249,378	\$ 134,177	\$ 383,555	\$ 1,386,398
Payments to employees		(123,594)	(123,594)	(400,594)
Payments for employee benefits		(9,357)	(9,357)	(4,616)
Payments to suppliers	(529,685)	(7,624)	(537,309)	(38,545)
Net cash provided by (used for) operating activities	(280,307)	(6,398)	(286,705)	942,643
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	6,684		6,684	
Federal Sources	291,304		291,304	
Transfer to Unearned Revenue				(421,131)
Net cash provided by (used for) non-capital financing activities	297,988		297,988	(421,131)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(30,211)		(30,211)	
Net cash provided by (used for) capital and related financing activities	(30,211)		(30,211)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	410	472	882	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	410	472	882	
Net increase (decrease) in cash and cash equivalents	(12,120)	(5,926)	(18,046)	521,512
Balances—beginning of year	122,212	146,288	268,500	521,464
Balances—end of year	\$ 110,092	\$ 140,362	\$ 250,454	\$ 1,042,976
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (296,672)	\$ (36,349)	\$ (333,021)	\$ 421,236
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,222		7,222	
Federal commodities	32,972		32,972	
(Increase) decrease in accounts receivable, net	(11,667)	8,850	(2,817)	120,167
(Increase) decrease in interfund receivable				
(Increase) decrease in inventories	(2,344)		(2,344)	
Increase (decrease) in accounts payable	(22,987)	11,600	(11,387)	1,851
Increase (decrease) in unearned revenue	12,440	5,240	17,680	409,709
Increase (decrease) in interfun ds payable	729	4,261	4,990	(10,320)
Total adjustments	16,365	29,951	46,316	521,407
Net cash provided by (used for) operating activities	\$ (280,307)	\$ (6,398)	\$ (286,705)	\$ 942,643

FIDUCIARY FUNDS

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

	<u>Unemployment Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$	\$ 102,141	\$ 234,398
Due from Payroll Agency Account	21,243		
Total Assets	<u>21,243</u>	<u>102,141</u>	<u>234,398</u>
LIABILITIES			
Accounts Payable	21,243		
Due to Student Groups			210,600
Due to Unemployment Trust Fund			21,243
Flexible Spending			2,555
Total Liabilities	<u>21,243</u>	<u>\$</u>	<u>234,398</u>
NET POSITION			
Reserved for Unemployment Trust Fund	\$		
Reserved for Scholarships		<u>\$ 102,141</u>	

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Unemployment Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Investment Earnings:		
Contributions	\$ 130,390	\$ 8,000
Interest		294
	<hr/>	<hr/>
Total Additions	130,390	8,294
DEDUCTIONS		
Scholarships Awarded		
Unemployment Expenditures	130,390	
	<hr/>	<hr/>
Change in Net Position	-	8,294
Net Position—Beginning of the Year		93,847
	<hr/>	<hr/>
Net Position—End of the Year	\$ -	\$ 102,141
	<hr/> <hr/>	<hr/> <hr/>

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

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

A. Reporting Entity:

The Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2020 of 1,755 students.

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB 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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

- The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.

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

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

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

A. Basis of Presentation:

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

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

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

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

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

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

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

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

B. Fund Accounting:

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

GOVERNMENTAL FUND TYPE

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

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

B. Fund Accounting (Cont'd):

PROPRIETARY FUND TYPE

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and the School Age Child Care Program.

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

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

Food Service Fund:	
Equipment	7-20 Years

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

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

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

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

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

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

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

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

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

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance fund.

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

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

C. Basis of Accounting and Measurement Focus:

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

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2019 as revenue, but omits the last state aid payment of the current 2019-20 year received in July 2020.

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

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

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

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

G. Tuition Payable:

Tuition charges for the fiscal years 2019-20, 2018-19, and 2017-18 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

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

On district-wide financial statements and in the Enterprise Fun inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

I. Short -Term Interfund Receivables/Payables:

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

J. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Of the \$11,106 in inventory reflected as of June 30, 2020, Federal Commodity Food represents \$5,095, purchased food was \$ 4,331 and Supplies were \$1,680. Per agreement with the management Service Company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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

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

J. Assets, Liabilities and Equity: Continued

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

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

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

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

K. Compensated Absences:

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

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

L. Unearned Revenue:

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

M. Bond and Lease Acquisition Costs:

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

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

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

N. Operating Revenues and Expenses:

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

O. Allocation of Indirect Expenses:

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

P. Extraordinary and Special Items:

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

Q. Accrued Liabilities and Long-term Obligations:

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

R. Fund Equity:

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

S. Comparative Data/Reclassifications:

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

T. Management Estimates:

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

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

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

U. Net Position:

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

V. Fund Balance Reserves:

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

W. Revenues – Exchange and Non-exchange Transactions:

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

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

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

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

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

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

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2020, the District had \$29,639 on deposit with the New Jersey Cash Management.

Deposits:

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

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

All public depositories must pledge collateral, having market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

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

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

	Cash and Cash Equivalents
Checking Accounts	\$ 3,327,018
N.J. Cash Management Fund	30,092
	\$ 3,357,110

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

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

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

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2020, the District's bank balance of \$4,067,466 was insured or collateralized as follows:

Insured	\$	280,092
Uninsured and collateralized under GUDPA by pledging financial institutions		3,787,374
	\$	4,067,466

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

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

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2020, the District had \$29,639 on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP.

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

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

NOTE 4. CAPITAL RESERVE ACCOUNT – (CONTD)

Beginning Balance July 1, 2019	\$ 2,771
Added:	200,000
Interest Earnings	10
	<hr/>
Ending Balance June 30, 2020	<u>\$ 202,781</u>

The June 30, 2020 balance in the Capital Reserve Account is within the maximum balance per the districts' LFRP. There was no withdrawal from the account during the school year ended June 30, 2020.

NOTE 5. TAX ABATEMENT

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

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

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

NOTE 6. CAPITAL ASSETS

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

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Work in Progress		2,500,988		2,500,988
Total capital assets not being depreciated	196,431	2,500,988		2,697,419
Land improvements	2,198,295			2,198,295
Building and building improvements	27,281,080	304,685		27,585,765
Buses	3,842,798			3,842,798
Furniture and equipment	7,788,076	6,975		7,795,051
Totals at historical cost	41,110,249	311,660		41,421,909
Less accumulated depreciation for :				
Land improvements	(2,054,122)	(35,089)		(2,089,211)
Building and improvements	(17,104,226)	(796,312)		(17,900,538)
Buses	(2,406,400)	(258,105)		(2,664,505)
Furniture and Equipment	(7,098,831)	(117,964)		(7,216,795)
Total accumulated depreciation	(28,663,579)	(1,207,470)		(29,871,049)
Total capital assets being depreciated, net of accumulated depreciation	11,902,803	(895,810)		11,550,860
Government activities capital assets, net	\$ 12,643,101	\$ 1,605,178	\$	\$ 14,248,279
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 312,225	\$ 30,211	\$	\$ 342,436
Less accumulated depreciation for :				
Equipment	(228,831)	(7,222)		(236,053)
Business-type activities capital assets, net	\$ 83,394	\$ 22,989	\$	\$ 106,383

* Depreciation expense was charged to governmental functions as follows:

Insructional	\$ 26,002
Administration	4,822
Unallocated Depreciation	1,176,646
Total depreciation expense	\$ 1,207,470

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

NOTE 7. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2020 was as follows:

	Beginning Balance 7/1/19	Additions	Reductions	Ending Balance 6/30/20	Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 4,096,000	\$ 79,000	\$ 605,000	\$ 3,570,000	\$ 695,000	\$ 2,875,000
Total Bonds Payable	4,096,000	79,000	605,000	3,570,000	695,000	2,875,000
Other Liabilities:						
Obligations under capital lease	2,011,505	2,500,988	(612,207)	3,900,286	738,878	3,161,408
Compensated absences payable	651,631	67,976	-	719,607	92,043	627,564
Net Pension Liability	6,608,933		889,917	5,719,016		5,719,016
Total Other Liabilities	9,272,069	2,568,964	277,710	10,338,909	830,921	9,507,988
Business-Type Activities:						
Compensated absences payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Long-term Obligations	\$ 13,368,069	\$ 2,647,964	\$ 882,710	\$ 13,908,909	\$ 1,525,921	\$ 12,382,988

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are general obligation bonds, retired in serial installments within the statutory period of usefulness. On May 21, 2009 the Board of Education Advance-Refunded the 1999 Bond Issue in the amount of \$4,850,000 in refunding bonds at various interest rates per redemption batch, from 3% to 4.25%. The balance in these bonds of \$1,365,000 was refunded on April 9, 2020.

The District was awarded state grant funding for various capital projects for renovations and improvements to the Olivet elementary school, Middle school and A. P. Schalick High School, of which a bond referendum was held on September 29, 2009 to seek voter approval for the District's matching share of \$1,856,000. Voter approval was achieved and accordingly, bonds were issued with interest rates ranging from 3.5% to 4%. The balance in these bonds of \$1,136,000 was refunded on April 9, 2020.

On March 20, 2013, the District issued bonds to refund a prior bond issue for various school improvements in the amount of \$1,805,000, of which the balance at June 30, 2020 is \$990,000.

On April 9, 2020, the District issued bonds to refund two of the above bond issues, along with related costs of \$79,000, resulting in a refunding bond issue of \$2,580,000 at June 30, 2020.

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 695,000	\$ 57,056	\$ 752,056
2022	690,000	53,102	743,102
2023	700,000	40,810	740,810
2024	735,000	28,218	763,218
2025	405,000	14,253	419,253
2026	170,000	4,771	174,771
2027	175,000	2,420	177,420
	<u>\$ 3,570,000</u>	<u>\$ 200,630</u>	<u>\$ 3,770,630</u>

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

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

C. Capital Leases - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof, a Tractor with a Loader and various other items under capital leases. The district issued \$2,500,988 in a new capital lease during the 2019-20 school-year for energy, lighting, and HVAC renovations. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments for capital leases at June 30, 2020:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 738,878	\$ 110,019	\$ 848,897
2022	506,987	95,146	602,133
2023	374,706	83,513	458,219
2024	211,420	73,413	284,833
2025	167,549	67,510	235,059
2026	103,263	62,725	165,988
2027	110,380	59,317	169,697
2028	117,814	55,674	173,488
2029	125,579	51,787	177,366
2030	133,688	47,642	181,330
2031	142,155	43,231	185,385
2032	150,992	38,540	189,531
2033	160,213	33,557	193,770
2034	102,027	28,270	130,297
2035	108,335	24,903	133,238
2036	114,917	21,328	136,245
2037	121,787	17,536	139,322
2038	128,952	13,517	142,468
2039	136,425	9,261	145,686
2040	144,218	4,759	148,977
	<u>\$ 3,900,286</u>	<u>\$ 941,647</u>	<u>\$ 4,841,933</u>

D. Bonds Authorized but Not Issued - As of June 30, 2020 the District had no authorized but not issued bonds.

NOTE 8. MAINTENANCE RESERVE

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

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

Beginning Balance July 1, 2019	\$ 550,000
Add:	
Interest	10
2019-20 Budget	300,000
	<u>300,000</u>
Ending Balance June 30, 2020	<u>\$ 850,010</u>

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

NOTE 9. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were 159,086. 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 \$309,817 and \$335,146 respectively.

The total payroll for the year ended June 30, 2020 was \$16,760,753. Payroll covered by PERS was \$2,121,142 for fiscal year 2020.

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

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$5,719,016. 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 0.031740% which was a decrease of 0.00183% 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 \$(184,575). The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 102,649	\$ 25,264
Changes of assumptions	571,065	1,985,052
Net difference between projected and actual earnings on pension plan investments	-	90,277
Changes in proportion	-	1,037,246
Contributions subsequent to the measurement date	309,817	
Total	\$ 983,531	\$ 3,137,839

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	\$	(668,925)
2022		(935,788)
2023		(606,798)
2024		(209,186)
2025		(43,438)
Thereafter		
Total	\$	(2,464,135)

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

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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	\$	983,531	\$	1,550,222
Collective deferred inflows of resources	\$	3,137,839	\$	3,284,605
Collective Net Pension Liability	\$	5,719,016	\$	6,608,933
District's Proportion		0.031740%		0.033566%

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>PERS</u>
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.

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

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ <u>7,274,303</u>	\$ <u>5,719,016</u>	\$ <u>4,481,778</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

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

NOTE 9. 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 \$2,641,963 to the TPAF for pension contributions, \$980,120 for post-retirement benefits on behalf of the School, and \$2,337 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$902,288 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 \$4,079,482 and revenue of \$4,079,482 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%

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

NOTE 9. 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.

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

NOTE 9. 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	\$ 81,756,666	\$ 69,164,077	\$ 59,021,732
State's Share of the Net Pension Liability	\$ <u>72,544,649,801</u>	\$ <u>61,519,112,443</u>	\$ <u>52,371,397,951</u>

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2020, employee contributions totaled \$31,343 and the District's employer contribution, recognized in pension expense, was \$17,096. 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.

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

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

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.

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

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$58,667,906. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.14059%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

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

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

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

Health Care Trend Assumptions

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

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

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

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

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

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

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

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

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

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

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

NOTE 10. 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 \$793,913. 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	\$	\$ 14,741,062
Changes of Assumptions		11,924,383
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	8,797,836	10,651,974
Contributions Subsequent to the Measurement Date		
Total	\$ 8,797,836	\$ 37,317,419

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	\$	(3,809,366)
2021		(3,809,366)
2022		(3,809,366)
2023		(3,809,366)
2024		(3,809,366)
Thereafter		(9,472,753)
Total	\$	(28,519,583)

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2020 were Copeland, Lincoln, and ING.

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

NOTE 12. COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve month are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School district employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward by certain employees. Benefits paid in any future year will be calculated according to formulas outlined in the school districts' agreements with the various employee unions and included in the current year's budget. The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, the estimated liability for compensated absences in the Governmental Activities was \$719,607 of which \$92,043 is due within one year.

NOTE 13. TAX ANTICIPATION LOAN

As a result of the delay in the last two state aid revenue receipts from 2018-19, a loan was taken out in the amount of \$500,000 and paid off in July, 2019, with an interest rate of 3.15% reimbursed from the state. No loans were issued during the 2019-20 school-year.

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 325,007	\$ -
Special Revenue Fund		318,801
Enterprise Fund		4,998
Internal Service Fund		1,208
Unemployment Trust Fund	21,243	
Payroll Agency		21,243
Total	\$ 346,250	\$ 346,250

NOTE 15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district has chosen to purchase insurance to transfer risk to outside parties.

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

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

NOTE 15. RISK MANAGEMENT –(CONTD)

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 0	\$ 130,390	\$ 130,390	\$ 0
2018-2019	76,049	35,989	113,421	0
2017-2018	67,085	39,978	105,826	0

NOTE 16. LITIGATION

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

NOTE 17. RECEIVABLES

Receivables 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.

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

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Governmental	\$ 666,900	\$ 445,689	\$ 18,108	\$ 57,672	\$ 1,188,369
Other		23,863	19,533		43,396
Totals	\$ 666,900	\$ 469,552	\$ 37,641	\$ 57,672	\$ 1,231,765

NOTE 18. FUND BALANCE APPROPRIATED

General Fund - Of the 2,358,511 General Fund balance at June 30, 2020, \$447,760 is assigned for encumbrances; \$756,934 is restricted as excess surplus in accordance with N.J.S.A. 118A:7F-7, of which \$417,201 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2021; \$202,781 has been restricted in the Capital Reserve Account; \$850,010 has been restricted in the Maintenance Reserve Account; \$831,466 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2021 and the net result is a deficit of (\$730,440) in unassigned and unrestricted fund balance.

Debt Service Fund At June 30, 2020, there exists a Debt Service fund balance in the amount of \$29,007, representing the savings from the refunding of two bond issues.

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

NOTE 19. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$756,934, of which \$417,201 was assigned for utilization in the 2020-21 budget and \$339,733 will be utilized in the 2021-22 budget.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balance in the General Fund of (\$730,440) and a deficit of (\$198,933) in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of \$730,440 is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of \$198,933 is equal to the last two state aid payments.

NOTE 21. OPERATING LEASES

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 120,708
2022	120,708
2023	120,708
Total	<u>\$ 362,124</u>

NOTE 22. SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 12,956,017	\$	\$ 12,956,017	\$ 12,956,017	
Tuition - Other LEA's	88,638		88,638	139,514	
Interest Earned on Deposits				14,788	
Interest Earned on Maintenance Reserve Funds	10		10	10	
Interest Earned on Capital Reserve Funds	10		10	10	
Miscellaneous	80,000		80,000	103,545	
Total Local Sources	<u>13,124,675</u>		<u>13,124,675</u>	<u>13,213,884</u>	<u>(89,209)</u>
State Sources:					
Equalization Aid	12,172,384		12,172,384	12,172,384	
Categorical Transportation Aid	838,537		838,537	838,537	
Special Education Categorical Aid	1,251,682		1,251,682	1,251,682	
Categorical Security Aid	343,038		343,038	343,038	
School Choice Aid	1,483,374		1,483,374	1,483,374	
Other State Aids:					
Extraordinary Aid				265,858	(265,858)
Homeless Tuition				-	-
TPAF Pension (On-Behalf - Non-Budgeted)				2,641,963	(2,641,963)
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				980,120	(980,120)
TPAF Long-term Disability Contrib. (On-behalf)				2,337	(2,337)
TPAF Social Security (Reimbursed - Non-Budgeted)				902,288	(902,288)
Total State Sources	<u>16,089,015</u>		<u>16,089,015</u>	<u>20,881,581</u>	<u>(4,792,566)</u>
Federal Sources:					
Medicaid Program - SEMI	29,695		29,695	17,268	12,427
Total Federal Sources	<u>29,695</u>		<u>29,695</u>	<u>17,268</u>	<u>12,427</u>
Total Revenues	<u>\$ 29,243,385</u>	<u>\$</u>	<u>\$ 29,243,385</u>	<u>\$ 34,112,733</u>	<u>\$ (4,869,348)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Local Contrib - Trans to Special Rev - Regular	\$ 190,024	\$	\$ 190,024	\$ 190,024	
Kindergarten - Salaries of Teachers	409,205	(64,437)	344,768	342,575	2,193
Grades 1-5 - Salaries of Teachers	2,111,049	229,430	2,340,479	2,340,041	438
Grades 6-8 - Salaries of Teachers	1,499,167	(26,515)	1,472,652	1,472,267	385
Grades 9-12 - Salaries of Teachers	2,380,005	22,820	2,402,825	2,402,090	735
Regular Programs - Home Instruction:					
Salaries of Teachers	44,080	(8,998)	35,082	29,159	5,923
Purchased Professional-Educational Services	45,000	(18,252)	26,748	16,607	10,141
Other Purchased Services (400-500 series)	2,406		2,406	869	1,537
General Supplies	250		250	58	192
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	226,547	(68,962)	157,585	149,880	7,705
Purchased Technical Services	48,662		48,662	42,141	6,521
Other Purchased Services (400-500 series)	340,096	16,583	356,679	340,951	15,728
General Supplies	317,483	46,363	363,846	267,660	96,186
Textbooks	29,321	(13,660)	15,661	13,596	2,065
Other Objects	5,482	(370)	5,112	782	4,330
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>7,648,777</u>	<u>114,002</u>	<u>7,762,779</u>	<u>7,608,700</u>	<u>154,079</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	\$ 106,931	\$ 4,328	\$ 111,259	\$ 111,259	
Purchased Professional-Educational Services	74,813		74,813	69,140	5,673
Other Purchased Services	1,800	(500)	1,300	100	1,200
General Supplies	3,900		3,900	2,615	1,285
Other Objects		500	500	300	200
Total Behavioral Disabilities	187,444	4,328	191,772	183,414	8,158
Multiple Disabilities:					
Salaries of Teachers	295,608	2,440	298,048	298,043	5
Purchased Professional Educational Services	99,035		99,035	76,895	22,140
Other Purchased Services	2,000	(300)	1,700	505	1,195
General Supplies	5,400	(1,640)	3,760	2,543	1,217
Total Multiple Disabilities	402,043	500	402,543	377,986	24,557
Resource Room/Resource Center:					
Salaries of Teachers	1,644,843	(22,770)	1,622,073	1,616,372	5,701
Purchased Professional-Educational Services	332,486	(23,370)	309,116	277,827	31,289
General Supplies	7,000		7,000	5,380	1,620
Other Objects	3,000		3,000	600	2,400
Total Resource Room/Resource Center	1,987,329	(46,140)	1,941,189	1,900,179	41,010
Preschool Disabilities - Part-Time:					
Salaries of Teachers	55,307	(55,307)			
Purchased Professional-Educational Services	39,487	(39,487)			
Other Purchased Services	600	(600)			
General Supplies	2,500	(2,500)			
Total Preschool Disabilities - Part-Time	97,894	(97,894)			
Preschool Disabilities - Full-Time:					
Salaries of Teachers		55,307	55,307	54,307	1,000
Purchased Professional-Educational Services		78,007	78,007	66,828	11,179
General Supplies		1,750	1,750	1,712	38
Total Preschool Disabilities - Full-Time		135,064	135,064	122,847	12,217
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,674,710	(4,142)	2,670,568	2,584,426	85,942
Bilingual Education - Instruction:					
Salaries of Teachers		59,557	59,557	59,557	
Total Bilingual Education - Instruction		59,557	59,557	59,557	
Basic Skills/Remedial - Instruction					
Salaries of Teachers	118,319	(118,319)			
Total Basic Skills/Remedial - Instruction	118,319	(118,319)			
School-Spon. Co curricular Actvts. - Inst.					
Salaries	75,348	14,759	90,107	85,245	4,862
Purchased Services (300-500 series)	4,950	(3,573)	1,377	(540)	1,917
Supplies and Materials	2,500	4,983	7,483	6,389	1,094
Total School-Spon. Co-curricular Actvts. - Inst.	82,798	16,169	98,967	91,094	7,873
School-Spon. Co-curricular Athletics - Inst.					
Salaries	267,306	9,371	276,677	255,444	21,233
Purchased Services (300-500 series)	83,136	(4)	83,132	76,459	6,673
Supplies and Materials	42,610	5,162	47,772	44,339	3,433
Total School-Spon. Co-curricular Athletics - Inst.	393,052	14,529	407,581	376,242	31,339
TOTAL INSTRUCTION	10,917,656	81,796	10,999,452	10,720,019	279,233
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	79,500		79,500	41,200	38,300
Tuition - County Voc School Districts - Regular	222,050	146,720	368,770	368,739	31
Tuition to CSSD & Regional Day Schools	517,939	(150,920)	367,019	356,179	10,840
Tuition to Private Schools for the Disabled - Within State	734,481	(90,000)	644,481	595,299	49,182
Tuition- State Facilities	57,943		57,943	57,943	
Total Undistributed Expenditures - Instruction:	1,611,913	(94,200)	1,517,713	1,419,360	98,353

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL 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 Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$	\$ 1,504	\$ 1,504	\$ 1,504	
Other Purchased Services	500		500		500
Total Undistributed Expend. - Attend. & Social Work	500	1,504	2,004	1,504	500
Undist. Expend. - Health Services					
Salaries	296,137	(2,392)	293,745	289,143	4,602
Purchased Professional and Technical Services	13,164	(1,931)	11,233	9,721	1,512
Other Purchased Services (400-500 series)	475	2,560	3,035	2,228	807
Supplies and Materials	6,960	2,386	9,346	7,523	1,823
Total Undistributed Expenditures - Health Services	316,736	623	317,359	308,615	8,744
Undist. Expend. - Speech, OT, PT and Related Serv.					
Salaries	285,569	1,896	287,465	287,234	231
Purchased Professional - Educational Services	75,218	16,064	91,282	90,664	618
Supplies and Materials	4,200	(1,472)	2,728	1,688	1,040
Other Objects	500		500		500
Total Undist. Exp. Speech, OT, PT and Related Serv.	365,487	16,488	381,975	379,586	2,389
Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.					
Purchased Professional - Educational Services	433,444	102,226	535,670	505,027	30,643
Supplies and Materials		150	150	146	4
Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.	433,444	102,376	535,820	505,173	30,647
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	499,300	1,351	500,651	497,536	3,115
Salaries of Secretarial and Clerical Assistants	113,460	5,337	118,797	118,796	1
Other Purchased Prof. and Tech. Services	22,715	(4,508)	18,207	17,376	831
Other purchased Services (400-500 series)	12,550	2,117	14,667	11,885	2,782
Supplies and Materials	9,510	(832)	8,678	835	7,843
Other Objects	750		750		750
Total Undist. Expend.- Guidance	658,285	3,465	661,750	646,428	15,322
Undistributed Expend. - Child Study Teams					
Salaries of Other Professional Staff	517,591	4,339	521,930	521,928	2
Salaries of Secretarial and Clerical Assistants	43,175	1	43,176	43,175	1
Purchased Professional- Educational Services	6,000	(2,100)	3,900		3,900
Other Purchased Prof. and Tech. Services	38,093	(7,873)	30,220	26,153	4,067
Other Purchased Services (400-500 series)	15,000	(15,000)			
Misc Pur Serv (400-500 series)		8,131	8,131	5,661	2,470
Supplies and Materials	21,900	9,397	31,297	22,643	8,654
Other Objects	3,045	(500)	2,545	1,008	1,537
Total Undist. Expend.- Child Study Teams	644,804	(3,605)	641,199	620,568	20,631
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	112,448		112,448	112,448	
Salaries of Other Professional Staff	249,265	(1,000)	248,265	248,233	32
Salaries of Secretarial and Clerical Assist.	42,628	(1,231)	41,397	40,000	1,397
Other Salaries	70,330	(21,121)	49,209	48,798	411
Purchased Prof - Educational Services		2,250	2,250	2,250	
Other Purchased Professional and Technical Services	28,500	(5,851)	22,649	22,511	138
Other Purch Services (400-500)	8,713	(1,239)	7,474	4,463	3,011
Supplies and Materials	16,684	(1,800)	14,884	13,875	1,009
Other Objects	4,000	400	4,400	4,375	25
Total Undist. Expend. - Improvement of Inst. Serv.	532,568	(29,592)	502,976	496,953	6,023
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	164,005	7,707	171,712	167,314	4,398
Purchased Professional and Technical Services	11,200	(7,233)	3,967	3,628	339
Other Purchased Services (400-500 series)	29,660	6,994	36,654	36,309	345
Supplies and Materials	20,915	5,491	26,406	24,158	2,248
Total Undist. Expend. - Edu. Media Serv./Sch. Library	225,780	12,959	238,739	231,409	7,330
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	6,500	(2,220)	4,280	2,624	1,656
Other Purchased Services (400-500 series)	11,300	1,064	12,364	9,111	3,253
Total Undist. Expend. - Instructional Staff Training Serv.	17,800	(1,156)	16,644	11,735	4,909

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 289,759	\$	\$ 289,759	\$ 285,541	\$ 4,218
Legal Services	95,000	(15,000)	80,000	33,641	46,359
Audit Fees	28,515		28,515	27,744	771
Architectural/Engineering Services	5,000		5,000		5,000
Other Purchased Professional Services	5,000		5,000		5,000
Communications/Telephone	57,918		57,918	54,834	3,084
BOE Other Purchased Services	13,900	(3,000)	10,900	3,406	7,494
Miscellaneous Purchased Services (400-500 series)	121,579	14,230	135,809	86,156	49,653
General Supplies	10,500	1,270	11,770	11,744	26
BOE In-House Training/Meeting Supplies	2,500	2,500	5,000	3,565	1,435
Miscellaneous Expenditures	6,405		6,405	2,060	4,345
BOE Membership Dues and Fees	12,000		12,000	11,281	719
Total Undist. Expend. - Supp. Serv. - General Admin.	648,076		648,076	519,972	128,104
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	637,992	(17,713)	620,279	618,130	2,149
Salaries of Secretarial and Clerical Assistants	290,685	(2,745)	287,940	255,526	32,414
Other Purchased Services (400-500 series)	16,540	(1,997)	14,543	6,013	8,530
Purchased Professional and Technical Services		248	248	231	17
Supplies and Materials	24,845	5,334	30,179	25,708	4,471
Other Objects	12,335	(1,190)	11,145	7,883	3,262
Total Undist. Expend. - Support Serv. - School Admin.	982,397	(18,063)	964,334	913,491	50,843
Undist. Expend. - Central Services					
Salaries	291,577	8,241	299,818	299,817	1
Purchased Professional Services	6,810		6,810		6,810
Purchased Technical Services	2,200		2,200		2,200
Miscellaneous Purchased Services (400-500 series)	21,020	(2,000)	19,020	14,820	4,200
Supplies and Materials	9,800	7,796	17,596	15,172	2,424
Interest on Current Loans	15,000	(14,941)	59		59
Interest on Lease Purchase Agreements	2,111	2,290	4,401	4,341	60
Miscellaneous Expenditures	1,190	1,000	2,190	2,190	
Total Undist. Expend. - Central Services	349,708	2,386	352,094	336,340	15,754
Undist. Expend. - Admin. Info. Technology					
Salaries	262,359	1,932	264,291	254,582	9,709
Purchased Technical Services	48,951		48,951	48,951	
Other Purchased Services (400-500 series)	21,550	(3,626)	17,924	17,566	358
Supplies and Materials	22,800	24,371	47,171	42,975	4,196
Total Undist. Expend. - Admin. Info. Technology	355,660	22,677	378,337	364,074	14,263
Undist. Expend. - Req. Maint. for School Facilities					
Salaries	368,299	(5,699)	362,600	362,177	423
Cleaning, Repair, and Maintenance Services	274,180	422,303	696,483	541,670	154,813
General Supplies	62,000	38,460	100,460	96,076	4,384
Total Undist. Expend. - Req. Maint. for School Facilities	704,479	455,064	1,159,543	999,923	159,620
Undist. Expend. - Custodial Services					
Salaries	45,000	2,500	47,500	47,141	359
Purchased Professional and Technical Services	143,000	32,890	175,890	173,089	2,801
Cleaning, Repair and Maintenance Services	669,668	(12,727)	656,941	652,247	4,694
Rental of Land, Building & Other than Lease Purchases	62,000		62,000	62,000	
Other Purchased Property Services	45,864	(17,600)	28,264	25,561	2,703
Insurance	97,841	(6,000)	91,841	87,907	3,934
Miscellaneous Purchased Services	5,000	(52)	4,948	396	4,552
General Supplies	23,000	29,084	52,084	27,347	24,737
Energy (Natural Gas)	135,894	(17,437)	118,457	113,375	5,082
Energy (Electricity)	461,691	(5,729)	455,962	436,743	19,219
Other Objects	1,500	1,000	2,500	2,050	450
Total Undist. Expend. - Custodial Services	1,690,458	5,929	1,696,387	1,627,856	68,531

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds					
Purchased Professional and Technical Services	\$	\$ 32,775	\$ 32,775	\$ 32,137	\$ 638
Cleaning, Repair and Maintenance Services	97,514	(10,400)	87,114	74,957	12,157
General Supplies	20,000	5,318	25,318	20,425	4,893
Total Undist. Expend. - Care and Upkeep of Grounds	117,514	27,693	145,207	127,519	17,688
Undist. Expend. - Security					
Salaries	12,040	(4,070)	7,970	7,129	841
Purchased Professional and Technical Services	244,575	(99,205)	145,370	142,042	3,328
Cleaning, Repair and Maintenance Services	3,900	6,300	10,200	10,196	4
General Supplies	1,250	21,852	23,102	22,847	255
Total Undist. Expend. - Security	261,765	(75,123)	186,642	182,214	4,428
Total Undist. Expend. - Oper. & Maint. Of Plant	2,774,216	413,563	3,187,779	2,937,512	250,267
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	732,886	49,835	782,721	773,909	8,812
Sal. For Pup.Trans. (Bet. Home and School) - Special	367,055		367,055	334,557	32,498
Sal. For Pup. Trans. (Other than Bet. Home and School)	79,000		79,000	42,630	36,370
Management Fee - ESC & CTSA Transportation Programs	380		380	273	107
Other Purchased Professional and Technical Services	4,531		4,531	2,597	1,934
Cleaning, Repair and Maintenance Services	4,000		4,000		4,000
Lease Purchase Payments - School Buses	364,270		364,270	362,872	1,398
Contr Serv. - Aid in Lieu Payments - Nonpublic	95,000	(21,000)	74,000	48,589	25,411
Contr Serv. - Aid in Lieu Payments - Charter	35,000	(32,000)	3,000	1,167	1,833
Contr Serv (not Home/School) - Vendors	5,000		5,000		5,000
Contr Serv (Spl. Ed. Students) - Joint Agreements	25,500	(10,000)	15,500	9,613	5,887
Contr Serv (Regular Students) - ESCs and CTSA'S	40,000	51,000	91,000	90,975	25
Contr Serv (Spl. Ed. Students) - ESCs	150,000		150,000	127,850	22,150
Misc. Purchased Serv. - Transportation	103,881	(9,779)	94,102	75,414	18,688
General Supplies	18,229		18,229	7,246	10,983
Transportation Supplies	372,200	(38,335)	333,865	218,323	115,542
Miscellaneous Expenditures	5,725		5,725	1,796	3,929
Total Undist. Expend. - Student Transportation Serv.	2,402,657	(10,279)	2,392,378	2,097,811	294,567
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	347,173		347,173	293,058	54,115
Other Retirement Contributions - PERS	358,943		358,943	332,898	26,045
Unemployment Compensation	73,830		73,830	55,846	17,984
Workmen's Compensation	221,340		221,340	174,531	46,809
Health Benefits	4,465,531	(315,336)	4,150,195	3,807,100	343,095
Tuition Reimbursement	35,000		35,000	27,344	7,656
Other Employee Benefits	404,982	80,800	485,782	474,555	11,227
TOTAL UNALLOCATED BENEFITS	5,906,799	(234,536)	5,672,263	5,165,332	506,931
On-behalf TPAF Pension Contributions (non-budgeted)				2,641,963	(2,641,963)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				980,120	(980,120)
On-behalf TPAF Long-term Disability Contrib.				2,337	(2,337)
Reimbursed TPAF Social Security Cont. (non-budgeted)				902,288	(902,288)
TOTAL ON-BEHALF CONTRIBUTIONS				4,526,708	(4,526,708)
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	5,906,799	(234,536)	5,672,263	9,692,040	(4,019,777)
TOTAL UNDISTRIBUTED EXPENDITURES	18,226,830	184,610	18,411,440	21,482,571	(3,071,131)
Interest Earned on Maintenance Reserve	10		10		10
TOTAL GENERAL CURRENT EXPENSE	29,144,496	266,406	29,410,902	32,202,590	(2,791,888)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Grades 1-5		17,477	17,477		17,477
Instruction		3,999	3,999	3,999	
Required Maintenance for Schools		43,000	43,000	2,976	40,024
Total Equipment		64,476	64,476	6,975	57,501

PITTSBORO TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 33,000	\$ (33,000)	\$	\$	
Construction Services	330,000	92,300	422,300	304,685	117,615
Lease Purchase Agreement - Principal	44,994		42,704	42,703	1
Assessment for Debt Service on SDA Funding	53,260		53,260	53,260	
Total Facilities Acquisition and Construction Services	461,254	57,010	518,264	400,648	117,616
Interest Deposit to Capital reserve	10		10		10
Assets Acquired Under Capital Leases (non-budgeted)				2,500,988	(2,500,988)
TOTAL CAPITAL OUTLAY	461,264	121,486	582,750	2,908,611	(2,325,861)
TOTAL EXPENDITURES	29,605,760	387,892	29,993,652	35,111,201	(5,117,749)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,375)	(387,892)	(750,267)	(998,468)	(248,201)
Other Financing Sources:					
Operating Transfer (Out) and In:					
Transfer of Funds to Charter School	(489,058)		(489,058)	(385,903)	103,155
Proceeds from Capital Leases				2,500,988	2,500,988
Total Other Financing Sources:	(489,058)		(489,058)	2,115,085	2,604,143
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(851,433)	(387,892)	(1,239,325)	1,116,617	2,355,942
Fund Balance, July 1	2,799,862		2,799,862	2,799,862	
Fund Balance, June 30	\$ 1,948,429	\$ (387,892)	\$ 1,560,537	\$ 3,916,479	\$ 2,355,942
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 202,781	
Maintenance Reserve				850,010	
Excess Surplus				339,733	
Excess Surplus - Designated for Subsequent Year's Expenditures				417,201	
Assigned Fund Balance:					
Encumbrances				447,760	
Designated for Subsequent Year's Expenditures				831,466	
Unassigned Fund Balance				827,528	
				3,916,479	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,557,968)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,358,511	

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 2,204,580	\$ 56,614	\$ 2,261,194	\$ 2,115,403	\$ 145,791
Federal Sources	895,130	260,270	1,155,400	845,049	310,351
Other Sources		68,527	68,527	46,842	21,685
Total Revenues	3,099,710	385,411	3,485,121	3,007,294	477,827
EXPENDITURES:					
Instruction					
Salaries - Teachers	624,966	13,124	638,090	613,262	24,828
Other Salaries		13,602	13,602	5,489	8,113
Purchased Prof - Tech. Services	3,194		3,194	3,000	194
Purchased Prof - Ed Services	740,426	(447,763)	292,663	288,138	4,525
Other Purchased Services	23,723	241,700	265,423	21,019	244,404
Tuition-Child Study Team		447,647	447,647	447,647	
Supplies and Materials	52,466	18,472	70,938	33,913	37,025
Other Objects	300		300		300
Total Instruction	1,445,075	286,782	1,731,857	1,412,468	319,389
Support Services					
Salaries - Mentor		1,000	1,000	1,000	
Salaries- Principals	122,163		122,163	122,163	
Salaries- Other Professionals	68,977		68,977	68,972	5
Salaries - Secretarial and Clerical	45,729		45,729	45,729	
Salaries - Other Salaries	33,810	(973)	32,837	22,832	10,005
Salaries - Master Teacher	89,880		89,880	63,967	25,913
Personal Services - Employee Benefits	395,161	5,239	400,400	390,989	9,411
Purchased Prof. - Tech. Services	13,000	15,601	28,601	24,526	4,075
Purchased Prof. - Ed. Services	451,818	56,614	508,432	448,530	59,902
Purchased Professional Services	49,300		49,300	31,192	18,108
Cleaning and Repair	204,818		204,818	202,956	1,862
Other Purchased Services	18,250	9,080	27,330	22,999	4,331
Contracted Services Transportation	109,666		109,666	108,174	1,492
Travel	1,800		1,800	1,360	440
Supplies and Materials	33,099	(2,278)	30,821	19,633	11,188
Other Objects	8,164	1,765	9,929	6,378	3,551
Total Support Services	1,645,635	86,048	1,731,683	1,581,400	150,283
Facilities Acquisition and Construction Services:					
Other Professional/Technical		12,581	12,581	12,581	
Instructional Equipment	3,000		3,000		3,000
Non-Instructional Equipment	6,000		6,000	845	5,155
Total Facilities Acquisition and Construction Services	9,000	12,581	21,581	13,426	8,155
Total Expenditures	3,099,710	385,411	3,485,121	3,007,294	477,827
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows	3,099,710	385,411	3,485,121	3,007,294	477,827
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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) "revenue" from the budgetary comparison schedule	[C-1]	\$ 34,112,733	[C-2]	\$ 3,007,294
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Prior Year				56,614
Current Year				(162,807)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,538,141		195,494
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,557,968)		(198,933)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 34,092,906</u>	[B-2]	<u>\$ 2,897,662</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 35,111,201	[C-2]	\$ 3,007,294
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.				
				(106,193)
Pension Expense recognized for GAAP but not for budgetary purposes.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental fund	[B-2]	<u>\$ 35,111,201</u>	[B-2]	<u>\$ 2,901,101</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

	<u>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	0.031740%	0.033566%	0.035283%	0.037620%	0.040185%	0.043017%	0.043819%
District's Proportionate Share of the Net Pension Liability	\$ 5,719,016	\$ 6,608,933	\$ 8,213,386	\$ 11,141,908	\$ 9,020,774	\$ 8,053,869	\$ 8,374,651
District's Covered-Employee Payroll	\$ 2,121,142	\$ 2,174,501	\$ 2,213,805	\$ 2,297,573	\$ 2,501,427	\$ 2,539,163	\$ 2,841,895
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	269.62%	303.93%	371.01%	484.94%	360.63%	317.19%	294.69%
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.

PITTSGROVE 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	\$ 309,817	\$ 335,146	\$ 330,384	\$ 335,357	\$ 345,485	\$ 354,622	\$ 330,166
Contributions in relation to the Contractually Required Contribution	(309,817)	(335,146)	(330,384)	(335,357)	(345,485)	(354,622)	(330,166)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 2,121,142	\$ 2,174,501	\$ 2,213,805	\$ 2,297,573	\$ 2,501,427	\$ 2,539,163	\$ 2,841,895
Contributions as a Percentage of Covered-Employee Payroll	14.61%	15.41%	14.92%	14.60%	13.81%	13.97%	11.62%

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

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

	<u>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	0.112698%	0.114723%	0.111253%	0.112680%	0.112808%	0.110844%	0.113169%
District's Proportionate Share of the Net Pension Liability	\$ 69,164,077	\$ 72,984,486	\$ 75,010,900	\$ 88,641,213	\$ 71,299,551	\$ 59,242,417	\$ 57,194,838
District's Covered-Employee Payroll	\$ 12,621,740	\$ 12,434,836	\$ 12,023,886	\$ 11,580,796	\$ 11,801,637	\$ 11,402,837	\$ 11,464,831
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	547.98%	586.94%	623.85%	765.42%	604.15%	519.54%	498.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%	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.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 2,043,552	\$ 2,365,626	\$ 2,859,605
Interest Cost	2,592,084	2,809,947	2,375,081
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(10,895,763)	(7,091,464)	
Changes of Assumptions	874,744	(7,550,975)	(9,932,378)
Member Contributions	53,384	60,811	63,913
Gross Benefit Payments	(1,800,930)	(1,759,491)	(1,735,702)
Net Change in Total OPEB Liability	<u>(7,132,929)</u>	<u>(9,136,280)</u>	<u>(6,369,481)</u>
Total OPEB Liability - Beginning	65,800,835	74,937,115	81,306,596
Total OPEB Liability - Ending	<u>\$ 58,667,906</u>	<u>\$ 65,800,835</u>	<u>\$ 74,937,115</u>
Covered-Employee Payroll	\$ 14,742,882	\$ 14,609,337	\$ 14,237,691
Total OPEB Liability as a Percentage of Covered-Employee Payroll	397.94%	450.40%	526.33%

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.

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

	SJSIG Safety Grant	NJSB INS Grant	Sustainable Schools	NJ JJC Grant	NJ JJC Anti-Gang Prevention	Power Save Grant	WSCC Health	YSC Mentoring	Sub-Total Per E-1(2)	Totals 2020
REVENUES:										
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,115,403	\$ 2,115,403
Federal Sources									845,049	845,049
Other Sources	11,351	12,581	1,203	7,201	1,465	250	2,500	10,291		46,842
Total Revenues	\$ 11,351	\$ 12,581	\$ 1,203	\$ 7,201	\$ 1,465	\$ 250	\$ 2,500	\$ 10,291	\$ 2,960,452	\$ 3,007,294
EXPENDITURES:										
Instruction:										
Salaries - Teachers	\$	\$	\$	\$	\$	\$	\$	\$	\$ 613,262	\$ 613,262
Other Salaries			1,203	2,169			2,117			5,489
Purchased Prof - Tech Services									3,000	3,000
Purchased Prof - Ed Services									288,138	288,138
Other Purchased Services							200		20,819	21,019
Tuition									447,647	447,647
Supplies and Materials				5,032	1,465	250	148		27,018	33,913
Total Instruction			1,203	7,201	1,465	250	2,465		1,399,884	1,412,468
Support Services:										
Salaries - Mentor								1,000		1,000
Salaries- Principals									122,163	122,163
Salaries- Other Professionals									68,972	68,972
Salaries - Secretarial and Clerical									45,729	45,729
Salaries - Other Salaries									22,832	22,832
Salaries - Master Teacher									63,967	63,967
Personal Services - Employee Benefits							35		390,954	390,989
Purchased Prof - Tech. Services	11,351							4,175	9,000	24,526
Purchased Prof - Ed. Services									448,530	448,530
Purchased Professional Services									31,192	31,192
Other Purchased Services								3,023	19,976	22,999
Cleaning and Repair									202,956	202,956
Contracted Services Transportation									108,174	108,174
Travel									1,360	1,360
Supplies and Materials								2,093	17,540	19,633
Other Objects									6,378	6,378
Total Support Services	11,351						35	10,291	1,559,723	1,581,400
Facilities Acquisition and Const. Serv.:										
Other Professional/Tech		12,581								12,581
Instructional Equipment									845	845
Total Facilities Acquisition and Construction Services		12,581							845	13,426
Total Expenditures	\$ 11,351	\$ 12,581	\$ 1,203	\$ 7,201	\$ 1,465	\$ 250	\$ 2,500	\$ 10,291	\$ 2,960,452	\$ 3,007,294

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

	ESEA			Perkins Secondary	Perkins Secondary Reserve	IDEA		Preschool Education	Subtotal 2020
	Title I - Part A	Title II-A	Title IV			Part B	Pre K		
	2019-20	2019-20	2019-20			2019-20	2019-20		
REVENUES:									
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	313,226	51,763	17,838	2,384	1,016	447,647	11,175	2,115,403	2,115,403
Total revenues	\$ 313,226	\$ 51,763	\$ 17,838	\$ 2,384	\$ 1,016	\$ 447,647	\$ 11,175	\$ 2,115,403	\$ 2,960,452
EXPENDITURES:									
Instruction:									
Salaries - Teachers	\$ 189,499	\$	\$	\$	\$	\$	\$	\$ 423,763	\$ 613,262
Purchased Prof - Tech Services				2,384	616				3,000
Purchased Prof - Ed Services							11,175	276,963	288,138
Other Purchased Services								20,819	20,819
Tuition						447,647			447,647
Supplies and Materials	4,500		13,984		100			8,434	27,018
Total Instruction	193,999	-	13,984	2,384	716	447,647	11,175	729,979	1,399,884
Support Services:									
Salaries- Principals								122,163	122,163
Salaries- Other Professionals								68,972	68,972
Salaries - Secretarial and Clerical								45,729	45,729
Salaries - Other Salaries		22,787						45	22,832
Salaries - Master Teacher								63,967	63,967
Personal Services - Employee Benefits	117,672							273,282	390,954
Purchased Professional - Tech. Services		9,000							9,000
Purchased Professional - Ed. Services								448,530	448,530
Other Purchased Services		19,976							19,976
Purchased Professional Services								31,192	31,192
Cleaning and Repair								202,956	202,956
Contracted Services Transportation								108,174	108,174
Travel								1,360	1,360
Supplies and Materials	1,555				300			15,685	17,540
Other Objects			3,854					2,524	6,378
Total Support Services	119,227	51,763	3,854		300			1,384,579	1,559,723
Facilities Acquisition and Const. Serv.:									
Instructional Equipment								845	845
Total Facilities Acquisition and Construction Services								845	845
Total Expenditures	\$ 313,226	\$ 51,763	\$ 17,838	\$ 2,384	\$ 1,016	\$ 447,647	\$ 11,175	\$ 2,115,403	\$ 2,960,452

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 424,366	\$ 423,763	\$ 603
Purchased Prof - Education Services	281,488	276,963	4,525
Other Purchased Services	23,723	20,819	2,904
Supplies and Materials	14,318	8,434	5,884
Total Instruction	743,895	729,979	13,916
Support Services:			
Salaries- Principals	122,163	122,163	
Salaries- Other Staff	68,977	68,972	5
Salaries - Secretarial and Clerical	45,729	45,729	
Salaries - Other Salaries	1,810	45	1,765
Salaries - Master Teacher	89,880	63,967	25,913
Personal Services - Employee Benefits	278,061	273,282	4,779
Purchased Professional - Ed. Services	451,818	448,530	3,288
Purchased Professional Services - Other	49,300	31,192	18,108
Cleaning and Repair	204,818	202,956	1,862
Contracted Services Transportation	109,666	108,174	1,492
Travel	1,800	1,360	440
Supplies and Materials	23,353	15,685	7,668
Other Objects	4,310	2,524	1,786
Total Support Services	1,451,685	1,384,579	67,106
Facilities Acquisition and Const. Services:			
Instructional Equipment	3,000	845	2,155
Non-Instructional Equipment	6,000		6,000
Total Facilities Acquisition and Const. Services	9,000	845	8,155
Contribution to Charter Schools			
Total Expenditures	\$ 2,204,580	\$ 2,115,403	\$ 89,177

CALCULATION OF BUDGET & CARRYOVER

Total 2019-20 Preschool Education Aid Allocation	\$ 1,989,330	(1)
Add: Actual ECPA Carryover (JUNE 30, 2019)	25,226	(2)
Add: Budgeted Transfer from General Fund 2019-20	190,024	(3)
Total Preschool Education Aid Funds Available for 2019-20 Budget	2,204,580	(4)
Less: 2019-20 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(2,204,580)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2020	-	(6)
Add: JUNE 30, 2020 Unexpended Preschool Education Aid	89,177	(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
2019-20 Carryover - Preschool Education Aid	\$ 89,177	(9)
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	\$	(10)

The Board should consider appropriating this additional carry-over into the 2020-21 budget

CAPITAL PROJECTS FUND DETAIL STATEMENT

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020
(with comparative totals for June 30, 2019)

	Food Service Enterprise Fund	(SACC) School Age Child Care Enterprise Fund	Totals	
			<u>2020</u>	<u>2019</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 110,092	\$ 140,362	\$ 250,454	\$ 268,500
Accounts Receivable:				
State	1,750		1,750	388
Federal	16,358		16,358	19,963
Other	18,300	1,233	19,533	14,473
Inventories	11,106		11,106	8,762
Total Current Assets	<u>157,606</u>	<u>141,595</u>	<u>299,201</u>	<u>312,086</u>
Fixed Assets:				
Equipment	342,436		342,436	312,225
Accumulated Depreciation	(236,053)		(236,053)	(228,831)
Total Fixed Assets	<u>106,383</u>		<u>106,383</u>	<u>83,394</u>
Total Assets	<u>\$ 263,989</u>	<u>\$ 141,595</u>	<u>\$ 405,584</u>	<u>\$ 395,480</u>
LIABILITIES				
Current Liabilities:				
Interfund Payable	\$ 729	\$ 4,269	\$ 4,998	\$ 8
Accounts Payable	15,138	11,743	26,881	38,268
Unearned Revenue	24,660	5,621	30,281	12,601
Total Current Liabilities	<u>40,527</u>	<u>21,633</u>	<u>62,160</u>	<u>50,877</u>
NET POSITION				
Investment in Capital Assets net of Related Debt	106,383		106,383	83,394
Unrestricted	117,079	119,962	237,041	261,209
Total Net Position	<u>223,462</u>	<u>119,962</u>	<u>343,424</u>	<u>344,603</u>
Total Liabilities and Net Position	<u>\$ 263,989</u>	<u>\$ 141,595</u>	<u>\$ 405,584</u>	<u>\$ 395,480</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals	
			2020	2019
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 136,398	\$	\$ 136,398	\$ 219,471
Total Daily Sales-Reimbursable Programs	136,398		136,398	219,471
Daily Sales Non-reimbursable Programs	79,352		79,352	134,106
Special Functions	4,088		4,088	29,014
Service Charges	29,540	134,177	163,717	201,951
Total Operating Revenue	249,378	134,177	383,555	584,542
OPERATING EXPENSES:				
Salaries		123,594	123,594	128,643
Employee Benefits		9,357	9,357	11,798
Other Costs	38,605	37,575	76,180	106,842
Cost of Sales - Non-Program (Non-reimbursable) Meals	95,177		95,177	69,605
Purchased Services (Including Fixed Price Contract)	405,046		405,046	587,594
Depreciation	7,222		7,222	6,182
Total Operating Expenses	546,050	170,526	716,576	910,664
Operating Loss	(296,672)	(36,349)	(333,021)	(326,122)
Non-operating Revenues:				
State Sources:				
State School Lunch Program	6,684		6,684	7,113
Federal Sources:				
National School Breakfast Program	88,599		88,599	84,695
National School Lunch Program	202,705		202,705	247,389
Food Distribution Program	32,972		32,972	45,921
Interest Revenue	410	472	882	972
Total Non-operating Revenues	331,370	472	331,842	386,090
Net Income Before Operating Transfers	34,698	(35,877)	(1,179)	59,968
Net Income After Operating Transfers	34,698	(35,877)	(1,179)	59,968
Total Net Position-Beginning	188,764	155,839	344,603	284,635
Total Net Position-Ending	\$ 223,462	\$ 119,962	\$ 343,424	\$ 344,603

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)

	School Age		Totals	
	Food Service Enterprise Fund	Child Care Enterprise Fund	2020	2019
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 249,378	\$ 134,177	\$ 383,555	\$ 584,542
Payments to Employees		(123,594)	(123,594)	(128,643)
Payments for Employee Benefits		(9,357)	(9,357)	(11,798)
Payments to Suppliers	(529,685)	(7,624)	(537,309)	(742,226)
Net Cash Used by Operating Activities	(280,307)	(6,398)	(286,705)	(298,125)
Cash Flows from Non-capital Financing Activities:				
Cash Received From General Fund				
Cash Received from State and Federal Reimbursements	297,988		297,988	33,917
Total Cash Provided by Non-Capital Financing Activities	297,988		297,988	33,917
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(30,211)		(30,211)	
Net Increase Before Investing Activities	(12,530)		(18,928)	41,072
Cash Flows from Investing Activities:				
Interest on Investments	410	472	882	972
Net Cash Provided by Investing Activities	410	472	882	972
Net Increase/(Decrease) in Cash and Cash Equivalents	(12,120)	(5,926)	(18,046)	42,044
Cash and Cash Equivalents, July 1	122,212	146,288	268,500	226,456
Cash and Cash Equivalents, June 30	\$ 110,092	\$ 140,362	\$ 250,454	\$ 268,500
Operating Income (Loss)	\$ (296,672)	\$ (36,349)	\$ (333,021)	\$ (326,122)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	7,222		7,222	6,182
Federal Commodities	32,972		32,972	45,921
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(11,667)	8,850	(2,817)	(1,684)
(Increase)/Decrease in Inventory	(2,344)		(2,344)	1,188
(Increase)/Decrease in Interfund Receivable				952
Increase/(Decrease) in Interfund Payable	729	4,261	4,990	(59,294)
Increase/(Decrease) in Accounts Payable	(22,987)	11,600	(11,387)	35,679
Increase/(Decrease) in Unearned Revenue	12,440	5,240	17,680	(947)
Net Cash Provided by Investing Activities	16,365	29,951	46,316	27,997
Net Cash Used by Operating Activities	\$ (280,307)	\$ (6,398)	\$ (286,705)	\$ (298,125)

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020
(with comparative totals for June 30, 2019)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Transportation Maintenance Services	Custodial Services Community Service Fund	Totals	
								2020	2019
ASSETS									
Cash	\$ 187,054	\$ 130	\$ 42,011	\$ 101,701	\$ 607,729	\$ 25,224	\$ 79,127	\$ 1,042,976	\$ 521,464
Accounts Receivable:									
Intergovernmental			113	0	55,747			55,860	176,631
Other		1,812						1,812	1,208
Total Assets	\$ 187,054	\$ 1,942	\$ 42,124	\$ 101,701	\$ 663,476	\$ 25,224	\$ 79,127	\$ 1,100,648	\$ 699,303
LIABILITIES AND RESERVES									
Liabilities:									
Accounts Payable	\$	\$	\$	\$	\$ 2,456	\$	\$	\$ 2,456	\$ 605
Interfunds Payable		1,208						1,208	11,528
Unearned Revenue	186,999	734	42,124	101,701	660,970	25,224	79,127	1,096,879	687,170
	186,999	1,942	42,124	101,701	663,426	25,224	79,127	1,100,543	699,303
Reserves:									
Reserve for Encumbrances	55				50			105	
Total Liabilities and Reserves	\$ 187,054	\$ 1,942	\$ 42,124	\$ 101,701	\$ 663,476	\$ 25,224	\$ 79,127	\$ 1,100,648	\$ 699,303

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)**

	Business Services Internal Service Fund	Internet Access Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Transportation Maintenance Services	Custodial Services Internal Service Fund	Totals	
								2020	2019
REVENUE:									
Service Charges	\$ 159,896	\$ 7,250	\$ 70,224	\$	\$ 562,967	\$ 25,224	\$ 31,091	\$ 856,652	\$ 858,696
Total	<u>159,896</u>	<u>7,250</u>	<u>70,224</u>		<u>562,967</u>	<u>25,224</u>	<u>31,091</u>	<u>856,652</u>	<u>858,696</u>
EXPENDITURES:									
Salaries	74,595		28,100		287,493			390,188	593,514
Employee Benefits	4,616							4,616	73,737
Purchased Professional/Technical Services		6,516						6,516	7,420
Other Purchased Services					4,064			4,064	10,687
Cleaning, Repair and Maintenance							15,278	15,278	
Supplies and Materials	845				13,293			14,138	17,056
Miscellaneous Other Costs	616							616	30,454
Total Expenditures	<u>80,672</u>	<u>6,516</u>	<u>28,100</u>		<u>304,850</u>		<u>15,278</u>	<u>435,416</u>	<u>732,868</u>
Excess of Revenue over Expenditures	79,224	734	42,124		258,117	25,224	15,813	421,236	125,828
Non-operating Revenues:									
Transfer to Unearned Revenue	(79,169)	(734)	(42,124)		(258,067)	(25,224)	(15,813)	(421,131)	(133,546)
Reserve for Encumbrance-Beginning									7,718
Reserve for Encumbrance-Ending	\$ 55	\$	\$	\$	\$ 50	\$	\$	\$ 105	\$

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(with comparative totals for June 30, 2019)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Transportation Maintenance Services	Custodial Services Internal Service Fund	Totals	
								2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from customers and other funds	\$ 239,120	\$ 7,250	\$ 122,555	\$ -	\$ 920,121	\$ 50,448	\$ 46,904	\$ 1,386,398	\$ 858,696
Payments to employees	(74,681)		(38,420)		(287,493)			(400,594)	(483,343)
Payments for employee benefits	(4,616)							(4,616)	(3,804)
Payments to suppliers	(1,461)	(6,386)			(15,420)		(15,278)	(38,545)	(178,023)
Net cash provided by (used for) operating activities	158,362	864	84,135		617,208	50,448	31,626	942,643	193,526
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
State sources									
Federal sources									
Operating subsidies and transfers to other funds	(79,169)	(734)	(42,124)		(258,067)	(25,224)	(15,813)	(421,131)	(133,546)
Net cash provided by (used for) non-capital financing activities	(79,169)	(734)	(42,124)		(258,067)	(25,224)	(15,813)	(421,131)	(133,546)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Change in capital contributions									
Purchases of capital assets									
Gain/Loss on sale of fixed assets (proceeds)									
Net cash provided by (used for) capital and related financing activities									
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends									
Proceeds from sale/maturities of investments									
Net cash provided by (used for) investing activities									
Net increase (decrease) in cash and cash equivalents	79,193	130	42,011		359,141	25,224	15,813	521,512	59,980
Balances—beginning of year	107,861			101,701	248,588		63,314	521,464	461,484
Balances—end of year	\$ 187,054	\$ 130	\$ 42,011	\$ 101,701	\$ 607,729	\$ 25,224	\$ 79,127	\$ 1,042,976	\$ 521,464
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 79,224	\$ 734	\$ 42,124	\$ -	\$ 258,117	\$ 25,224	\$ 15,813	\$ 421,236	\$ 125,828
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities									
Depreciation and net amortization									
(Increase) decrease in Accounts Receivable, net		(604)	10,207	11,528	99,036			120,167	(67,077)
(Increase) decrease in Interfund Receivable									40,073
(Increase) decrease in Inventory									
Increase (decrease) in Interfund Payable			(10,320)					(10,320)	8,625
Increase (decrease) in Accounts Payable	(86)				1,937			1,851	435
Increase (decrease) in Unearned Revenue	79,224	734	42,124	(11,528)	258,118	25,224	15,813	409,709	85,642
Increase (decrease) in Other Current Liabilities									
Total adjustments	79,138	130	42,011		359,091	25,224	15,813	521,407	67,698
Net cash provided by (used for) operating activities	\$ 158,362	\$ 864	\$ 84,135	\$ -	\$ 617,208	\$ 50,448	\$ 31,626	\$ 942,643	\$ 193,526

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.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020
 (with comparative totals for June 30, 2019)

	Non- Expendable Trust Scholarship	Unemployment Trust Fund	Agency Student Activity	Payroll	Totals	
					2020	2019
ASSETS:						
Cash and Cash Equivalents	\$ 102,141	\$	\$ 210,600	\$ 23,798	\$ 336,539	\$ 276,719
Due from Payroll Agency		21,243			21,243	
Due from General Fund						479
Total Assets	\$ 102,141	\$ 21,243	\$ 210,600	\$ 23,798	\$ 357,782	\$ 277,198
LIABILITIES, RESERVES AND NET POSITION:						
Liabilities:						
Accounts Payable	\$	\$ 21,243	\$	\$	\$ 21,243	\$ 1,150
Due to Student Groups			210,600		210,600	155,726
Due to Unemployment Trust Fund				21,243	21,243	
Payroll Deductions and Withholdings						16,384
Flexible Spending				2,555	2,555	10,091
Total Liabilities		21,243	210,600	23,798	255,641	183,351
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	102,141				102,141	93,847
Total Net Position	102,141				102,141	93,847
Total Liabilities, Reserves and Net Position	\$ 102,141	\$	\$ 210,600	\$ 23,798	\$ 357,782	\$ 277,198

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
UNEMPLOYMENT TRUST FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:		
Local Sources:		
Contributions	\$ 130,390	\$
Interest on Investments		
Total Operating Revenues	<u>130,390</u>	<u></u>
OPERATING EXPENSES:		
Expenditures	<u>130,390</u>	<u></u>
Total Operating Expenses	<u>130,390</u>	<u></u>
Operating Income (Loss)	<u>-</u>	<u></u>
Net Income (Loss)	-	-
Net Position, July 1	<u></u>	<u></u>
Net Position, June 30	<u>\$ -</u>	<u>\$</u>

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
PERMANENT SCHOLLARSHIP FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:		
Local Sources:		
Contributions	\$ 8,000	\$ 2,000
Interest on Investments	294	284
Total Operating Revenues	<u>8,294</u>	<u>2,284</u>
OPERATING EXPENSES:		
Scholarship Expenditures		2,300
Total Operating Expenses		<u>2,300</u>
Operating Income (Loss)	<u>8,294</u>	<u>(16)</u>
Net Income (Loss)	8,294	(16)
Net Position, July 1	93,847	93,863
Net Position, June 30	<u>\$ 102,141</u>	<u>\$ 93,847</u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2020</u>	<u>Balance</u> <u>June 30,</u> <u>2020</u>
ELEMENTARY SCHOOLS:					
Middle	\$ 23,017	\$ 52,771	\$ 37,076	\$	\$ 38,712
Norma	13,988	1,101	672		14,417
Olivet	11,349	9,279	8,506		12,122
Elmer	3,022	739	747		3,014
Total Elementary Schools	<u>51,376</u>	<u>63,890</u>	<u>47,001</u>		<u>68,265</u>
SENIOR HIGH SCHOOL:					
Arthur P. Schalick - Field Trips	11	830	830		11
Arthur P. Schalick	104,237	239,657	201,644		142,250
Total Senior High Schools	<u>104,248</u>	<u>240,487</u>	<u>202,474</u>		<u>142,261</u>
OTHER STUDENT ACTIVITIES:					
Arthur P. Schalick High School Athletic Fund	102	78,685	78,713		74
Total Other Student Activities:	<u>102</u>	<u>78,685</u>	<u>78,713</u>		<u>74</u>
Total All Schools	<u>\$ 155,726</u>	<u>\$ 383,062</u>	<u>\$ 328,188</u>	<u>\$</u>	<u>\$ 210,600</u>

PITTSBORO 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 Due from General Fund	\$ 25,996 479	\$ 6,727,675	\$ 6,729,873 479	\$ 23,798
Total Assets	<u>\$ 26,475</u>	<u>\$ 6,727,675</u>	<u>\$ 6,730,352</u>	<u>\$ 23,798</u>
LIABILITIES:				
Payroll Deductions and Withholdings Due to Unemployment Trust Fund Flexible Spending	\$ 16,384 10,091	\$ 6,686,360 21,243 20,072	\$ 6,702,744 27,608	\$ 21,243 2,555
Total Liabilities	<u>\$ 26,475</u>	<u>\$ 6,727,675</u>	<u>\$ 6,730,352</u>	<u>\$ 23,798</u>

LONG-TERM DEBT SCHEDULES

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

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Issued	Retired	Refunded	Balance June 30, 2020
			Date	Amount						
Refunding Bonds of 2009 to refund Series	5/1/09	\$ 4,850,000				\$ 1,710,000	\$	\$ 345,000	\$ 1,365,000	\$
2009 Various Capital Expenditures	12/18/09	1,856,000				1,256,000		120,000	1,136,000	
2013 Refunding Issue	3/20/13	1,805,000	3/1/21	\$ 165,000	3.00%	1,130,000		140,000		990,000
			3/1/22	170,000	3.00%					
			3/1/23	180,000	3.00%					
			3/1/24	235,000	3.00%					
			3/1/25	240,000	3.00%					
2020 Refunding Issue	4/9/20	2,580,000	1/15/21	530,000	1.383%		2,580,000			2,580,000
			1/15/22	520,000	1.383%					
			1/15/23	520,000	1.383%					
			1/15/24	500,000	1.383%					
			1/15/25	165,000	1.383%					
			1/15/26	170,000	1.383%					
			1/15/27	175,000	1.383%					
Total Regular Serial Bonds						\$ 4,096,000	\$ 2,580,000	\$ 605,000	2,501,000	\$ 3,570,000
							\$	\$ 605,000	\$	
								2,501,000	2,501,000	
							79,000			
						\$ 2,580,000	\$ 605,000	\$ 2,501,000		

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2020

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Lease - 5 Buses #40121969	2.09%	\$ 548,989	\$ 323,404	\$	\$ 78,360	\$ 245,044
Lease - Vehicles, Chromebooks and Processor	2.08%	184,000	75,883		37,551	38,332
Lease - Computers	1.45%	171,567	58,013		58,013	0
Lease - Vehicles	1.50%	581,411	354,022		116,256	237,766
Lease - HVAC/Comp Equipment	2.32%	312,509	210,717		104,152	106,565
Lease - #40121969 Refinancing	2.01%	380,412	329,256		52,183	277,073
Lease - School Buses, Chromebooks and Equipment	3.07%	431,748	340,418		81,284	259,134
Lease - School Buses, Tractor	2.61%	242,230	242,230		50,734	191,496
Lease - Computer Equipment	0.00%	77,562	77,562		33,674	43,888
Lease - Lighting & HVAC	3.30%	2,500,988		2,500,988		2,500,988
Totals			\$ 2,011,505	\$ 2,500,988	\$ 612,207	\$ 3,900,286
				\$ 2,500,988	\$ 569,504	
				2,500,988	42,703	
				\$ 2,500,988	\$ 612,207	

PITTSBORO 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>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 513,528	\$	\$ 513,528	\$ 513,528	\$
State Sources:					
Debt Service Aid Type II	240,225		240,225	240,225	
Total Revenues	<u>753,753</u>		<u>753,753</u>	<u>753,753</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	148,753		148,753	119,746	29,007
Redemption of Principal	605,000		605,000	605,000	
Total Expenditures	<u>753,753</u>		<u>753,753</u>	<u>724,746</u>	<u>29,007</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				29,007	29,007
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				29,007	29,007
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 29,007</u>	<u>\$ 29,007</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 29,007</u>	<u>\$ 29,007</u>

STATISTICAL SECTION

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 6,760,829	\$ 6,745,097	\$ 7,022,729	\$ 6,724,953	\$ 6,458,397	\$ 6,055,089	\$ 5,909,343	\$ 6,110,740	\$ 6,535,596	\$ 6,777,993
Restricted	728,346	1,194,025	712,709	524,090	572,139	1,144,205	87,502	594,136	1,161,331	1,940,873
Unrestricted (Deficit)	(1,587,578)	(1,484,352)	(1,474,560)	(1,821,546)	(9,634,484)	(9,528,281)	(9,991,251)	(9,519,115)	(9,037,244)	(8,211,935)
Total Governmental Activities Net Position	\$ 5,901,597	\$ 6,454,770	\$ 6,260,878	\$ 5,427,497	\$ (2,603,948)	\$ (2,328,987)	\$ (3,994,406)	\$ (2,814,239)	\$ (1,340,317)	\$ 506,931
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$ 20,045	\$ 35,724	\$ 37,274	\$ 51,950	\$ 78,134	\$ 93,204	\$ 89,576	\$ 83,394	\$ 106,383
Unrestricted	21,562	40,464	20,110	117,027	119,341	185,726	225,883	195,059	261,209	237,041
Total Business-Type Activities Net Position	\$ 21,562	\$ 60,509	\$ 55,834	\$ 154,301	\$ 171,291	\$ 263,860	\$ 319,087	\$ 284,635	\$ 344,603	\$ 343,424
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 6,760,829	\$ 6,765,142	\$ 7,058,453	\$ 6,762,227	\$ 6,510,347	\$ 6,133,223	\$ 6,002,547	\$ 6,200,316	\$ 6,618,990	\$ 6,884,376
Restricted	728,346	1,194,025	712,709	524,090	572,139	1,144,205	87,502	594,136	1,161,331	1,940,873
Unrestricted (Deficit)	(1,566,016)	(1,443,888)	(1,454,450)	(1,704,519)	(9,515,143)	(9,342,555)	(9,765,368)	(9,324,056)	(8,776,035)	(7,974,894)
Total District-Wide Net Position	\$ 5,923,159	\$ 6,515,279	\$ 6,316,712	\$ 5,581,798	\$ (2,432,657)	\$ (2,065,127)	\$ (3,675,319)	\$ (2,529,604)	\$ (995,714)	\$ 850,355

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2015	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,615,098	7,794,480	7,949,881	8,103,294	7,423,548	7,757,360	8,146,308	8,970,612	9,150,893	9,142,487
Special Education	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974	2,584,426
Other Special Instruction	265,475	398,908	265,282	422,846	364,830	468,101	423,650	192,246	145,909	59,557
Other Instruction	335,613	375,583	378,190	385,895	421,645	447,970	441,349	454,021	433,252	467,336
Support Services										
Tuition	604,526	515,590	507,683	663,762	898,077	539,178	1,171,860	1,287,032	1,359,636	1,419,360
Student and Instruction Related Services	3,025,587	2,966,962	3,135,539	3,214,303	3,473,691	3,735,765	3,733,780	3,935,796	4,385,920	4,299,615
School Administrative Services	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235	1,059,568	1,033,114	967,347	981,678	918,313
General Administrative Services	2,229,581	2,301,980	1,766,822	718,866	675,681	670,721	796,980	767,338	678,969	268,147
Central Services and Information Tech.	706,497	877,653	1,019,483	1,000,428	908,061	863,409	805,406	727,278	680,717	704,847
Plant Operations and Maintenance	2,526,263	2,556,330	2,439,996	2,612,458	2,634,144	2,918,010	2,550,312	2,513,883	4,278,576	2,927,399
Pupil Transportation	1,445,650	1,612,043	1,947,403	1,841,265	1,906,356	1,853,814	1,752,147	1,840,888	1,349,898	2,125,911
Employee Benefits	5,912,097	6,287,693	6,666,212	7,155,865	9,882,865	11,172,400	14,928,283	15,361,649	12,786,485	10,932,326
Business and Other Support Services	128,856	394,902	58,088	83,854	43,180	168,336				
Special Schools	101,308	93,866	91,592	96,324	30,078	43,448				
Amortization of Debt Issue Costs	6,509	6,510	45,000							
Interest on Long-Term Debt	396,553	347,045	324,953	356,493	291,621	294,624	357,371	269,958	199,185	179,928
Unallocated Depreciation and Amortization	1,191,857	1,214,157	1,249,822	1,306,380	1,212,606	1,265,533	1,334,672	1,205,035	1,257,949	1,176,646
Total Governmental Activities Expenses	29,603,052	30,873,126	31,076,462	31,311,577	33,645,290	35,751,782	39,696,957	40,951,997	40,322,041	37,206,298
Business-Type Activities										
Food Service	773,902	779,706	735,073	686,032	712,623	708,765	707,242	812,936	750,492	513,078
Child Care	145,651	145,301	155,308	114,019	128,494	112,359	143,441	205,795	160,172	170,526
Total Business-Type Activities Expense	919,553	925,007	890,381	800,051	841,117	821,124	850,683	1,018,731	910,664	683,604
Total District Expenses	\$ 30,522,605	31,798,133	31,966,843	32,111,628	34,486,407	36,572,906	40,547,640	41,970,728	41,232,705	37,889,902
Program Revenues										
Governmental Activities										
Charges for Services	\$ 2,191,212	2,588,390	2,063,004	1,007,820	678,792	1,179,866	984,666	727,453	858,696	435,521
Operating Grants and Contributions	2,528,490	2,817,784	3,237,389	2,984,638	5,800,175	7,248,410	6,301,656	5,768,282	6,395,838	4,152,413
Total Governmental Activities Prog. Revenues	4,719,702	5,406,174	5,300,393	3,992,458	6,478,967	8,428,276	7,286,322	6,495,735	7,254,534	4,587,934
Business-Type Activities										
Charges for Services										
Food Service	409,787	425,683	384,801	388,776	374,179	374,027	367,768	355,061	382,591	249,378
Child Care	159,006	150,346	134,954	144,876	128,520	141,166	157,319	224,786	201,951	134,177
Operating Grants and Contributions	320,949	327,310	329,207	364,674	354,947	397,929	380,050	403,539	385,118	297,988
Total Business-Type Activities Prog. Revenues	889,742	903,339	848,962	898,326	857,646	913,122	905,137	983,386	969,660	681,543
Total District Program Revenues	\$ 5,609,444	6,309,513	6,149,355	4,890,784	7,336,613	9,341,398	8,191,459	7,479,121	8,224,194	5,269,477
Net (Expense)/Revenue										
Governmental Activities	\$ (24,883,350)	(25,466,952)	(25,776,069)	(27,319,119)	(27,166,323)	(27,323,506)	(32,410,635)	(34,456,262)	(33,067,507)	(32,618,364)
Business-Type Activities	(29,811)	(21,668)	(41,419)	98,275	16,529	91,998	54,454	(35,345)	58,996	(2,061)
Total District-Wide Net Expense	\$ (24,913,161)	(25,488,620)	(25,817,488)	(27,220,844)	(27,149,794)	(27,231,508)	(32,356,181)	(34,491,607)	(33,008,511)	(32,620,425)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Prop. Taxes Levied for General Purposes, net	\$ 8,483,060	8,483,060	8,826,602	9,003,134	9,296,979	9,766,792	10,033,892	12,277,712	12,585,542	12,956,017
Taxes Levied for Debt Service	583,860	573,888	606,352	542,035	503,085	502,391	5,925,937	518,217	518,597	513,528
Unrestricted Grants and Contributions	13,956,827	13,752,737	13,216,567	13,772,056	13,842,223	14,002,177	11,615,909	22,401,849	20,546,100	21,068,966
Tuition Received	2,766,329	3,040,004	3,034,238	3,168,286	3,150,646	3,165,348	3,117,914	32,303	134,877	139,514
Investment Earnings	17,399	11,597	6,772	6,478	7,005	7,698	8,716	10,747	20,362	15,102
Miscellaneous Income	220,085	260,398	256,373	122,358	406,903	180,709	69,463	402,994	755,558	158,388
Gain on Defeasement of Debt		6,568								
Cancellation of Accounts Receivable/Payable		(6,341)	(61,129)	(65,507)						
Transfer to Charter School		(41,906)	(183,845)	(54,085)						
Transfers	(11,000)	(59,880)	(36,557)	(9,017)	(27,478)	(26,648)	(26,615)	(7,393)	(19,607)	(385,903)
Total Governmental Activities	26,016,560	26,020,125	25,665,373	26,485,738	27,179,363	27,598,467	30,745,216	35,636,429	34,541,429	34,465,612
Business-Type Activities										
Investment Earnings	604	735	187	192	461	571	773	893	972	882
Transfer	11,000	59,880	36,557							
Total Business-Type Activities	11,604	60,615	36,744	192	461	571	773	893	972	882
Total District-Wide	\$ 26,028,164	26,080,740	25,702,117	26,485,930	27,179,824	27,599,038	30,745,989	35,637,322	34,542,401	34,466,494
Change in Net Position										
Governmental Activities	\$ 1,133,210	553,173	(110,696)	(833,381)	13,040	274,961	(1,665,419)	1,180,167	1,473,922	1,847,248
Business-Type Activities	(18,207)	38,947	(4,675)	98,467	16,990	92,569	55,227	(34,452)	59,968	(1,179)
Total District-Wide	\$ 1,115,003	592,120	(115,371)	(734,914)	30,030	367,530	(1,610,192)	1,145,715	1,533,890	1,846,069

Source: CAFR Schedule A-2

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved	\$ 244,210	\$ 607,456	\$ 562,392	\$	\$	\$	\$	\$	\$	\$
Capital Reserve				2,721	2,731	2,741	2,751	2,761	2,771	202,781
Maintenance Reserve								400,000	550,000	850,010
Excess Surplus								97,512	514,713	756,934
Assigned:										
Year-end Encumbrances				155,349	67,770	652,943	36,765	490,444	137,892	447,760
Subsequent Year's Expenditures				200,000	338,000	338,000		225,000	753,921	831,466
Unassigned (Deficit)	(806,569)	(700,726)	(778,052)	(810,199)	(855,638)	(685,522)	(614,089)	(701,755)	(697,576)	(730,440)
Total General Fund	\$ (562,359)	\$ (93,270)	\$ (215,660)	\$ (452,129)	\$ (447,137)	\$ 308,162	\$ (574,573)	\$ 513,962	\$ 1,261,721	\$ 2,358,511
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assigned to Permanent Fund	82,199	91,252	90,980	93,288	91,322	91,602	91,681	93,862	93,847	102,141
Unreserved, Reported in:										
Special Revenue Fund (Deficit)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(156,999)	(195,494)	(198,933)
Capital Projects Fund	385,035	395,953	66,265	66,265	65,849	65,849				
Debt Service Fund	23,832	2	2	13,397	13,397					29,007
Total All Other Governmental Funds	\$ 484,136	\$ 480,277	\$ 150,317	\$ 166,020	\$ 163,638	\$ 150,521	\$ 84,751	\$ (63,137)	\$ (101,647)	\$ (67,785)

Source: CAFR Schedule B-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 9,066,920	\$ 9,056,948	\$ 9,432,954	\$ 9,545,169	\$ 9,800,064	\$ 10,269,183	\$ 10,551,054	\$ 12,795,929	\$ 13,104,139	\$ 13,469,545
Tuition Charges	2,766,329	3,030,411	3,034,238	3,168,286	3,126,181	3,133,105	3,071,329	32,303	134,877	139,514
Tuition from State of New Jersey		9,593			24,465	32,243	46,585			
Interest Earnings	17,399	11,597	6,772	6,478	7,005	7,698	8,716	10,747	20,362	15,102
Miscellaneous	220,085	260,398	356,756	174,358	226,903	199,448	69,463	402,994	137,564	158,387
State Sources	15,606,741	15,317,128	15,651,284	15,902,514	16,284,981	16,871,710	17,221,406	20,807,967	22,614,360	23,107,750
Federal Sources	878,576	1,253,393	802,672	854,180	779,501	920,554	814,961	865,380	890,455	862,317
Total Revenues	28,556,050	28,939,468	29,284,676	29,650,985	30,249,100	31,433,941	31,783,514	34,915,320	36,901,757	37,752,615
Expenditures										
Instruction										
Regular Instruction	7,659,818	7,583,063	7,900,047	8,015,101	7,778,021	7,783,812	8,064,806	8,684,505	8,695,388	9,021,168
Special Education Instruction	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672	2,493,545	2,221,725	2,458,914	2,632,974	2,584,426
Other Special Instruction	265,475	398,908	265,282	422,846	364,830	468,101	423,650	192,246	145,909	59,557
Other Instruction	335,613	375,583	378,190	385,895	421,645	447,970	441,349	454,021	433,252	467,336
Support Services										
Tuition	604,526	515,590	507,683	663,762	898,077	550,426	1,171,860	1,287,032	1,359,636	1,419,360
Student and Instruction Related Services	2,809,023	2,889,590	3,013,574	3,105,515	3,290,208	3,448,661	3,341,676	3,907,244	4,385,920	4,299,615
School Administrative Services	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235	1,058,494	1,033,114	967,347	977,976	913,491
General Administrative Services	559,092	525,446	541,473	655,238	661,002	667,221	633,248	601,472	574,712	519,972
Central Services and Information Tech	693,832	770,183	754,783	724,659	699,196	712,756	643,509	677,155	698,977	700,414
Plant Operations and Maintenance	2,508,084	2,580,069	2,709,377	2,589,199	2,576,302	2,633,953	2,614,841	2,510,690	3,015,690	2,937,512
Pupil Transportation	1,262,832	1,528,691	1,741,610	1,572,887	1,545,518	1,586,525	1,802,630	2,125,561	2,262,565	2,097,811
Unallocated Employee Benefits	5,938,758	6,267,598	6,658,694	7,123,962	7,318,839	7,655,912	9,032,401	8,903,900	9,723,155	10,083,029
Special Schools	101,308	93,866	91,592	96,324	30,078	43,448				
Capital Outlay	3,291,389	1,929,261	907,015	312,914	375,761	1,265,405	1,575,280	720,232	1,250,360	2,908,611
Debt Service										
Principal	536,923	579,021	611,278	578,648	530,000	550,000	560,000	580,000	595,000	605,000
Interest and Other Charges	362,114	339,215	319,631	266,240	250,628	235,428	218,028	196,628	172,928	119,746
Total Expenditures	30,040,369	29,505,508	29,630,745	29,862,734	30,219,012	31,601,657	33,778,117	34,266,947	36,924,442	38,737,048
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,484,319)	(566,040)	(346,069)	(211,749)	30,088	(167,716)	(1,994,603)	648,373	(22,685)	(984,433)
Other Financing Sources (Uses)										
Transfer to Charter School		(41,906)	(183,845)	(9,017)	(27,478)	(26,648)	(26,615)	(20,234)	(19,607)	(385,903)
Capital Lease (Non-budgeted)		1,133,056	114,121			936,546	1,191,515	312,509	751,540	2,500,988
Cancellation of State Aid							(118,802)			
Bond Proceeds										
Transfers	(11,000)	(59,880)	(36,557)							
Total Other Financing Sources (Uses)	(11,000)	1,031,270	(106,281)	(9,017)	(27,478)	909,898	1,046,098	292,275	731,933	2,115,085
Net Change in Fund Balances	\$ (1,495,319)	\$ 465,230	\$ (452,350)	\$ (220,766)	\$ 2,610	\$ 742,182	\$ (948,505)	\$ 940,648	\$ 709,248	\$ 1,130,652
Debt Service as a Percentage of										
Noncapital Expenditures	3.4%	3.3%	3.2%	2.9%	2.6%	2.6%	2.4%	2.3%	2.2%	2.0%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals and Use of Facilities	Prior Year Tuition	Services to Other LEAs	Refund of Prior Year Expenditure	Insurance Refunds and Settlement	Athletic Receipts	Energy Admin Fee	Sale of Paper	Misc.	Total
2020	\$ 14,798	\$ 139,514	\$ 640	\$ -		\$ 1,101					\$ 101,804	\$ 257,857
2019	20,078	134,877		11,175		7,061					42,871	216,062
2018	10,465	32,303	4,800	96,426		25,922		11,442	36,981		192,861	411,200
2017	8,338	3,117,914	2,582					13,662	22,457		(6,334)	3,158,619
2016	7,307	3,165,348	185	23,911	3,260	45,349	17,175	15,482	45,402		41,682	3,365,101
2015	6,611	3,150,646	2,480			3,858	512	15,373	37,266	52,000	100,173	3,368,919
2014	6,044	3,168,286	1,260			29,604	11,118	19,137	43,614	52,000	11,995	3,343,058
2013	6,375	3,034,238	2,200	27,200	109,713	2,099	237	13,901	83,173	100,383	15,839	3,395,358
2012	9,998	3,040,004	5,992	21,530	107,562	24,269	982	12,776	47,735		1,079	3,271,927
2011	10,700	2,766,329	16,288	32,977	73,900	7,926	4,341	15,028	45,651		12,329	2,985,469

Source: District Records

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

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Total Assessed Value</u>	<u>Public Utilities ^a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate ^b</u>	<u>Estimated Actual (County Equalized Value)</u>
2020	\$ 11,506,100	\$ 482,461,800	\$ 50,794,800	\$ 5,501,900	\$ 50,429,700	\$ 600,694,300	\$ 986,476	\$ 601,680,776	1.956	\$ 653,070,559
2019	11,905,800	484,002,000	49,197,000	5,489,800	50,214,700	600,809,300	966,771	601,776,071	1.901	659,093,028
2018	12,104,200	484,417,300	48,828,100	5,482,700	48,482,700	599,315,000	957,416	600,272,416	1.855	655,060,662
2017	13,205,100	482,659,900	49,940,700	5,479,400	49,282,900	600,568,000	968,977	601,536,977	1.792	636,397,160
2016	13,990,600	482,332,700	50,481,500	5,480,300	51,421,900	603,707,000	1,016,133	604,723,133	1.722	634,410,178
2015	14,561,600	481,563,100	50,877,100	5,521,200	51,929,100	604,452,100	1,084,474	605,536,574	1.657	641,500,415
2014	14,454,600	481,609,800	51,345,600	5,533,100	52,552,800	605,495,900	1,063,370	606,559,270	1.595	632,887,385
2013	15,019,300	481,690,300	51,248,500	5,357,000	52,672,700	605,987,800	1,432,898	607,420,698	1.563	640,468,893
2012	15,634,200	479,213,600	52,128,600	5,404,900	52,936,800	605,318,100	1,488,950	606,807,050	1.524	656,677,416
2011	15,819,000	479,494,800	52,294,400	5,540,200	52,603,300	605,751,700	1,527,972	607,279,672	1.492	674,374,498

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Year Ended June 30,	Pittsgrove Township Board of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Pittsgrove Township	Salem County	Municipal Open Space	Total
2020	\$ 1.881	\$ 0.075	\$ 1.956	\$ 0.339	\$ 1.329	\$ 0.010	\$ 3.634
2019	1.826	0.075	1.901	0.339	1.323	0.010	3.573
2018	1.780	0.075	1.855	0.329	1.299	0.010	3.493
2017	1.704	0.088	1.792	0.319	1.235	0.010	3.356
2016	1.638	0.084	1.722	0.309	1.14	0.010	3.181
2015	1.572	0.085	1.657	0.299	1.06	0.010	3.026
2015	1.505	0.090	1.595	0.281	1.012	0.010	2.898
2013	1.463	0.100	1.563	0.280	1.019	0.010	2.872
2012	1.427	0.097	1.524	0.261	1.019	0.015	2.819
2011	1.396	0.096	1.492	0.216	0.994	0.030	2.732

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

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

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Harding Woods MHC, LLC	\$ 5,742,000	1	0.95%	\$ 5,742,000	1	0.96%
B I Fulco Brothers	4,533,100	2	0.75%	2,540,300	4	0.42%
LJK Golf, LLC	4,118,400	3	0.68%	4,548,200	2	0.76%
Rainbow of NJ	2,722,400	4	0.45%	2,719,000	3	0.45%
Taxpayer #1	2,152,800	5	0.36%	2,306,700	5	0.39%
Holly Tree Acres MHC, LLC	2,067,100	6	0.34%			
Picnic Grove MHC, LLC	1,790,000	7	0.30%			
899 Landis, LLC	1,735,300	8	0.29%			
T & T Management, LLC	1,730,800	9	0.29%			
Centeron Real Estate Holdings, LLC	1,700,000	10	0.28%			
Nancy-Lee Inc				5,742,000	1	0.96%
Windover LLC				2,015,200	6	0.34%
Shree Yogi LLC				1,926,900	7	0.32%
Taxpayer #2				1,802,800	8	0.30%
Par 3 Management LLC				1,790,000	9	0.30%
Taxpayer #3				1,664,700	10	0.28%
Total	\$ 28,291,900		4.70%	\$ 27,055,800		4.52%

Source: Municipal Tax Assessor

PITTSGROVE 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	\$ 12,956,017	\$ 12,956,017	100.00%	\$
2019	12,585,542	12,585,542	100.00%	
2018	12,277,712	12,277,712	100.00%	
2017	10,033,892	10,033,892	100.00%	
2016	9,766,792	9,766,792	100.00%	
2015	9,296,979	9,296,979	100.00%	
2014	9,545,169	9,545,169	100.00%	
2013	9,545,169	9,545,169	100.00%	
2012	9,056,948	9,056,948	100.00%	
2011	9,066,921	9,066,921	100.00%	

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

Note:

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ^u	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income		Per Capita ^a	
2020	\$ 3,570,000	\$ 3,900,286	\$	\$	\$ 7,470,286	1.80%	\$ 858 *	
2019	4,096,000	2,011,505			6,107,505	1.45%	692	
2017	4,691,000	2,174,270			6,865,270	1.69%	778	
2016	5,271,000	2,672,443			7,943,443	2.05%	896	
2015	5,831,000	2,187,517			8,018,517	2.06%	901	
2014	6,381,000	1,846,717			8,227,717	2.12%	915	
2013	6,911,000	2,456,640			9,367,640	2.41%	1,032	
2012	7,489,648	1,846,717			9,336,365	2.41%	1,022	
2011	8,024,925	2,806,909			10,831,834	2.81%	1,179	

* Estimate

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2020	\$ 3,570,000	\$	\$ 3,570,000	0.56%	\$ 410 *
2019	4,096,000		4,096,000	0.64%	463
2018	4,691,000		4,691,000	0.74%	530
2017	5,271,000		5,271,000	0.83%	594
2016	5,831,000		5,831,000	0.91%	655
2015	5,831,000		5,831,000	0.91%	647
2014	6,911,000		6,911,000	1.09%	761
2013	7,489,648		7,489,648	1.17%	820
2012	8,024,925		8,024,925	1.22%	869
2011	8,603,946		8,603,946	1.28%	924

* Estimate

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

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

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

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

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pittsgrove Township	\$ 715,275	100%	\$ 715,275
Other debt			
County of Salem - Township's Share	38,650,075	13.1%	5,071,271
Subtotal, Overlapping Debt			5,786,546
Pittsgrove Township School District Direct Debt			3,570,000
Total Direct and Overlapping Debt			<u>\$ 9,356,546</u>

Sources: Pittsgrove Township Finance Officer and Salem County Finance Office

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis	
2019	\$ 653,195,586
2018	\$ 653,703,098
2017	656,430,211
[A]	\$ 1,963,328,895
<hr/>	
Average Equalized Valuation of Taxable Property	[A/3] \$ 654,442,965
<hr/>	
Debt Limit (4% of Average Equalization Value)	[B] \$ 26,177,719
Net Bonded School Debt	[C] 3,570,000
<hr/>	
Legal Debt Margin	[B-C] \$ 22,607,719
<hr/>	

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 27,866,713	\$ 27,011,045	\$ 26,157,926	\$ 25,656,112	\$ 25,469,285	\$ 25,388,673	\$ 25,487,770	\$ 25,711,461	25,998,090	\$ 26,177,719
Total Net Debt Applicable to Limit	8,603,946	8,024,925	7,489,648	6,911,000	6,381,000	5,831,000	5,271,000	4,691,000	4,096,000	3,570,000
Legal Debt Margin	<u>\$ 19,262,767</u>	<u>\$ 18,986,120</u>	<u>\$ 18,668,278</u>	<u>\$ 18,745,112</u>	<u>\$ 19,088,285</u>	<u>\$ 19,557,673</u>	<u>\$ 20,216,770</u>	<u>\$ 21,020,461</u>	<u>21,902,090</u>	<u>\$ 22,607,719</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.88%	29.71%	28.63%	26.94%	25.05%	22.97%	20.68%	18.24%	15.76%	13.64%

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

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

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

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> <u>(thousands</u> <u>of dollars)</u> ^b	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ^c	<u>Unemployment</u> <u>Rate</u> ^d
2020	** 8,711	\$ 413,963,366	\$ 47,522	** 3.9%
2019	8,799	420,540,264	47,474	4.1%
2018	8,851	406,698,468	47,427	5.0%
2017	8,873	387,507,821	47,191	5.3%
2016	8,909	389,001,486	45,530	5.8%
2015	9,009	389,040,390	44,989	6.5%
2014	9,076	387,394,187	43,086	8.2%
2013	9,136	385,700,448	42,026	9.9%
2012	9,239	385,667,100	41,651	11.1%
2011	9,312	384,352,334	41,860	8.7%

Source:

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

^b Personal income

^c Per Capita

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

** Estimate

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

<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%		Not Available
McLane NJ	401	1.47%		
RE Pierson Construction	400	1.47%		
Inspira Health Network	400	1.47%		
Ardagh Group (Anchor Glass)	376	1.38%		
Larchmont Farms	275	1.01%		
Walmart	250	0.92%		
Salem County Community College	180	0.66%		
B & B Poultry Co., Inc.	175	0.64%		
Atlantis Rehabilitation	170	0.63%		
Southgate Healthcare Center	170	0.63%		
Home Care & Hospice Care of SJ	160	0.59%		
Ross Fogg Fuel Oil, Inc.	160	0.59%		
CFJ Properties	150	0.55%		

Source: Salem County Economic Resource Guide

* Salem County

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	145.50	128.00	129.00	129.00	130.00	103.50	112.80	108.50	112.00	111.00
Special education	13.50	25.10	26.00	26.00	33.80	32.00	27.40	34.50	26.00	26.00
Support Services:										
Student & instruction related services	33.20	38.50	38.50	38.50	31.00	36.00	32.60	35.50	38.00	38.00
General administrative services	9.00	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00
School administrative services	14.00	14.00	14.00	14.00	11.00	14.00	16.70	15.00	13.00	13.00
Central services	5.50	5.50	5.50	5.00	5.00	4.00	4.00	4.50	4.50	4.50
Administrative information technology	1.00	4.50	4.50	4.50	2.50	2.50	2.30	2.50	3.00	3.00
Plant operations and maintenance	19.75	19.00	19.00	12.00	8.00	9.50	8.00	9.00	5.00	5.00
Pupil transportation	13.00	24.00	24.00	29.00	29.00	33.50	40.90	41.00	43.00	43.00
Total	261.60	254.45	261.10	263.00	260.50	252.80	238.00	253.50	247.50	246.50

Source: District Personnel Records

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

Fiscal	Enrollment	Operating Expenditures ⁽¹⁾	Cost Per Pupil	Percentage Change	Teaching Staff ⁽²⁾	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ⁽³⁾	Average Daily Attendance (ADA) ⁽³⁾	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2020	1,664	\$ 35,857,444	\$ 21,549	12.09%	138	1:12	1:13	1:13	1:12	1,664	1,621	-4.31%	97.42%
2019	1,755	35,674,082	20,327	5.74%	138	1:12	1:13	1:13	1:11	1,755	1,682	-4.31%	95.84%
2018	1,745	33,546,715	19,224	0.59%	142.5	1:14	1:13	1:12	1:11	1,739	1,680	2.47%	96.61%
2017	1,685	32,202,837	19,111	13.58%	140.20	1 : 18.0	1 : 13.0	1 : 11.0	1 : 13.0	1,697	1,642	-0.93%	96.76%
2016	1,803	30,336,252	16,825	1.54%	135.50	1 : 17.0	1 : 13.0	1 : 11.0	1 : 13.0	1,713	1,654	2.70%	96.56%
2015	1,801	29,843,251	16,570	1.05%	155.00	1 : 14.0	1 : 13.0	1 : 13.0	01:12.0	1,668	1,609	-4.30%	96.46%
2014	1,802	29,549,820	16,398	2.82%	155.00	1 : 14.0	1 : 13.0	1 : 8.0	1 : 7.0	1,743	1,678	1.36%	96.27%
2013	1,801	28,723,730	15,949	4.97%	155.00	1 : 14.8	1 : 16.6	1 : 11.4	1 : 11.7	1,720	1,646	-1.29%	95.69%
2012	1,815	27,576,247	15,194	7.41%	26.00	1 : 15.4	1 : 15.2	1 : 12.4	1 : 11.3	1,742	1,665	-5.12%	95.58%
2011	1,891	26,748,980	14,145	-0.85%	150.80	1 : 14.5	1 : 11.2	1 : 10.7	1 : 10.4	1,836	1,753	2.91%	95.48%

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

Note: Enrollment based on annual October district count.

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

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

	<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 Building										
Elementary										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	119.0	108.0	120.0	169.5	167.9	155.4	178.5	174.4	155.2	173.9
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	362.3	350.6	457.6	347.9	340.3	342.0	362.8	367.8	384.6	406.0
Elmer School										
Square Feet	1,921	1,921	1,921	19,281	19,281	19,281	19,281	19,281	19,281	19,281
Capacity (students)	158	158	158	158	158	158	158	158	158	158
Enrollment	218.3	224.6	235.3	217.6	226.3	219.4	199.7	209.2	243.1	240.1
Middle School										
Pittsgrove Middle School (1912, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	471.0	501.8	387.7	399.9	399.1	405.7	441.8	455.5	433.0	430.7
High School										
Arthur P. Schallick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	492.8	530.6	538.1	562.1	579.8	545.4	560.5	512.7	599.2	640.5
Other										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at JUNE 30, 2018										
Preschool & Kindergarten = 1										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

PITTSGROVE 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>
A.P. Schalick High School	112,000	\$ 236,275	\$ 272,546	\$ 80,408	\$ 46,781	\$ 13,610	\$ 19,115	\$ 13,740	\$ 21,923	\$ 38,062	\$ 16,324
Pittsgrove Middle School	88,473	532,448	373,878	88,473	19,281	6,889	21,026	5,711	6,654	3,293	8,608
Olivet Elementary School	56,659	124,310	106,271	54,049	19,646	100	11,158	6,873	38,560	8,709	3,126
Elmer Elementary School	19,281	41,862	85,069	26,362	11,287	29,255	10,192	10,060	7,947	4,811	7,504
Norma Elementary School	22,110	39,931	33,753	12,682	19,369	17,085	4,871	1,952	6,059	11,931	6,213
Total School Facilities		<u>974,826</u>	<u>871,517</u>	<u>261,974</u>	<u>116,364</u>	<u>66,939</u>	<u>66,362</u>	<u>38,336</u>	<u>81,143</u>	<u>66,806</u>	<u>41,775</u>
Other Facilities	15,028	25,097	13,284	98,536	196,465	30,929	39,470	32,177	58,253	47,607	59,108
Grand Total		<u>\$ 999,923</u>	<u>\$ 884,801</u>	<u>\$ 360,510</u>	<u>\$ 312,829</u>	<u>\$ 97,868</u>	<u>\$ 105,832</u>	<u>\$ 70,513</u>	<u>\$ 139,396</u>	<u>\$ 114,413</u>	<u>\$ 100,883</u>

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

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

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

Source: District records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pittsgrove Township School District, in the County of 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 Pittsgrove Township School District's basic financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pittsgrove Township Board of Education's internal control over financial reporting (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 Pittsgrove Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove 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 Pittsgrove Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

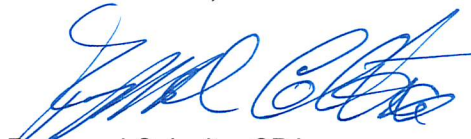
Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 30, 2020

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Pittsgrove Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pittsgrove Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program 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 Pittsgrove Township School District Board of Education's internal control over compliance.

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

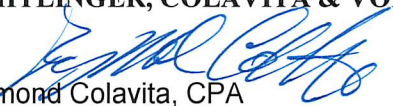
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance*** dated December 30, 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 Pittsgrove 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 30, 2020

**PITTSBORO 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)	Adj-ment	JUNE 30, 2020		Due to Grantor at June 30, 2019
						Accounts Receivable	Unearned Revenue						(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education															
General Fund															
Medical Assistance Program	93.778	2005NJ5MAP	N/A	7/1/19 - 6/30/20	\$ 17,268	\$	\$	\$ 17,268	\$ (17,268)	\$	\$ (17,268)	\$	\$	\$	\$
Total U.S. Department of Education								17,268	(17,268)		(17,268)				
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	N/A	7/1/19 - 6/30/20	36,648			36,648	(31,553)		(31,553)			5,095	
Food Distribution Program	10.565	Unknown	N/A	7/1/18- 6/30/19	44,469		1,419		(1,419)		(1,419)				
Child Nutrition Center:															
Cash Assistance:															
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19 - 6/30/20	202,705			192,683	(202,705)		(202,705)		(10,022)		
National School Lunch Program	10.555	191NJ304N1099	N/A	7/1/18- 6/30/19	247,389	(13,853)		13,853							
National School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19 - 6/30/20	88,599			82,263	(88,599)		(88,599)		(6,336)		
National School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18- 6/30/19	84,695	(6,110)		6,110							
Total U.S. Department of Agriculture						(19,963)	1,419	331,557	(324,276)		(324,276)		(16,358)	5,095	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
E.S.E.A.:															
Title I	84.010	S010A190030	ESEA-415020	7/1/19- 9/30/20	315,664			101,512	(313,226)		(313,226)		(211,714)		
Title I	84.010	S010A180030	ESEA-415019	7/1/18- 6/30/19	359,319	(147,131)		147,131							
ESEA T-II A	84.367A	S367A190029	ESEA-415020	7/1/19- 9/30/20	43,542			22,273	(51,763)		(51,763)		(29,490)		
ESEA T-II A	84.367A	S367A180029	ESEA-415019	7/1/18- 6/30/19	49,346	(18,770)		18,770							
ESEA Title IV	84.424	S424A190031	ESEA-415020	7/1/19- 9/30/20	20,111			17,838	(17,838)		(17,838)				
ESEA Title IV	84.424	S424A180031	ESEA-415019	7/1/18- 6/30/19	25,426	(6,998)		6,998							
CARES ACT 2020/ESSER	84.425D	S425D200027	CARE-415020	3/13/20-9/30/22	259,533										
Perkins Secondary	84.048	V048A190030	PERK-415020	7/1/19- 6/30/20	2,384			2,384	(2,384)		(2,384)				
Perkins Secondary Reserve	84.048	V048A190030	PERK-415020	7/1/19- 6/30/20	2,063			1,016	(1,016)		(1,016)				
IDEA Cluster:															
I.D.E.A. Part B, Basic	84.027	H027A190100	IDEA-415020	7/1/19- 9/30/20	477,763			254,337	(447,647)		(447,647)		(193,310)		
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA-415019	7/1/18- 6/30/19	478,244	(133,318)		133,318							
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEAPS-415020	7/1/19- 9/30/20	11,175				(11,175)		(11,175)		(11,175)		
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEAPS-415019	7/1/18- 6/30/19	11,441	(30)		30							
Total U.S. Department of Education						(306,247)		705,607	(845,049)		(845,049)		(445,689)		
Total Federal Financial Awards						\$ (326,210)	\$ 1,419	\$ 1,054,432	\$ (1,186,593)	\$	\$ (1,186,593)	\$	\$ (462,047)	\$ 5,095	\$

(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.

**PITTSBURGH 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	JUNE 30, 2020		MEMO	
				(Accounts Receivable)	Unearned Revenue	Carryover Amount			(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid	20-495-034-5120-078	\$ 12,172,384	7/1/19 to 6/30/20	\$	\$	\$	10,993,680	\$ (12,172,384)	\$ (1,178,704)	\$	\$ (1,178,704)	* \$ 12,172,384
Equalization Aid	19-495-034-5120-078	11,995,128	7/1/18 to 6/30/19	(1,164,689)			1,164,689					
Transportation Aid	20-495-034-5120-014	838,537	7/1/19 to 6/30/20				757,338	(838,537)	(81,199)		(81,199)	* 838,537
Transportation Aid	19-495-034-5120-014	838,537	7/1/18 to 6/30/19	(81,419)			81,419					
Special Education Categorical Aid	20-495-034-5120-089	1,251,682	7/1/19 to 6/30/20				1,130,476	(1,251,682)	(121,206)		(121,206)	* 1,251,682
Special Education Categorical Aid	19-495-034-5120-089	1,251,682	7/1/18 to 6/30/19	(121,534)			121,534					
Security Aid	20-495-034-5120-084	343,038	7/1/19 to 6/30/20				309,820	(343,038)	(33,218)		(33,218)	* 343,038
Security Aid	19-495-034-5120-084	343,038	7/1/18 to 6/30/19	(33,308)			33,308					
School Choice Aid	20-495-034-5120-068	1,483,374	7/1/19 to 6/30/20				1,339,733	(1,483,374)	(143,641)		(143,641)	* 1,483,374
School Choice Aid	19-495-034-5120-068	1,412,928	7/1/18 to 6/30/19	(137,191)			137,191					
Extraordinary Aid	20-100-034-5120-044	265,858	7/1/19 to 6/30/20					(265,858)	(265,858)			* 265,858
Extraordinary Aid	19-100-034-5120-044	256,257	7/1/18 to 6/30/19	(256,257)			256,257					
Non-Public Transportation Aid	19-495-034-5120-014	19,140	7/1/18 to 6/30/19	(19,140)			19,140					
Homeless Tuition	N/A	13,461	7/1/18 to 6/30/19	(13,461)			13,461					
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	902,288	7/1/19 to 6/30/20				858,523	(902,288)	(43,765)			* 902,288
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	893,684	7/1/18 to 6/30/19	(43,512)			43,512					
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	2,641,963	7/1/19 to 6/30/20				2,641,963	(2,641,963)				* 2,641,963
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	980,120	7/1/19 to 6/30/20				980,120	(980,120)				* 980,120
On-behalf TPAF Long-term Disability Contrib.	20-495-034-5094-004	2,337	7/1/19 to 6/30/20				2,337	(2,337)				* 2,337
				(1,870,511)			20,884,501	(20,881,581)	(1,867,591)		(1,557,968)	20,881,581
Special Revenue Fund:												
Preschool Education Aid	20-495-034-5120-086	2,179,354	7/1/19 to 6/30/20			25,226	1,980,421	(2,115,403)	(198,933)	89,177	(198,933)	* 2,115,403
Preschool Education Aid	19-495-034-5120-086	1,954,538	7/1/18 to 6/30/19	(195,494)	25,226	(25,226)	195,494					
				(195,494)	25,226		2,175,915	(2,115,403)	(198,933)	89,177	(198,933)	2,115,403
Debt Service Fund:												
Debt Service Aid Type II	20-495-034-5120-017	240,225	7/1/19 to 6/30/20				240,225	(240,225)				* 240,225
State Department of Agriculture:												
Enterprise Fund												
National School Lunch Program (State Share)	20-100-010-3350-023	6,684	7/1/19 to 6/30/20				4,934	(6,684)	(1,750)			* 6,684
National School Lunch Program (State Share)	19-100-010-3350-023	7,113	7/1/18 to 6/30/19	(388)			388					
				(388)			5,322	(6,684)	(1,750)			6,684
Total State Financial Assistance				\$ (2,066,393)	\$ 25,226	\$	\$ 23,305,963	\$ (23,243,893)	\$ (2,068,274)	\$ 89,177	\$ (1,756,901)	\$ 23,243,893
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	2,641,963	7/1/19 to 6/30/20				\$ 2,641,963	\$ (2,641,963)				
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	980,120	7/1/19 to 6/30/20				980,120	(980,120)				
On-behalf TPAF Long-term Disability Contrib.	20-495-034-5094-004	2,337	7/1/19 to 6/30/20				2,337	(2,337)				
Total State Financial Assistance - Major Program Determination							\$ 19,681,543	\$ (19,619,473)				

See accompanying notes to schedules of financial assistance

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$19,827) for the general fund and \$109,632 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF PITTSBORO 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	\$ 17,268	\$ 20,861,754	\$ 20,879,022
Special Revenue Fund	845,049	2,005,771	2,850,820
Debt Service		240,225	240,225
Food Service Fund	<u>324,276</u>	<u>6,684</u>	<u>330,960</u>
Total Awards & Financial Assistance	\$ <u>1,186,593</u>	\$ <u>23,114,434</u>	\$ <u>24,301,027</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Township of Pittsgrove School District had no outstanding loans at June 30, 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 were no adjustments made on Schedule A of Federal Awards and on Schedule B of State Financial Assistance.

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	H027A190100, H173A190114	Special 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

PITTSBORO 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

**PITTSGROVE 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:

PITTSBORO 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:

**PITTSGROVE 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, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.