

**SCHOOL DISTRICT**

**OF**

**PALMYRA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Palmyra Board of Education**

**Palmyra, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Palmyra Board of Education**

**Palmyra, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

**William R. Blatchley**

**School Business Administrator/Board Secretary**

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OF THE BOROUGH OF PALMYRA SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**



# PALMYRA BOARD OF EDUCATION

## PALMYRA, N.J. 08065

Brian J. McBride  
*Superintendent of Schools*

Administrative Office  
301 Delaware Avenue  
856-786-9300  
FAX: 856-829-9638

William Blatchley  
*Business Administrator/  
Board Secretary*

January 28, 2022

### **1. Reporting Entity and Its Services**

The Palmyra Borough Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the District are included in this report. The Palmyra Borough Board of Education and all of its schools constitute the District's reporting entity.

The District provides a wide range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, special area enrichment as well as special education programs for children with "special needs" including "gifted" and "learning disabled". The District completed the 2020-2021 fiscal year with an average enrollment of 934 students.

### **2. Economic Condition and Outlook:**

Palmyra is a residential community that has a total of 1.92 square miles and is located on the East side of the Delaware River directly across from the northern end of the City of Philadelphia. It serves as the eastern terminus of the Tacony-Palmyra Bridge, which spans the Delaware River. It is readily accessible to many major highways including Route #73, Route #I-295, Route #130 and the New Jersey Turnpike. Route #130 and Route #73 are direct access routes to Philadelphia. Conrail and New Jersey Transit have a train station in Palmyra and runs through the heart of the Borough's business district. The Palmyra School District is a three building district, which is located on the Delaware River in close proximity to Philadelphia and Trenton.

### **3. Major Initiatives:**

Increased the number of Smart boards, Chromebooks, and other electronic hardware to specifically support new curriculum, classroom initiatives and remote learning.

Digital and infrastructure upgrades in support of wireless access remote learning.

Replaced the flooring and bleachers in the Charles Street School All-Purpose room.

Updated facilities to include 50 additional lockers at PHS, HVAC control and filtering, social distancing and communication modifications, eleven "bottle filling/water cooler stations.

Provided each student with a Chromebook or equivalent device (1:1 Initiative) in support of remote learning.

Provided "summer backpacks" to rising K-5 to assist with continued summer learning



**4. Internal Accounting Controls:**

The Administration of the District is responsible for establishing and maintaining an internal control structure. It is designated to ensure that the assets of the District are protected from loss, theft or misuse. It also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP). The internal control structure 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 administration.

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

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

**5. Budgetary Controls:**

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budgets and 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 assignments of fund balances as of June 30, 2021.

**6. Accounting Systems and Reports:**

The District accounting records reflect Generally Accepted Accounting Principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.

**7. Debt Administration:**

At June 30, 2021, the District's outstanding debt consisted of Series 2017 school refunding bonds, in the amount of \$5,555,000.

**8. Cash Management:**

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

**9. Risk Management:**

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

**10. Other Information:**

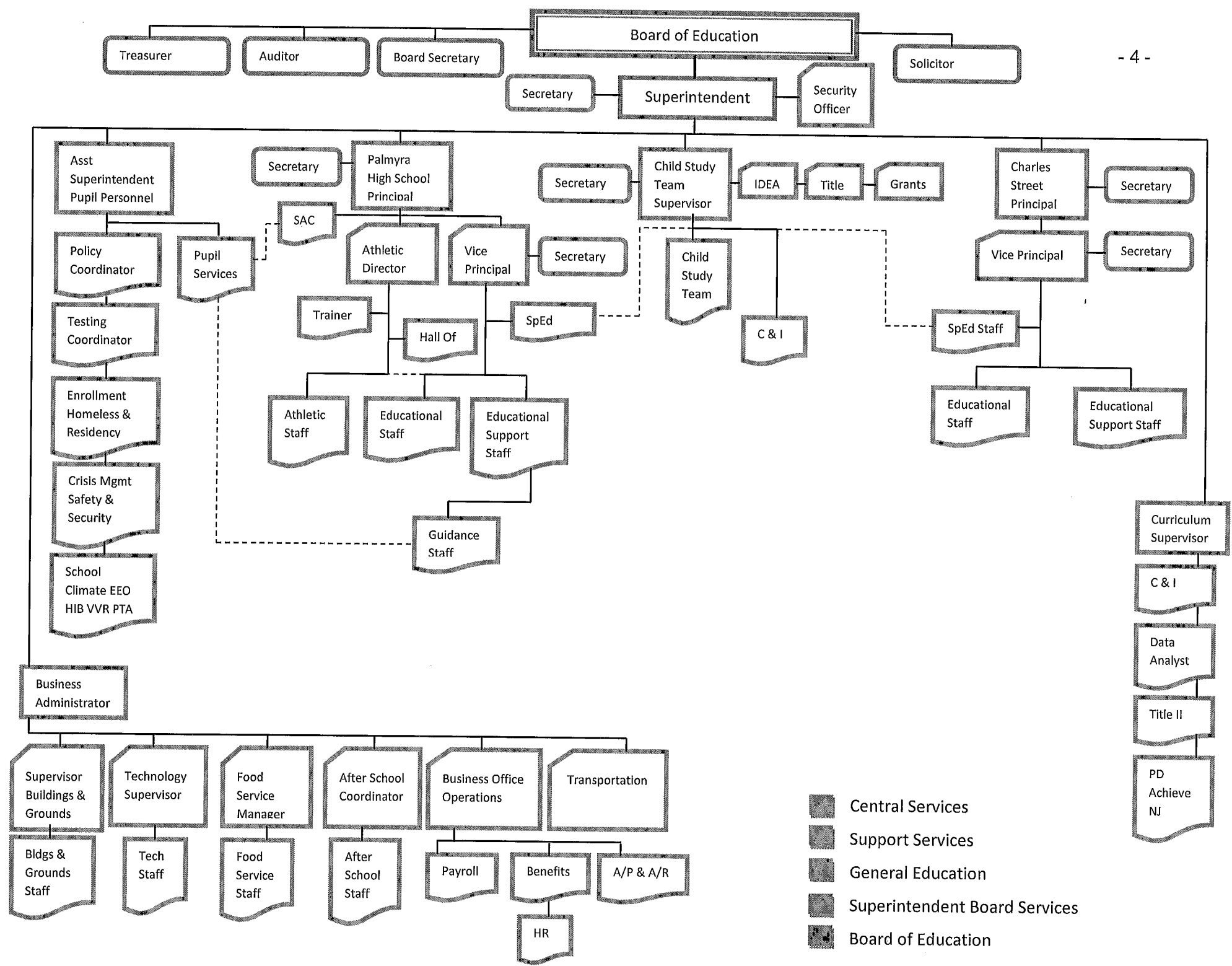
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education, at its reorganization meeting, appointed the accounting firm of Nightlinger, Colavita & Volpa, PA. In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-0MB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, the auditor's report on the general-purpose financial statements and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

**11. Acknowledgements:**

We would like to express our appreciation to the members of the Borough of Palmyra School District 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.

Brian J. McBride  
Superintendent

William Blatchley  
School Business Administrator



- Central Services
- Support Services
- General Education
- Superintendent Board Services
- Board of Education

**BOROUGH OF PALMYRA BOARD OF EDUCATION**  
**PALMYRA, NEW JERSEY**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2021**

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Sean Toner	President	2023
Erica Campbell	Vice President	2021
Laurie Beck	Board Member	2022
Amy Austin	Board Member	2021
Judy Belton	Board Member	2023
John Liebe	Board Member	2023
Kate Allen-Yoakum	Board Member	2022
Mark Russell	Board Member	2022
James Dickinson	Board Member	2021
<b><u>Other Officials</u></b>		<u>Amount of Bond</u>
Brian J. McBride	Superintendent of Schools	
William Blatchley	Business Administrator/ Board Secretary	175,000
Donna Gidjunis	Treasurer of School Monies	250,000

**BOROUGH OF PALMYRA BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Joseph Betley, Esquire**  
**Acting for Capehart and Scatchard, P.A.**  
Laurel Corporation Center  
Suite 300  
8000 Midlantic Drive  
Mount Laurel, NJ 08054

**BOND COUNSEL**

**McManimon, Scotland, Bauman**  
75 Livingston Avenue  
Roseland, NJ 07068

**OFFICIAL DEPOSITORY**

**Investors Bank**  
124 East Main Street  
Maple Shade, NJ 08052

**FINANCIAL ADVISOR**

**Phoenix Advisors, LLC**  
4 West Park Street  
Bordentown, NJ 08505

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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P.O. Box 799  
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## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Palmyra Borough School District  
County of Burlington, New Jersey 08065

### 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 Palmyra Borough School District in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Palmyra Borough 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 Palmyra Borough Board of Education in the County of Burlington, State of New Jersey, as of June 30, 2021, 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.

## **Emphasis of Matter**

As discussed in Note 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information 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 Palmyra Borough 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.



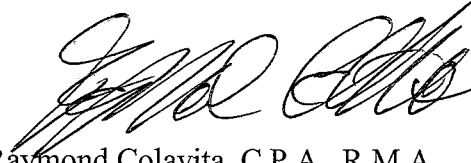
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2022 on our consideration of the Borough of Palmyra 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 Borough of Palmyra Board of Education's 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 Borough of Palmyra Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
January 28, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**BOROUGH OF PALMYRA BOARD OF EDUCATION  
SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2021**

This section of the Borough of Palmyra Board of Education School District annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2020-21) and the prior year (2019-20) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-21 fiscal year include the following:

- Net Position for Governmental and Business-Type activities were \$6,335,547 and \$410,050, respectively.
- Net Position for the Governmental activities increased by \$1,695,301 from operations while the Net Position for Business-Type activities decreased by \$37,771 from July 1, 2020 to June 30, 2021.
- The General Fund, fund balance as of June 30, 2021 was \$5,482,523, an increase of \$672,948 when compared with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts - Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Borough of Palmyra School District.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Borough of Palmyra School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

**MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the School District operates similar to private businesses: Food Service Fund, After School Program
Required Financial Statements	Statement of Net Position	Balance Sheet	Statement of Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Fund Net Position
			Statement of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**Government-Wide Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

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

The School District has three kinds of funds:

- **Governmental funds** - Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the governmental-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.

- **Fiduciary funds** - The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the School District cannot use these assets to finance its operations.

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

**Net Position.** The School District's net position for the fiscal years ended June 30, 2020 and 2021 are reflected in the following table.

	<u>NET POSITION</u>					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and Other Assets	\$ 5,774,573	\$ 4,781,761	\$ 390,017	\$ 418,307	\$ 6,164,590	\$ 5,200,068
Capital Assets, Net	10,450,490	10,536,401	42,755	47,136	10,493,245	10,583,537
Total Assets	16,225,063	15,318,162	432,772	465,443	16,657,835	15,783,605
<b>Deferred Outflows of Resources</b>	765,989	955,193			765,989	955,193
<b>Liabilities</b>						
Other Liabilities	155,085	183,883	22,722	17,622	177,807	201,505
Non-Current Liabilities	9,277,293	10,511,333			9,277,293	10,511,333
Total Liabilities	9,432,378	10,695,216	22,722	17,622	9,455,100	10,712,838
<b>Deferred Inflows of Resources</b>	1,223,127	1,243,855			1,223,127	1,243,855
<b>Net Position</b>						
Invested in Capital Assets, Net of Debt	4,593,313	3,779,374	42,755	47,136	4,636,068	3,826,510
Restricted	5,241,126	4,532,667			5,241,126	4,532,667
Unrestricted (Deficit)	(3,498,892)	(3,977,757)	367,295	400,685	(3,131,597)	(3,577,072)
Total Net Position	\$ 6,335,547	\$ 4,334,284	\$ 410,050	\$ 447,821	\$ 6,745,597	\$ 4,782,105

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

- Program revenues were \$6,874,060.
  - ✓ Operating Grants & Contributions - \$4,835,781.
  - ✓ Charges for Services - \$2,038,279.
- General revenues amounted to \$17,934,441.
- Total Program Expenditures were \$23,150,971.
- Total School District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$6,745,597 as of June 30, 2021:  
 Revenues (\$17,934,441) + Beginning net position (\$5,088,067) - Net expenditures (\$16,276,911) = Net Position of \$6,745,597.

**Changes in Net Position** - Net position for governmental and business-type activities increased from June 30, 2020 to June 30, 2021 as reflected in the following table.

	<b>CHANGES IN NET POSITION</b>					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,037,396	\$ 1,878,779	\$ 883	\$ 236,556	\$ 2,038,279	\$ 2,115,335
Operating Grants and Contributions	4,631,710	3,945,338	204,071	156,658	4,835,781	4,101,996
General Revenues:						
Property Taxes	10,914,744	10,533,845			10,914,744	10,533,845
Grants and Contributions	6,941,219	5,400,356			6,941,219	5,400,356
Other	78,357	573,984	121	309	78,478	574,293
Total Revenues	24,603,426	22,332,302	205,075	393,523	24,808,501	22,725,825
Expenses						
Instruction	7,373,452	6,955,034			7,373,452	6,955,034
Support Services	15,304,283	13,539,860			15,304,283	13,539,860
Interest on Debt and Related Costs	230,390	304,774			230,390	304,774
Food Services			166,222	290,272	166,222	290,272
Childcare			76,624	120,683	76,624	120,683
Total Expenses	22,908,125	20,799,668	242,846	410,955	23,150,971	21,210,623
Increase (Decrease) in Net Position	1,695,301	1,532,634	(37,771)	(17,432)	1,657,530	1,515,202
Net Position, July 1	4,640,246	3,107,612	447,821	465,253	5,088,067	3,572,865
Net Position, June 30	\$ 6,335,547	\$ 4,640,246	\$ 410,050	\$ 447,821	\$ 6,745,597	\$ 5,088,067

Total revenues for the School District were \$24,808,501. Government funding of \$11,777,000 was the source of 47.5% of the School District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$10,914,744 provided 44.0% of revenues. Charges for services provided 8.2% of revenues.

Other miscellaneous revenues of \$78,478 represent 0.3% of the School District revenues. Miscellaneous revenue was primarily provided from interest, refunds and athletic sales.

The School District's expenses for governmental activities are predominantly related to instruction and support services. Instruction and tuition totaled \$8,513,097 (37.2%) of total expenditures. Student and instruction or related support services totaled \$2,271,463 or (10.0%) of total expenditures. Employee benefits of \$8,249,100 accounted for (36.0%) of expenditures, plant operations totaled \$1,686,284 (7.4%) of total expenditures and transportation, general, school and business administrative services totaled \$1,957,791 (8.5%). Interest on long-term debt totaled \$230,390 (1.0%).

Total revenues exceeded expenditures for governmental activities, increasing net position by \$1,695,301 from the beginning balance at July 1, 2021.

### **Activity Descriptions**

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

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

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

**School Administrative and General and Business Administrative services** include expenses associated with establishing and administering policy for the School District including financial supervision.

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

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

**Unallocated benefits** include the cost of benefits for the School District staff for social security, retirement contributions, worker's compensation, health benefits, pension expense and other employee benefits.

**Interest on long-term debt and amortization of bond issuance costs** involve the transactions associated with the payment of interest and other related charges to the debt of the School District.

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The financial performance of the Borough of Palmyra School District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the School District completed the year, its governmental funds reported a combined fund balance of \$5,651,759.

All governmental funds had total revenues of \$22,358,659 and total expenditures of \$21,603,162.

### **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 cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

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



The following schedule presents a summary of Governmental Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**GOVERNMENTAL FUNDS COMPARISON OF REVENUES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% of Increase (Decrease)</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 10,914,744	\$ 10,533,845	\$ 380,899	3.62%
Tuition & Transportation	1,964,690	1,878,779	85,911	4.57%
Miscellaneous and Local Grants	216,297	573,984	(357,687)	-62.32%
Total	<u>13,095,731</u>	<u>12,986,608</u>	<u>109,123</u>	0.84%
Government Sources:				
State Sources	8,341,158	7,790,878	550,280	7.06%
Federal Sources	921,770	653,795	267,975	40.99%
Total	<u>9,262,928</u>	<u>8,444,673</u>	<u>818,255</u>	9.69%
Total Revenues	<u>\$ 22,358,659</u>	<u>\$ 21,431,281</u>	<u>\$ 927,378</u>	4.33%

One of the primary sources of funding for the School District is received from local property taxes and accounted for 48.8% of total revenues. State aid accounted for 37.3% of total revenues.

Total Governmental Fund revenues increased by \$927,378, or 4.33%, from the previous year. The major component of this increase was an increase in taxes and state sources.

The following schedule presents a summary of Governmental Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

**GOVERNMENTAL FUNDS COMPARISON OF EXPENDITURES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Expenditures				
Instruction				
Regular	\$ 4,645,260	\$ 4,544,738	\$ 100,522	2.21%
Special Education	1,741,183	1,679,943	61,240	3.65%
Other	749,769	675,449	74,320	11.00%
Total Instruction	<u>7,136,212</u>	<u>6,900,130</u>	<u>236,082</u>	3.42%
Support Services				
Tuition	1,139,645	1,661,860	(522,215)	-31.42%
Student and Instruction Related Services	2,271,463	1,829,566	441,897	24.15%
School Administration	494,388	481,667	12,721	2.64%
General/Business Administration	724,505	702,211	22,294	3.17%
Plant Operations and Maintenance	1,683,241	1,619,476	63,765	3.94%
Pupil Transportation	292,099	337,129	(45,030)	-13.36%
Unallocated Benefits	3,159,408	3,174,406	(14,998)	-0.47%
TPAF and FICA Reimbursements	2,946,923	2,398,540	548,383	22.86%
Total Support Services	<u>12,711,672</u>	<u>12,204,855</u>	<u>506,817</u>	4.15%
Capital Outlay	599,653	759,979	(160,326)	-21.10%
Debt Service	1,155,625	1,151,023	4,602	0.40%
Total Expenditures	<u>\$ 21,603,162</u>	<u>\$ 21,015,987</u>	<u>\$ 587,175</u>	2.79%

Total Governmental Fund expenditures increased \$587,175 or 2.8% from the previous year, which included increased grant activity.

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

During the course of fiscal year 2021, the School District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$1,155,625 where funding was provided by the local tax levy and Debt Service Aid.

**FOOD SERVICE PROPRIETARY FUND**

The Food Service Fund's net position was \$215,679 as of June 30, 2021. This reflects an increase of \$38,822 from June 30, 2020.

**AFTER SCHOOL PROGRAM PROPRIETARY FUND**

The After School Program Fund's net position was \$194,371 as of June 30, 2021. This reflects a decrease of \$76,593 from June 30, 2020.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

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

At the end of 2021, the School District had capital assets allocated to governmental activities with a net book value of \$10,450,490 and business-type activities of \$42,755. This consists of a broad range of capital assets, including land, land improvements, buildings and improvements, and furniture, fixtures and equipment. Total depreciation expense for the year was \$688,420.

**CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 46,066	\$ 46,066	\$	\$	\$ 46,066	\$ 46,066
Construction in Progress		41,416			-	41,416
Building and Improvements	9,955,858	10,143,906			9,955,858	10,143,906
Vehicles	90,585	28,381			90,585	28,381
Furniture, Fixtures and Equipment	357,981	276,632	42,755	47,136	400,736	323,768
<b>Total</b>	<b>\$ 10,450,490</b>	<b>\$ 10,536,401</b>	<b>\$ 42,755</b>	<b>\$ 47,136</b>	<b>\$ 10,493,245</b>	<b>\$ 10,583,537</b>

**Debt Administration - Long-term Obligations**

At fiscal year-end, the School District had \$5,555,000 in general obligation bonds outstanding, a decrease of \$925,000 from last fiscal year. This reduction was due to payment of principal. The School District does not anticipate incurring any new long-term debt at this time.

The School District also had a \$342,639 liability for compensated absences allocated to government activities. This liability represents the School District's contractual obligation to compensate employees for accumulated unused sick and vacation leave entitlements upon retirement.

The School District's proportionate share of net pension liability was \$2,806,043

**SCHEDULE OF LONG TERM OBLIGATIONS**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Bonds Payable	\$ 5,555,000	\$ 6,480,000	\$ (925,000)	-14.27%
Add: Issuance Premium	573,611	635,903	(62,292)	-9.80%
Total Bonds Payable	<u>6,128,611</u>	<u>7,115,903</u>	<u>(987,292)</u>	
Compensated Absences	342,639	338,307	4,332	1.28%
Net Pension Liability	<u>2,806,043</u>	<u>3,057,123</u>	<u>(251,080)</u>	-8.21%
Total	<u>\$ 9,277,293</u>	<u>\$ 10,511,333</u>	<u>\$ (1,234,040)</u>	-11.74%

**THE FUTURE OUTLOOK**

The Borough of Palmyra School District is presently in a stable financial position.

The School District has done a commendable job managing the budget through changing state regulations and unfunded mandates. The over reliance on fund balances in prior years and the level of property tax support for the School District has been stabilized. The School District remains committed to serving students and taxpayers and it continues to strive for an exceptional program and a stable tax rate.

The School District's system for financial planning, budgeting and internal controls are continually reviewed, in an effort to align routine operational processes with the continually changing educational demands, as well as those demands imposed upon the School District by outside authorities having jurisdiction. The School District is committed to continuing its sound fiscal management to meet the challenges of the future.

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

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

Borough of Palmyra Board of Education, 301 Delaware Ave., Palmyra, New Jersey 08065.

## **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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Statement of Net Position

For the Fiscal Year Ended June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,564,560	\$ 359,285	\$ 5,923,845
Receivables, Net	210,013	9,319	219,332
Inventory		21,413	21,413
Capital Assets, Net (Note 6)	10,450,490	42,755	10,493,245
<b>Total Assets</b>	<b>16,225,063</b>	<b>432,772</b>	<b>16,657,835</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Loss on Refunding Related to Pensions (Note 9)	271,434		271,434
	494,555		494,555
<b>Total Deferred Outflows of Resources</b>	<b>765,989</b>		<b>765,989</b>
<b>LIABILITIES:</b>			
Accounts Payable	122,735	864	123,599
Accrued Interest	32,271		32,271
Unearned Revenue	79	21,858	21,937
Noncurrent Liabilities (Note 7):			
Due within One Year	502,435		502,435
Due beyond One Year	8,774,858		8,774,858
<b>Total Liabilities</b>	<b>9,432,378</b>	<b>22,722</b>	<b>9,455,100</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	1,223,127		1,223,127
<b>NET POSITION:</b>			
Net Investment in Capital Assets	4,593,313	42,755	4,636,068
Restricted for:			
Unemployment Compensation	200,642		200,642
Scholarships	77,714		77,714
Student Activity	91,522		91,522
Capital Projects	1,127,792		1,127,792
Maintenance Reserve	1,394,108		1,394,108
Other Purposes	2,349,348		2,349,348
Unrestricted (Deficit)	(3,498,892)	367,295	(3,131,597)
<b>Total Net Position</b>	<b>\$ 6,335,547</b>	<b>\$ 410,050</b>	<b>\$ 6,745,597</b>

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 4,882,500	\$ 1,964,690		\$ (2,917,810)		\$ (2,917,810)
Special Education	1,741,183		\$ 634,968	(1,106,215)		(1,106,215)
Other Special Instruction	749,769			(749,769)		(749,769)
Support Services:						
Tuition	1,139,645			(1,139,645)		(1,139,645)
Student and Instruction Related Services	2,271,463	72,706	356,974	(1,841,783)		(1,841,783)
School Administrative Services	941,187			(941,187)		(941,187)
General and Business Administrative Services	724,505			(724,505)		(724,505)
Plant Operations and Maintenance	1,686,284			(1,686,284)		(1,686,284)
Pupil Transportation	292,099			(292,099)		(292,099)
Unallocated Benefits	8,249,100		3,639,768	(4,609,332)		(4,609,332)
Interest on Long-Term Debt	230,390			(230,390)		(230,390)
<b>Total Governmental Activities</b>	<b>22,908,125</b>	<b>2,037,396</b>	<b>4,631,710</b>	<b>(16,239,019)</b>		<b>(16,239,019)</b>
<b>Business-Type Activities:</b>						
Food Service	166,222	883	204,071		38,732	38,732
After School Program	76,624				(76,624)	(76,624)
<b>Total Business-Type Activities</b>	<b>242,846</b>	<b>883</b>	<b>204,071</b>		<b>(37,892)</b>	<b>(37,892)</b>
<b>Total Government</b>	<b>\$ 23,150,971</b>	<b>\$ 2,038,279</b>	<b>\$ 4,835,781</b>	<b>(16,239,019)</b>	<b>(37,892)</b>	<b>(16,276,911)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, net				9,928,786		9,928,786
Property Taxes Levied for Debt Service				985,958		985,958
Federal and State Aid not Restricted				6,941,219		6,941,219
Miscellaneous Income				78,357	121	78,478
<b>Total General Revenues</b>				<b>17,934,320</b>	<b>121</b>	<b>17,934,441</b>
<b>Change in Net Position</b>				<b>1,695,301</b>	<b>(37,771)</b>	<b>1,657,530</b>
<b>Net Position -- July 1</b>				<b>4,334,284</b>	<b>447,821</b>	<b>4,782,105</b>
<b>Prior Period Adjustment</b>				<b>305,962</b>		<b>305,962</b>
<b>Net Position - July 1 Restated</b>				<b>4,640,246</b>	<b>447,821</b>	<b>5,088,067</b>
<b>Net Position -- June 30</b>				<b>\$ 6,335,547</b>	<b>\$ 410,050</b>	<b>\$ 6,745,597</b>

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

## **FUND FINANCIAL STATEMENTS**

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



**GOVERNMENTAL FUNDS**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Governmental Funds

Balance Sheet

For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,360,821	\$ 203,919	\$ 5,564,740
Receivables, net:			
Interfunds Receivable:			
Special Revenue Fund	116,747		116,747
Receivables from Other Governments:			
State Sources	127,870		127,870
Federal Sources		82,143	82,143
<b>Total Assets</b>	<b>\$ 5,605,438</b>	<b>\$ 286,062</b>	<b>\$ 5,891,500</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 106,115	\$	\$ 106,115
Unemployment Compensation Claims Payable	4,619		4,619
Flexible Spending Reserve	12,001		12,001
Interfunds Payable:			
General Fund		116,747	116,747
Food Service Fund	180		180
Unearned Revenue		79	79
<b>Total Liabilities</b>	<b>122,915</b>	<b>116,826</b>	<b>239,741</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Excess Surplus	1,103,766		1,103,766
Excess Surplus - Subsequent Year's Expenditures	1,245,582		1,245,582
Capital Reserve	1,127,792		1,127,792
Maintenance Reserve	1,394,108		1,394,108
Unemployment Compensation	200,642		200,642
Scholarships		77,714	77,714
Student Activities		91,522	91,522
<b>Assigned:</b>			
Subsequent Year's Expenditures	83,187		83,187
Unassigned	327,446		327,446
<b>Total Fund Balances</b>	<b>5,482,523</b>	<b>169,236</b>	<b>5,651,759</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,605,438</b>	<b>\$ 286,062</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,393,510, and the accumulated depreciation is \$12,943,020.	10,450,490
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,471,250)
Net Pension Liability	(2,806,043)
Deferred Outflows of Resources - Related to Pensions	494,555
Deferred Inflows of Resources - Related to Pensions	(1,223,127)
Deferred loss on defeasance of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.	271,434
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(32,271)
<b>Net Position of Governmental Activities</b>	<b>\$ 6,335,547</b>

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Tax Levy	\$ 9,928,786	\$	\$ 985,958	\$ 10,914,744
Tuition and Transportation	1,964,690			1,964,690
Miscellaneous	113,151			113,151
State Sources	8,171,491		169,667	8,341,158
Other Restricted Miscellaneous Revenue	551			551
Local Sources		102,595		102,595
Federal Sources	15,108	906,662		921,770
<b>Total Revenues</b>	<b>20,193,777</b>	<b>1,009,257</b>	<b>1,155,625</b>	<b>22,358,659</b>
<b>EXPENDITURES:</b>				
Regular Instruction	4,645,260			4,645,260
Special Education Instruction	1,106,215	634,968		1,741,183
Other Special Instruction	749,769			749,769
Support Services and Undistributed Costs:				
Tuition	1,139,645			1,139,645
Student and Instruction Related Services	1,914,489	356,974		2,271,463
School Administrative Services	494,388			494,388
Other Administrative Services	724,505			724,505
Plant Operations and Maintenance	1,683,241			1,683,241
Pupil Transportation	292,099			292,099
Unallocated Benefits	6,106,331			6,106,331
Debt Service:				
Principal			925,000	925,000
Interest and Other Charges			230,625	230,625
Capital Outlay	599,653			599,653
<b>Total Expenditures</b>	<b>19,455,595</b>	<b>991,942</b>	<b>1,155,625</b>	<b>21,603,162</b>
Excess (Deficiency) of Revenues over Expenditures	738,182	17,315		755,497
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	(65,234)			(65,234)
Net Change in Fund Balances	672,948	17,315		690,263
Fund Balance - July 1	4,655,534			4,655,534
Prior Period Adjustment	154,041	151,921		305,962
Fund Balance - July 1, Restated	4,809,575	151,921		4,961,496
Fund Balance - June 30	\$ 5,482,523	\$ 169,236	\$	\$ 5,651,759

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Governmental Funds  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds		\$ 690,263
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (684,039)	
Fixed Asset Adjustment	1,518	
Capital Outlays	596,610	(85,911)
<p>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.</p>		
		925,000
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p>		
		25,385
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		170,046
<p>In the Statement of Activities, deferred losses on debt refunding are amortized over the life of the debt. However, in the governmental fund, no expenditures are incurred.</p>		
		(25,150)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(4,332)
Change in Net Position of Governmental Activities		\$ 1,695,301

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

**PROPRIETARY FUNDS**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Funds

Business-Type Activities - Enterprise Funds

Statement of Net Position

June 30, 2021

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 164,734	\$ 194,371	\$ 359,105
Accounts Receivable:			
State	931		931
Federal	8,388		8,388
Interfund Receivable:			
General Fund	180		180
Inventories	21,413		21,413
Total Current Assets	<u>195,646</u>	<u>194,371</u>	<u>390,017</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	337,711		337,711
Less Accumulated Depreciation	(294,956)		(294,956)
Total Noncurrent Assets	<u>42,755</u>		<u>42,755</u>
Total Assets	<u>238,401</u>	<u>194,371</u>	<u>432,772</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	864		864
Unearned Revenue	21,858		21,858
Total Liabilities	<u>22,722</u>		<u>22,722</u>
<b>NET POSITION:</b>			
Restricted:			
Net Investment in Capital Assets	42,755		42,755
Unrestricted	172,924	194,371	367,295
Total Net Position	<u>\$ 215,679</u>	<u>\$ 194,371</u>	<u>\$ 410,050</u>

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Proprietary Funds  
Business-Type Activities - Enterprise Funds  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

	Food Service	After School Program	Total
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 883	\$	\$ 883
Reimbursable Program -- School Lunch			0
	883		883
<b>OPERATING EXPENSES:</b>			
Salaries	44,777	44,106	88,883
Employee Benefits	8,149	27,000	35,149
Management Fee	24,495		24,495
General Supplies	782		782
Direct Expenses	7,052		7,052
Depreciation	4,381		4,381
Other Professional and Technical Services	13,973	2,700	16,673
Cost of Sales - Reimbursable Programs	62,613		62,613
Miscellaneous		2,818	2,818
	166,222	76,624	242,846
Total Operating Expenses			
Operating Income / (Loss)	(165,339)	(76,624)	(241,963)
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	5,992		5,992
Federal Sources:			
National School Lunch Program	105,681		105,681
National School Breakfast Program	62,536		62,536
Food Distribution Program	29,862		29,862
Interest Revenue	90	31	121
	204,161	31	204,192
Total Nonoperating Revenues			
Change in Net Position	38,822	(76,593)	(37,771)
Net Position -- July 1	176,857	270,964	447,821
	\$ 215,679	\$ 194,371	\$ 410,050
Net Position -- June 30			

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Proprietary Funds

Business-Type Activities - Enterprise Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2021

	Food Service	After School Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ (1,369)	\$ -	\$ (1,369)
Payments to Management Company	(24,495)		(24,495)
Payments to Employees	(44,777)	(44,106)	(88,883)
Payments for Employee Benefits	0	(27,000)	(27,000)
Payments for Supplies and Services	(91,736)	(5,518)	(97,254)
Net Cash Provided by (Used for) Operating Activities	<u>(162,377)</u>	<u>(76,624)</u>	<u>(239,001)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	5,992		5,992
Federal Sources	198,079		198,079
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>204,071</u>		<u>204,071</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of Fixed Assets			
Net Cash Provided by (Used for) Capital Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	90	31	121
Net Increase in Cash and Cash Equivalents	<u>41,784</u>	<u>(76,593)</u>	<u>(34,809)</u>
Cash and Cash Equivalents -- July 1	122,950	270,964	393,914
Cash and Cash Equivalents -- June 30	<u>\$ 164,734</u>	<u>\$ 194,371</u>	<u>\$ 359,105</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (165,339)	\$ (76,624)	\$ (241,963)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	(4,381)		(4,381)
(Increase) Decrease in Accounts Receivable	2,129		2,129
(Increase) Decrease in Inventories	114		114
(Increase) Decrease in Interfund Receivable			
Increase (Decrease) in Unearned Revenue	4,236		4,236
Increase (Decrease) in Accounts Payable	864		864
Total Adjustments	<u>2,962</u>		<u>2,962</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (162,377)</u>	<u>\$ (76,624)</u>	<u>\$ (239,001)</u>

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



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students from Palmyra Borough in grades Pre-K through 12 at its three schools. In addition, high school students from the City of Beverly and the Borough of Riverton attend Palmyra High School. The School District has an approximate enrollment at June 30, 2021 of 934.

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

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units.

**Government-wide and Fund Financial Statements**

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

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

The School District reports the following major governmental funds:

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

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

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

*Capital Projects Fund* - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account. The School District does not maintain a capital projects fund.

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

*After School Fund* - This fund accounts for the financial activity related to providing day care services for School District students after school.

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

The School District maintains the following fiduciary funds:

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Enterprise Funds (Cont'd)**

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

*New Jersey Unemployment Compensation Insurance Trust Fund*- Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

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

**Budgets / Budgetary Control**

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

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

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Budgets / Budgetary Control (Cont'd)**

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Cash, Cash Equivalents and Investments (Cont'd)**

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The School District had no prepaid expenses for the fiscal year ended June 30, 2021.

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

**Short-Term Interfund Receivables / Payables**

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Capital Assets**

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

The School District's capitalization threshold is \$2,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Furniture, Fixtures and Equipment	5 - 20 Years
Buildings and Improvements	20-65 Years
Land Improvements	20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/ premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

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

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

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

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

**Fund Balance**

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

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

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

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

**Interfund Activity**

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

The School District has adopted the following GASB statements:

- 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 adoption of GASB 84 will impact the financial statements of the School District.
- 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. The adoption of GASB 90 did not impact the financial statements of the School District.

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

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. Management 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. 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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Impact of Recently Issued Accounting Principles (Cont'd)**

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

**NOTE 2: CASH AND CASH EQUIVALENTS**

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

As of June 30, 2021, the School District's bank balances of \$6,291,486 were exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and collateralized under GUDPA by pledging financial institutions	<u>6,041,486</u>
	<u>\$ 6,291,486</u>

**NOTE 3: RESERVE ACCOUNTS**

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

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$ 722,375
Add: Interest Earnings	5,417
Add: 20-21 Resolution	<u>400,000</u>
Ending Balance June 30, 2021	<u>\$ 1,127,792</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted projects at June 30, 2021 is \$2,652,500.

**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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$ 1,338,248
Add: Interest Earnings	5,860
Add: 20-21 Resolution	400,000
Less: 20-21 Budget Appropriation	<u>(350,000)</u>
Ending Balance June 30, 2021	<u>\$ 1,394,108</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<b>Receivables:</b>	<b>Special</b>			<b>Total</b>
	<b>General Fund</b>	<b>Revenue Fund</b>	<b>Enterprise Funds</b>	
Governmental	\$ 127,870	\$ 82,143	\$ 9,319	\$ 219,332
Other				
Totals	<u>\$ 127,870</u>	<u>\$ 82,143</u>	<u>\$ 9,319</u>	<u>\$ 219,332</u>

**NOTE 5: INVENTORY**

Inventory recorded at June 30, 2021 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, which includes \$15,411 of federal commodities, consisted of the following:

Food	\$ 19,638
Supply	<u>1,775</u>
Totals	<u>\$ 21,413</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6: CAPITAL ASSETS**

	<u>7/1/2020</u>	<u>Additions</u>	<u>Adjustment</u>	<u>6/30/2021</u>
<b>Governmental activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 46,066	\$	\$	\$ 46,066
Construction in Progress	41,416	397,702	(439,118)	
Total capital assets not being depreciated	87,482	397,702	(439,118)	46,066
Land Improvements	449,615			449,615
Building and Improvements	20,969,734		439,118	21,408,852
Vehicles	231,728	66,409		298,137
Furniture, Fixtures & Equipment	1,056,823	132,499	1,518	1,190,840
Totals at historical cost	22,707,900	198,908	440,636	23,347,444
Less accumulated depreciation for :				
Land Improvements	(449,615)			(449,615)
Building and Improvements	(10,825,828)	(627,166)		(11,452,994)
Vehicles	(203,347)	(4,205)		(207,552)
Furniture, Fixtures & Equipment	(780,191)	(52,668)		(832,859)
Total accumulated depreciation	(12,258,981)	(684,039)	-	(12,943,020)
Total capital assets being depreciated, net of accumulated depreciation	10,448,919	(485,131)	1,518	10,404,424
<b>Government activities capital assets, net</b>	<b>\$ 10,536,401</b>	<b>\$ (87,429)</b>	<b>\$ 1,518</b>	<b>\$ 10,450,490</b>
	<b>To A-1</b>			<b>To A-1</b>
Business-type activities:				
Capital assets being depreciated:				
Furniture, Fixtures & Equipment	\$ 337,711	\$	\$	\$ 337,711
Less accumulated depreciation for :				
Furniture, Fixtures & Equipment	(290,575)	(4,381)		(294,956)
<b>Business-type activities capital assets, net</b>	<b>\$ 47,136</b>	<b>\$ (4,381)</b>	<b>\$</b>	<b>\$ 42,755</b>

\* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 237,240
Administration	446,799
Total depreciation expense	\$ 684,039



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

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

	<b>Beginning Balance 7/1/2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 6/30/2021</b>	<b>Amounts Due within One Year</b>	<b>Long-term Portion</b>
<b>Governmental Activities:</b>						
Bonds payable:						
General obligation debt	\$ 6,480,000	\$	\$ (925,000)	\$ 5,555,000	\$ 480,000	\$ 5,075,000
Add Amounts:						
Issuance Premium	635,903		(62,292)	573,611		573,611
Total bonds payable	7,115,903		(987,292)	6,128,611	480,000	5,648,611
Other Liabilities:						
Compensated absences payable	338,307	4,332		342,639	22,435	320,204
Net Pension Liability	3,057,123		(251,080)	2,806,043		2,806,043
Total liabilities	\$ 10,511,333	\$ 4,332	\$ (1,238,372)	\$ 9,277,293	\$ 502,435	\$ 8,774,858
<b>Business-Type Activities:</b>						
Compensated absences payable	\$	\$	\$	\$	\$	\$
<b>Total Long-Term Obligations</b>	<b>\$ 10,511,333</b>	<b>\$ 4,332</b>	<b>\$ (1,238,372)</b>	<b>\$ 9,277,293</b>	<b>\$ 502,435</b>	<b>\$ 8,774,858</b>

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

On October 15, 2009, the School District issued \$9,883,000 general obligation bonds at interest rates varying from 2.50% to 4.00% for various construction and renovation projects. The final maturity of these bonds was originally March 1, 2030; however, the School District issued refunding bonds on September 14, 2016 to advance refund the bonds maturing on March 1, 2020 through March 1, 2030. The final payment was made on March 1, 2019.

On September 14, 2016, the School District issued \$8,365,000 of refunding bonds at interest rates varying from 2.00% to 4.00% to advance refund the callable bonds of the 2006 and 2009 issues. The final maturity of these bonds is March 1, 2030. The bonds will be paid from property taxes.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7: LONG-TERM OBLIGATIONS (CONT'D)**

**Bonds Payable (Cont'd) -**

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 480,000	\$ 193,625	\$ 673,625
2023	635,000	174,425	809,425
2024	640,000	149,025	789,025
2025	640,000	123,425	763,425
2026	640,000	104,225	744,225
2027	635,000	85,025	720,025
2028	635,000	62,800	697,800
2029	625,000	43,750	668,750
2030	625,000	21,875	646,875
	<u>\$ 5,555,000</u>	<u>\$ 958,175</u>	<u>\$ 6,513,175</u>

**Bonds Authorized but not Issued** - As of June 30, 2021, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to Note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**NOTE 8: OPERATING LEASES**

At June 30, 2021, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 16,996
2023	16,996
2024	14,164
Total	<u>\$ 48,156</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 100,895. 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 2021 is 15.11% 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, 2021, and 2020, were \$188,238 and \$165,883 respectively.

The total payroll for the year ended June 30, 2021 was \$9,365,350. Payroll covered by PERS was \$1,345,260 for fiscal year 2021.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Components of Net Pension Liability** - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$2,806,043. The net pension liability was measured as of June 30, 2020. 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, 2020. The District's proportion measured as of June 30, 2020 was 0.017207% which was an increase of 0.00024% from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2021 PERS pension expense, with respect to GASB 68, was \$40,547. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 51,093	\$ 9,923
Changes of assumptions	91,031	1,174,917
Net difference between projected and actual earnings on pension plan investments	95,912	
Changes in proportion	68,280	38,287
Contributions subsequent to the measurement date	188,238	
<b>Total</b>	<b>\$ 494,554</b>	<b>\$ 1,223,127</b>

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	\$	(406,722)
2022		(286,082)
2023		(138,637)
2024		(70,275)
2025		(15,095)
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(916,811)</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Additional Information** - Collective Balances at June 30, 2021 and 2020 are as follows:

Year	2021	2020
Collective deferred outflows of resources	\$ 494,555	\$ 596,317
Collective deferred inflows of resources	\$ 1,223,127	\$ 1,243,855
Collective Net Pension Liability	\$ 2,806,043	\$ 3,057,123
District's Proportion	0.017207%	0.016967%

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>PERS</b>
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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 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 (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>3,560,116</u>	\$ <u>2,806,043</u>	\$ <u>2,206,979</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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 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, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$1,826,207 to the TPAF for pension contributions, \$572,305 for post-retirement benefits on behalf of the School, and \$1,083 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$547,328 during the year ended June 30, 2021 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, 2021, 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, 2021, the District recognized pension expense of \$2,520,135 and revenue of \$2,520,135 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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%



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 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 (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 47,708,190	\$ 40,526,893	\$ 34,727,035
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</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, 2021, employee contributions totaled \$8,521 and the District's employer contribution, recognized in pension expense, was \$4,648. 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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$49,401,299. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.07285%. The total OPEB liability for the School District measured as of June 30, 2020 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, 2020 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	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-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 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 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Discount rate**

The discount rate for June 30, 2020 was 2.21%. 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	<b>Total OPEB Liability</b>
<b>Balance as of June 30, 2019 Measurement Date</b>	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
<b>Net Changes</b>	<u>26,080,881,563</u>
<b>Balance as of June 30, 2020 Measurement Date</b>	\$ <u><u>67,809,962,608</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, 2020, 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:

<b>June 30, 2020</b>			
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	81,748,410,002	67,809,962,608	56,911,439,160

**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, 2020, 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:

<b>June 30, 2020</b>			
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$2,188,378. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 7,500,404	\$ 6,681,093
Changes of Assumptions	8,402,998	5,636,968
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	547,115	1,176,191
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 16,450,517</u>	<u>\$ 13,494,252</u>

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

<u>Measurement Period Ending June 30,</u>		<u>OPEB</u>
2021	\$	(68,515)
2022		(68,515)
2023		(68,515)
2024		(68,515)
2025		(68,515)
Thereafter		<u>3,298,840</u>
Total	\$	<u>2,956,265</u>

**NOTE 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and long-term disability insurance were \$1,826,207, \$572,305, and \$1,083, respectively. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$547,328 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**NOTE 12: RISK MANAGEMENT**

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 12: RISK MANAGEMENT (CONT'D)**

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<b><u>Fiscal Year</u></b> <b><u>Ended June 30,</u></b>	<b><u>School District</u></b> <b><u>Contributions</u></b>	<b><u>Employee</u></b> <b><u>Contributions</u></b>	<b><u>Interest</u></b> <b><u>Income</u></b>	<b><u>Claims</u></b> <b><u>Incurred</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
2021	\$ 25,000	\$ 29,119	\$ 551	\$ 8,069	\$ 200,642
2020		16,666	2,054	39,255	154,041
2019	20,000	15,394	2,750	22,492	174,576

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

- Workers' Compensation and Employer's Liability
- Property (Including Crime and Auto Physical Damage) General and Auto Liability
- School Board Legal Liability
- Boiler and Machinery
- Pollution/Environmental Legal
- Liability Blanket Dishonesty Bond

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

For more information regarding claims, coverage's and deductibles, the Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

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

**NOTE 13: DEFERRED COMPENSATION**

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

*Lincoln Investment Planning*  
*AXA Equitable*  
*Vanguard*

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 14: 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 are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2020 the liability for compensated absences reported on the government-wide statement of net position was \$342,639.

**NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 116,747	\$ 180
Special Revenue Fund		116,747
Food Service	180	
Total	<u>\$ 116,927</u>	<u>\$ 116,927</u>

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

**NOTE 16: CAPITAL DEBT REFUNDING**

On September 14, 2016, the School District issued \$8,365,000 in general obligation bonds with interest rates varying from 2.00% to 4.00% to refund \$8,625,000 of outstanding 2006 series bonds with interest rates varying from 4.00% to 4.25% and 2009 series bonds with interest rates varying from 2.50% to 4.00%. The bonds were issued at a premium of \$872,094. The net proceeds of \$9,116,749 (after payment of issuance costs of \$120,345) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2009 series bonds. As a result of the current refunding, the School District will reduce its total debt service payments over the next ten years by \$473,679, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$432,414, or 5.01% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the School District's financial statements.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 16: CAPITAL DEBT REFUNDING (CONT'D)**

In addition, the School District previously elected to implement GASB Statement No. 65 and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2020-21 School Year, \$87,442 was amortized, resulting in a balance in Deferred Outflows of Resources of \$271,434, as of June 30, 2021.

**NOTE 17: CONTINGENCIES**

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

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

**NOTE 18: CONCENTRATIONS**

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

**NOTE 19: DEFICIT FUND BALANCES**

The School District has fund balance of \$5,482,523 in the general fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, a general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

**NOTE 20: FUND BALANCES**

**NONSPENDABLE**

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 20: FUND BALANCES (CONT'D)**

**RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$2,349,348, of which \$1,245,582 was assigned for utilization in the 2021-22 budget and \$1,103,766 will be utilized in the 2022-23 budget.

**For Capital Reserve Account** - As of June 30, 2021, the balance in the capital reserve account is \$1,127,792. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2021, the balance in the maintenance reserve account is \$1,394,108. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73(S1701).

**COMMITTED**

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. There were no specific commitments of the School District's fund balance at June 30, 2021.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022 \$83,187 of general fund balance at June 30, 2021.

**Other Purposes** - As of June 30, 2021, the School District had no encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 20: FUND BALANCES (CONT'D)**

**UNASSIGNED**

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

**General Fund** - As of June 30, 2021, the School District has a fund balance of \$327,446 in the general fund. See Note 19.

**NOTE 21: PRIOR YEAR ADJUSTMENT**

GASB 84, Fiduciary Activities, was implemented during the fiscal year June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund, which had previously been reported in the Fiduciary Funds, is now reported in the General Fund. The Student Activities Fund and Scholarship Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities Net Position	\$ 1,695,301	\$ 305,962	\$ 2,001,263
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	4,655,534	154,041	4,809,575
Special Revenue	-	151,921	151,921
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Unemployment Compensation Trust	154,041	(154,041)	
Student Activities	93,682	(93,682)	
Scholarship Fund	58,239	(58,239)	

**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**

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 9,928,786		\$ 9,928,786	\$ 9,928,786	\$
Tuition from Individuals				6,300	6,300
Tuition from Other LEAs within the State	1,880,231		1,880,231	1,958,390	78,159
Interest on Maintenance Reserve	5,860		5,860	5,860	
Interest on Capital Reserve	4,062		4,062	5,417	1,355
Other Restricted Miscellaneous Revenues				551	551
Unrestricted Miscellaneous Revenues	35,000		35,000	101,874	66,874
<b>Total - Local Sources</b>	<b>11,853,939</b>		<b>11,853,939</b>	<b>12,007,178</b>	<b>153,239</b>
State Sources:					
Special Education Categorical Aid	696,197		696,197	696,197	
Equalization Aid	3,991,748	(2,038)	3,989,710	3,989,710	
Security Aid	218,608		218,608	218,608	
Adjustment Aid	102,575		102,575	102,575	
Transportation Aid	97,770		97,770	97,770	
Extraordinary Aid				127,870	127,870
Reimbursed TPAF Social Security Contributions (non-budgeted)				547,328	547,328
On-behalf TPAF Pension Contributions - Normal (non-budgeted)				1,826,207	1,826,207
On-behalf TPAF Medical Contributions (non-budgeted)				572,305	572,305
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,083	1,083
<b>Total - State Sources</b>	<b>5,106,898</b>	<b>(2,038)</b>	<b>5,104,860</b>	<b>8,179,653</b>	<b>3,074,793</b>
Federal Sources:					
Medicaid Administrative Claiming Aid				4,463	4,463
Medical Reimbursement Program (SEMI)	25,422		25,422	10,645	(14,777)
<b>Total - Federal Sources</b>	<b>25,422</b>		<b>25,422</b>	<b>15,108</b>	<b>(10,314)</b>
<b>Total Revenues</b>	<b>16,986,259</b>	<b>(2,038)</b>	<b>16,984,221</b>	<b>20,201,939</b>	<b>3,217,718</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 203,502	\$	\$ 203,502	\$ 184,593	\$ 18,909
Grades 1 - 5	1,286,554		1,286,554	1,263,149	23,405
Grades 6 - 8	924,840		924,840	901,121	23,719
Grades 9 - 12	1,757,551		1,757,551	1,715,287	42,264
Regular Programs - Home Instruction:					
Salaries of Teachers	8,750		8,750		8,750
Purchased Professional/Educational Services	2,800		2,800	403	2,397
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	166,783	(25,000)	141,783	59,464	82,319
Purchased Professional/Educational Services	32,456	121,459	153,915	141,369	12,546
Purchased Technical Services	157,985		157,985	139,320	18,665
Other Purchased Services	120,291	(8,000)	112,291	91,221	21,070
General Supplies	102,435	67,000	169,435	138,600	30,835
Textbooks	16,500	(11,000)	5,500	5,276	224
Other Objects	13,825		13,825	5,457	8,368
Total Regular Programs	4,794,272	144,459	4,938,731	4,645,260	293,471
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	59,049		59,049	49,714	9,335
Other Salaries for Instruction	17,242	4,300	21,542	21,500	42
General Supplies	500		500		500
Total - Learning and/or Language Disabilities	76,791	4,300	81,091	71,214	9,877
Behavioral Disabilities:					
Salaries of Teachers					
Other Salaries for Instruction					
General Supplies					
Total - Behavioral Disabilities - Part-Time					

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 125,620	\$	\$ 125,620	\$ 123,309	\$ 2,311
General supplies	1,655		1,655		1,655
Total -Multiple Disabilities	127,275		127,275	123,309	3,966
Resource Room/Center:					
Salaries of Teachers	642,495		642,495	623,488	19,007
Other Salaries for Instruction	272,649	(19,370)	253,279	164,808	88,471
General Supplies	27,500		27,500	25,907	1,593
Total - Resource Room/Center	942,644	(19,370)	923,274	814,203	109,071
Preschool Disabilities - Part-Time:					
Salaries of Teachers	81,197		81,197	79,767	1,430
Other Salaries for Instruction	16,149	214	16,363	16,363	
General Supplies	650		650	561	89
Total - Preschool Disabilities - Part-Time	97,996	214	98,210	96,691	1,519
Other Salaries for Instruction					
General Supplies					
Total - Preschool Disabilities - Part-Time					
Home Instruction:					
Salaries of Teachers	3,500		3,500		3,500
Purchased Professional/Educational Services	3,960		3,960	798	3,162
Total - Home Instruction	7,460		7,460	798	6,662
Total - Special Education	1,252,166	(14,856)	1,237,310	1,106,215	131,095
Basic Skills/Remedial:					
Salaries of Teachers	210,690		210,690	193,499	17,191
General Supplies	300		300		300
Total - Basic Skills/Remedial	210,990		210,990	193,499	17,491
Bilingual Education:					
Salaries of Teachers	40,133		40,133	38,184	1,949
Purchased Professional - Educational Services	20,000	(15,800)	4,200	1,507	2,693
General Supplies	685		685		685
Total - Bilingual Education	60,818	(15,800)	45,018	39,691	5,327
School Sponsored Cocurricular Activities - Instruction:					
Salaries	62,000		62,000	39,100	22,900
Supplies and Materials	27,280	(5,214)	22,066	1,418	20,648
Total - School Sponsored Cocurricular Activities - Instruction	89,280	(5,214)	84,066	40,518	43,548



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 418,741	\$	\$ 418,741	\$ 376,127	\$ 42,614
Purchased Services	88,050	(4,500)	83,550	36,055	47,495
Supplies and Materials	32,425	31,768	64,193	60,955	3,238
Other Objects	3,600	(500)	3,100	2,924	176
Total - School Sponsored Cocurricular Athletics - Instruction	542,816	26,768	569,584	476,061	93,523
Total - Instruction	6,950,342	135,357	7,085,699	6,501,244	584,455
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within State-Regular	136,421	698	137,119	137,119	
Tuition to Other LEAs within State-Special	293,132		293,132	250,589	42,543
Tuition to County Vocational School District - Regular	105,000		105,000	69,175	35,825
Tuition to County Vocational School District - Special	18,750		18,750	18,750	
Tuition to CSSD & Reg. Day Schools	684,467	(106,827)	577,640	428,203	149,437
Tuition to Private School for the Handicapped- State	616,870	(89,509)	527,361	118,975	408,386
Tuition - Other	131,600	(13,704)	117,896	116,834	1,062
Total Undistributed Expenditures - Instruction	1,986,240	(209,342)	1,776,898	1,139,645	637,253
Undistributed Expenditures - Attendance and Social Work:					
Salaries	128,463		128,463	124,668	3,795
Purchased Professional and Technical Services	3,900		3,900	3,900	
Total - Undistributed Expenditures - Attendance and Social Work	132,363		132,363	128,568	3,795
Undistributed Expenditures - Health Services:					
Salaries	146,228		146,228	140,166	6,062
Purchased Professional and Technical Services	24,945	575	25,520	22,571	2,949
Supplies and Materials	6,024	(575)	5,449	3,674	1,775
Total - Undistributed Expenditures - Health Services	177,197		177,197	166,411	10,786
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	65,215		65,215	64,017	1,198
Purchased Professional/Educational Services	185,300	(19,851)	165,449	126,865	38,584
Supplies and Materials	600		600	41	559
Total - Undistributed Expenditures - Speech, OT, PT and Related Services	251,115	(19,851)	231,264	190,923	40,341

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Other Support Services - Students -Extraordinary Services:					
Salaries	\$ 70,224	\$	\$ 70,224	\$ 56,130	\$ 14,094
Purchased Professional/Educational Services	146,200	(28,009)	118,191	62,243	55,948
Supplies and Materials	1,900	1,550	3,450	3,432	18
<b>Total - Undistributed Expenditures - Other Support Services Students - Extraordinary Services</b>	<b>218,324</b>	<b>(26,459)</b>	<b>191,865</b>	<b>121,805</b>	<b>70,060</b>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	280,921		280,921	279,188	1,733
Salaries of Secretarial and Clerical Assistants	35,166		35,166	34,149	1,017
Purchased Professional - Educational Services	36,030	(16,000)	20,030	15,931	4,099
Other Purchased Professional and Technical Services	2,800	1,000	3,800	2,940	860
Supplies and Materials	2,525		2,525	1,197	1,328
<b>Total - Undistributed Expenditures - Guidance</b>	<b>357,442</b>	<b>(15,000)</b>	<b>342,442</b>	<b>333,405</b>	<b>9,037</b>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	363,158	11,300	374,458	373,731	727
Salaries of Secretarial and Clerical Assistants	38,687		38,687	37,556	1,131
Purchased Professional - Educational Services	35,900		35,900	34,291	1,609
Other Purchased Services	1,624	(667)	957		957
Supplies and Materials	3,200	667	3,867	3,668	199
Other Objects	2,450		2,450	2,420	30
<b>Total - Undistributed Expenditures - Child Study Teams</b>	<b>445,019</b>	<b>11,300</b>	<b>456,319</b>	<b>451,666</b>	<b>4,653</b>
Undistributed Expenditures - Improvement of Instruction Services/Other Support:					
Services - Instructional Staff:					
Salaries of Supervisors of Instruction	98,595	1	98,596	98,595	1
Salaries of Other Professional Staff	46,600		46,600	39,720	6,880
Purchased Professional - Educational Services	31,347		31,347	31,347	
Purchased Professional - Technical Services	35,000	(2,038)	32,962	32,962	
Supplies and Materials	1,600	2,000	3,600	1,600	2,000
Other Objects	4,065		4,065	3,737	328
<b>Total - Undistributed Expenditures - Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>217,207</b>	<b>(37)</b>	<b>217,170</b>	<b>207,961</b>	<b>9,209</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Educational Media Services/School Library:					
Salaries	\$ 135,358	\$	\$ 135,358	\$ 132,988	\$ 2,370
Salaries of Technology Coordinators	179,578		179,578	178,417	1,161
Purchased Professional and Technical Services	6,982	(6,325)	657	500	157
Other Purchased Services	1,500	(1,500)			
Supplies and Materials	4,800	(1,075)	3,725	1,845	1,880
<b>Total - Undistributed Expenditures - Educational Media Services/School Library</b>	<b>328,218</b>	<b>(8,900)</b>	<b>319,318</b>	<b>313,750</b>	<b>5,568</b>
Undistributed Expenditures - Support Services General Administration:					
Salaries	232,321		232,321	232,267	54
Legal Services	20,000	18,114	38,114	38,034	80
Audit Fees	24,500	(1,199)	23,301	23,301	
Architectural	25,000	(10,000)	15,000	13,830	1,170
Other Purchased Professional Services	4,600	35	4,635	4,635	
Communications/Telephone	32,100		32,100	30,300	1,800
Other Purchased Services	10,775	(9,375)	1,400	900	500
General Supplies	2,750	(1,636)	1,114	764	350
Miscellaneous Expenditures	3,250	(539)	2,711	2,643	68
BOE Membership Dues and Fees	6,900		6,900	6,765	135
<b>Total - Undistributed Expenditures - Support Services General Administration</b>	<b>362,196</b>	<b>(4,600)</b>	<b>357,596</b>	<b>353,439</b>	<b>4,157</b>
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	408,750	50,000	458,750	408,398	50,352
Salaries of Secretarial and Clerical Assistants	78,814		78,814	76,505	2,309
Other Purchased Services	4,000		4,000	1,265	2,735
Supplies and Materials	6,650		6,650	4,112	2,538
Other Objects	4,420		4,420	4,108	312
<b>Total - Undistributed Expenditures - Support Services School Administration</b>	<b>502,634</b>	<b>50,000</b>	<b>552,634</b>	<b>494,388</b>	<b>58,246</b>
Undistributed Expenditures - Central Services:					
Salaries	279,136		279,136	279,006	130
Purchased Professional Services	8,500	(8,500)			
Purchased Technical Services	17,200		17,200	12,662	4,538
Miscellaneous Purchased Services	19,725		19,725	12,881	6,844
Supplies and Materials	7,300		7,300	6,185	1,115
Other Objects	1,500		1,500	1,190	310
<b>Total - Undistributed Expenditures - Central Services</b>	<b>333,361</b>	<b>(8,500)</b>	<b>324,861</b>	<b>311,924</b>	<b>12,937</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Administrative Information Technology:					
Purchased Technical Services	\$ 66,743	\$	\$ 66,743	\$ 58,008	\$ 8,735
Other Purchased Services	2,450		2,450	845	1,605
Supplies and Materials	750		750	289	461
<b>Total - Undistributed Expenditures - Administrative Information Technology</b>	<b>69,943</b>		<b>69,943</b>	<b>59,142</b>	<b>10,801</b>
Undistributed Expenditures - Required Maintenance:					
Salaries	167,432	250	167,682	159,923	7,759
Cleaning, Repair & Maintenance Services	238,487	101,307	339,794	328,293	11,501
General Supplies	49,300	(10,000)	39,300	32,453	6,847
Other Objects	10,150		10,150	9,860	290
<b>Total - Undistributed Expenditures - Required Maintenance</b>	<b>465,369</b>	<b>91,557</b>	<b>556,926</b>	<b>530,529</b>	<b>26,397</b>
Undistributed Expenditures - Custodial Services:					
Salaries	476,943		476,943	449,596	27,347
Salaries of Non-Instructional Aides	45,360		45,360		45,360
Cleaning, Repair & Maintenance Services	52,000	(13,366)	38,634	38,634	
Other Purchased Property Services	65,000	(11,477)	53,523	53,523	
Insurance	186,500	8,281	194,781	194,781	
General Supplies	46,657	16,127	62,784	62,293	491
Energy (Natural Gas)	65,000		65,000	56,388	8,612
Energy (Electricity)	225,000	(19,432)	205,568	205,568	
Other Objects	2,000		2,000	1,843	157
<b>Total - Undistributed Expenditures - Custodial Services</b>	<b>1,164,460</b>	<b>(19,867)</b>	<b>1,144,593</b>	<b>1,062,626</b>	<b>81,967</b>
Undistributed Expenditures - Security:					
Salaries	41,245	(12,240)	29,005		29,005
Purchased Professional and Technical Services	93,000		93,000	89,936	3,064
General Supplies	2,130		2,130	150	1,980
Other Objects	875		875		875
<b>Total - Undistributed Expenditures - Security</b>	<b>137,250</b>	<b>(12,240)</b>	<b>125,010</b>	<b>90,086</b>	<b>34,924</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>1,767,079</b>	<b>59,450</b>	<b>1,826,529</b>	<b>1,683,241</b>	<b>143,288</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

General Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Student Transportation Services:					
Salaries of Non-Instructional Aides					
Salaries for Pupil Transportation (Between Home & School) - Spec. Ed.	\$ 49,100	\$	\$ 49,100	\$ 48,508	\$ 592
Salaries for Pupil Transportation (Other than Between Home & School)	21,450		21,450	5,387	16,063
Cleaning, Repair, & Maintenance Services	7,000		7,000	1,975	5,025
Contracted Services (Other Than Home & School) - Vendors	36,200		36,200	5,071	31,129
Contracted Services (Special Education Students) - Vendors	273,015	(27,560)	245,455	219,600	25,855
Contracted Services (Special Education Students) - Joint Agreements	24,000		24,000	7,394	16,606
General Supplies	9,000		9,000	4,164	4,836
<b>Total Student Transportation Services</b>	<b>419,765</b>	<b>(27,560)</b>	<b>392,205</b>	<b>292,099</b>	<b>100,106</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	180,000	(11,500)	168,500	123,669	44,831
Other Retirement Contributions - PERS	185,000	10,600	195,600	195,589	11
Other Retirement Contributions - Regular	8,500		8,500	4,648	3,852
Unemployment Contribution	2,000	23,000	25,000	8,069	16,931
Workmen's Compensation	188,570	(23,188)	165,382	156,440	8,942
Health Benefits	2,758,890	(59,021)	2,699,869	2,487,318	212,551
Tuition Reimbursements	17,000	(2,265)	14,735	7,842	6,893
Other Employee Benefits	131,000	61,287	192,287	157,963	34,324
Unused Sick Payment to Terminated/Retired Staff	16,800	1,100	17,900	17,870	30
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>3,487,760</b>	<b>13</b>	<b>3,487,773</b>	<b>3,159,408</b>	<b>328,365</b>
On-behalf TPAF Pension Contributions - Normal (Non-Budgeted)				1,826,207	(1,826,207)
On-behalf TPAF Medical Contributions (Non-Budgeted)				572,305	(572,305)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,083	(1,083)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				547,328	(547,328)
<b>Total TPAF Contributions</b>				<b>2,946,923</b>	<b>(2,946,923)</b>
<b>Total Undistributed Expenses</b>	<b>11,055,863</b>	<b>(199,486)</b>	<b>10,856,377</b>	<b>12,354,698</b>	<b>(1,498,321)</b>
Interest on Maintenance Reserve	5,860		5,860		5,860
<b>Total Expenditures - Current Expense</b>	<b>18,012,065</b>	<b>(64,129)</b>	<b>17,947,936</b>	<b>18,855,942</b>	<b>(908,006)</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
General Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	\$ 48,000	\$ 27,650	\$ 75,650	\$ 75,650	\$
Grades 6-8	12,000	35,770	47,770	44,900	2,870
Grades 9-12	24,000	(3,500)	20,500	20,500	
Undistributed Expenditures - School Administration	15,000	62,510	77,510	77,273	237
Undistributed Expenditures - Required Maintenance	502,639	(65,000)	437,639	378,287	59,352
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	3,043		3,043	3,043	
Interest Deposit to Capital Reserve	4,062		4,062		4,062
Total Capital Outlay	<u>608,744</u>	<u>57,430</u>	<u>666,174</u>	<u>599,653</u>	<u>66,521</u>
Total Expenditures	<u>18,620,809</u>	<u>(6,699)</u>	<u>18,614,110</u>	<u>19,455,595</u>	<u>(841,485)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,634,550)</u>	<u>4,661</u>	<u>(1,629,889)</u>	<u>746,344</u>	<u>2,376,233</u>
Operating Financing Sources (Uses)					
Transfer of Funds to Charter School	<u>(60,573)</u>	<u>(4,661)</u>	<u>(65,234)</u>	<u>(65,234)</u>	
Total Other Financing Sources (Uses)	<u>(60,573)</u>	<u>(4,661)</u>	<u>(65,234)</u>	<u>(65,234)</u>	
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures and Other Financing (Uses)	<u>(1,695,123)</u>		<u>(1,695,123)</u>	<u>681,110</u>	<u>2,376,233</u>
Fund Balances, July 1	5,108,143		5,108,143	5,108,143	
Prior Period Adjustment				154,041	154,041
Fund Balances, July 1, Restated	<u>5,108,143</u>		<u>5,108,143</u>	<u>5,262,184</u>	
Fund Balances, June 30	<u>\$ 3,413,020</u>	<u>\$</u>	<u>\$ 3,413,020</u>	<u>\$ 5,943,294</u>	<u>\$ 2,530,274</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,127,792	
Maintenance Reserve				1,394,108	
Excess Surplus Previous Year - Designated for Subsequent Year's Expenditures				1,245,582	
Excess Surplus - Current Year				1,103,766	
Unemployment Compensation				200,642	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				83,187	
Unassigned Fund Balance				<u>788,217</u>	
				5,943,294	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(460,771)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,482,523</u>	

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Special Revenue Fund

Required Supplementary Information

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Title I, Part A	\$ 216,903	\$ 1,531	\$ 218,434	\$ 215,941	\$ (2,493)
Title I, SIA	15,660.00	78,225	93,885	52,500	(41,385)
Title I, Part A - Reallocated		12,247	12,247	9,000	(3,247)
Title II, Part A	23,100	(1,698)	21,402	21,402	
Title IV	13,530	8,513	22,043	20,860	(1,183)
I.D.E.A., Part B Basic	256,630	30,567	287,197	275,292	(11,905)
I.D.E.A., Part B, Preschool Incentive	7,657	(20)	7,637	7,637	
Cares Act		184,222	184,222	182,130	(2,092)
Covid Relief		60,305	60,305	60,226	(79)
ESSER II		716,034	716,034	28,330	(687,704)
Digital Divide		33,485	33,485	33,344	(141)
<b>Total - Federal Sources</b>	<b>533,480</b>	<b>1,123,411</b>	<b>1,656,891</b>	<b>906,662</b>	<b>(750,229)</b>
Local Sources				102,595	102,595
<b>Total Revenues</b>	<b>\$ 533,480</b>	<b>\$ 1,123,411</b>	<b>\$ 1,656,891</b>	<b>\$ 1,009,257</b>	<b>\$ (647,634)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 147,760	\$ 221,817	\$ 369,577	\$ 146,546	\$ 223,031
Purchased Professional and Technical Services	18,000	(18,000)			
Other Purchased Services	263,395	48,056	311,451	282,696	28,755
General Supplies	3,800	429,821	433,621	205,726	227,895
<b>Total Instruction</b>	<b>432,955</b>	<b>681,694</b>	<b>1,114,649</b>	<b>634,968</b>	<b>479,681</b>
Support Services:					
Salaries	10,000	38,067	48,067		48,067
Personal Services - Employee Benefits	60,660	103,344	164,004	56,069	107,935
Purchased Professional and Technical Services	23,365	122,172	145,537	83,274	62,263
Other Purchased Services	5,500	26,771	32,271	28,526	3,745
Supplies and Materials	1,000	151,363	152,363	103,825	48,538
Scholarships Awarded				10,414	(10,414)
Student Activities				74,866	(74,866)
<b>Total Support Services</b>	<b>100,525</b>	<b>441,717</b>	<b>542,242</b>	<b>356,974</b>	<b>185,268</b>
Facilities Acquisitions & Const Serv:					
Non-Instructional Equipment					
Total Facilities Acquisition & Const Serv					
<b>Total Expenditures</b>	<b>533,480</b>	<b>1,123,411</b>	<b>1,656,891</b>	<b>991,942</b>	<b>664,949</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures				17,315	17,315
Fund Balance July 1					
Prior Period Adjustment				151,921	
Fund Balance July 1 (Restated)				151,921	
Fund Balance June 30				\$ 169,236	
Recapitulation:					
Restricted:					
Scholarships				\$ 77,714	
Student Activities				91,522	
				\$ 169,236	

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



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 20,201,939	\$ 1,009,257
Differences - Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2020.	452,609	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2021.	(460,771)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 20,193,777</u>	<u>\$ 1,009,257</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule and Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 19,455,595</u>	<u>\$ 1,009,257</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION PART III**

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

	<u>2020</u>	<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	0.017207%	0.016967%	0.017225%	0.017233%	0.016815%	0.016885%	0.019718%	0.017493%
District's Proportionate Share of the Net Pension Liability	\$ 2,806,043	\$ 3,057,123	\$ 3,391,554	\$ 4,011,458	\$ 4,979,985	\$ 3,790,247	\$ 3,691,696	\$ 3,343,179
District's Covered-Employee Payroll	\$ 1,345,260	\$ 1,232,591	\$ 1,212,343	\$ 1,222,176	\$ 1,205,316	\$ 1,231,984	\$ 1,451,228	\$ 1,278,936
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	208.59%	248.02%	279.75%	328.22%	413.17%	307.65%	254.38%	261.40%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 188,238	\$ 165,883	\$ 172,035	\$ 161,331	\$ 159,641	\$ 149,378	\$ 145,162	\$ 162,550
Contributions in relation to the Contractually Required Contribution	(188,238)	(165,883)	(172,035)	(161,331)	(159,641)	(149,378)	(145,162)	(162,550)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 1,345,260	\$ 1,232,591	\$ 1,212,343	\$ 1,222,176	\$ 1,205,316	\$ 1,231,984	\$ 1,451,228	\$ 1,278,936
Contributions as a Percentage of Covered-Employee Payroll	13.99%	13.46%	14.19%	13.20%	13.24%	12.12%	10.00%	12.71%

\* 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.

**BOROUGH OF PALMYRA 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>2020</u>	<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	0.061545%	0.063254%	0.063751%	0.062543%	0.062357%	0.061856%	0.058143%	0.062280%
District's Proportionate Share of the Net Pension Liability	\$ 40,526,893	\$ 38,819,729	\$ 40,556,710	\$ 42,168,704	\$ 49,053,745	\$ 39,095,730	\$ 31,075,683	\$ 31,476,018
District's Covered-Employee Payroll	\$ 7,273,374	\$ 6,884,571	\$ 6,781,496	\$ 6,656,839	\$ 7,507,596	\$ 7,181,012	\$ 7,275,052	\$ 6,702,376
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	557.20%	563.87%	598.05%	633.46%	653.39%	544.43%	427.15%	469.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	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.

**BOROUGH OF PALMYRA 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 1,164,903	\$ 1,180,978	\$ 1,310,245	\$ 1,576,958
Interest Cost	1,075,574	1,339,589	1,458,299	1,260,137
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	8,991,686	(5,971,368)	(3,988,362)	
Changes of Assumptions	9,023,920	446,992	(3,887,439)	(5,169,974)
Member Contributions	26,068	27,279	31,307	33,994
Gross Benefit Payments	(860,036)	(920,272)	(905,832)	(923,190)
<b>Net Change in Total OPEB Liability</b>	<u>19,422,115</u>	<u>(3,896,802)</u>	<u>(5,981,782)</u>	<u>(3,222,075)</u>
<b>Total OPEB Liability - Beginning</b>	<u>33,875,986</u>	<u>33,875,986</u>	<u>39,857,768</u>	<u>43,079,843</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 53,298,101</u>	<u>\$ 29,979,184</u>	<u>\$ 33,875,986</u>	<u>\$ 39,857,768</u>
<b>Covered-Employee Payroll</b>	<u>\$ 8,618,634</u>	<u>\$ 8,117,162</u>	<u>\$ 7,993,839</u>	<u>\$ 7,879,015</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	618.41%	369.33%	423.78%	505.87%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to 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. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement 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.



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	<u>Sub-Total</u>	<u>Covid Relief</u>	<u>ESSER II</u>	<u>Scholarship Fund</u>	<u>Student Activity Fund</u>	<u>Digital Divide</u>
<b>REVENUES:</b>						
Federal Sources	\$ 121,900	\$ 60,226	\$ 28,330			\$ 33,344
State Sources						
Local Sources	<u>102,595</u>			\$ 29,889	\$ 72,706	
Total Revenues	<u>224,495</u>	<u>60,226</u>	<u>28,330</u>	<u>29,889</u>	<u>72,706</u>	<u>33,344</u>
<b>EXPENDITURES:</b>						
Instruction:						
General Supplies	85,272	24,977	28,330			31,965
Total Instruction	<u>85,272</u>	<u>24,977</u>	<u>28,330</u>			<u>31,965</u>
Support Services:						
Purchased Professional and Tech. Services	5,305	5,305				
Other Purchased Services	1,379					1,379
Supplies and Materials	29,944	29,944				
Scholarships Awarded	10,414			10,414		
Student Activities	74,866				74,866	
Total Support Services	<u>121,908</u>	<u>35,249</u>		<u>10,414</u>	<u>74,866</u>	<u>1,379</u>
Facilities Acquisitions & Const Serv:						
Non-Instructional Equipment						
Total Facilities Acquisition & Const Serv						
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Expenditures	<u>207,180</u>	<u>60,226</u>	<u>28,330</u>	<u>10,414</u>	<u>74,866</u>	<u>33,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,315</u>			<u>19,475</u>	<u>(2,160)</u>	
Fund Balance July 1						
Prior Period Adjustment	<u>151,921</u>			<u>58,239</u>	<u>93,682</u>	
Fund Balance July 1 (Restated)	<u>151,921</u>			<u>58,239</u>	<u>93,682</u>	
Fund Balance June 30	<u>\$ 169,236</u>	<u>\$</u>	<u>\$</u>	<u>\$ 77,714</u>	<u>\$ 91,522</u>	<u>\$</u>



## **PROPRIETARY FUND DETAIL STATEMENTS**

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

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

**Alternative High School Enterprise Fund** – This fund provides for the operation of the District’s Alternative High School.

**Transportation Enterprise Fund** – This fund provides for transportation services provided to other local educational associations.

**Related Services Enterprise Fund** – This fund provides for student support services which are provided to other local educational associations.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**Proprietary FundBusiness-Type Activities - Enterprise FundsCombining Statement of Net PositionJune 30, 2021

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 164,734	\$ 194,371	\$ 359,105
Accounts Receivable:			
State	931		931
Federal	8,388		8,388
Interfund Receivable:			
General Fund	180		180
Inventories	21,413		21,413
<b>Total Current Assets</b>	<u>195,646</u>	<u>194,371</u>	<u>390,017</u>
<b>Noncurrent Assets:</b>			
Furniture, Fixtures and Equipment	337,711		337,711
Less Accumulated Depreciation	(294,956)		(294,956)
<b>Total Noncurrent Assets</b>	<u>42,755</u>		<u>42,755</u>
<b>Total Assets</b>	<u>238,401</u>	<u>194,371</u>	<u>432,772</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	864		864
Unearned Revenue	21,858		21,858
<b>Total Liabilities</b>	<u>22,722</u>		<u>22,722</u>
<b>NET POSITION:</b>			
<b>Restricted:</b>			
Net Investment in Capital Assets	42,755		42,755
Unrestricted	172,924	194,371	367,295
<b>Total Net Position</b>	<u>\$ 215,679</u>	<u>\$ 194,371</u>	<u>\$ 410,050</u>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales:			
Non-reimbursable Programs	\$ 883	\$	\$ 883
Reimbursable Program - School Lunch			
<b>Total Operating Revenues</b>	<b>883</b>		<b>883</b>
<b>OPERATING EXPENSES:</b>			
Salaries	44,777	44,106	88,883
Employee Benefits	8,149	27,000	35,149
Management Fee	24,495		24,495
General Supplies	782		782
Direct Expenses	7,052		7,052
Depreciation	4,381		4,381
Other Professional and Technical Services	13,973	2,700	16,673
Cost of Sales - Reimbursable Programs	62,613		62,613
Miscellaneous		2,818	2,818
<b>Total Operating Expenses</b>	<b>166,222</b>	<b>76,624</b>	<b>242,846</b>
<b>Operating Income / (Loss)</b>	<b>(165,339)</b>	<b>(76,624)</b>	<b>(241,963)</b>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	5,992		5,992
Federal Sources:			
National School Lunch Program	105,681		105,681
National School Breakfast Program	62,536		62,536
Food Distribution Program	29,862		29,862
Interest Revenue	90	31	121
<b>Total Nonoperating Revenues</b>	<b>204,161</b>	<b>31</b>	<b>204,192</b>
<b>Change in Net Position</b>	<b>38,822</b>	<b>(76,593)</b>	<b>(37,771)</b>
<b>Net Position -- July 1</b>	<b>176,857</b>	<b>270,964</b>	<b>447,821</b>
<b>Net Position -- June 30</b>	<b>\$ 215,679</b>	<b>\$ 194,371</b>	<b>\$ 410,050</b>

**BOROUGH OF PALMYRA SCHOOL DISTRICT**Proprietary FundBusiness-Type Activities - Enterprise FundsCombining Statement of Cash FlowsFor the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ (1,369)	\$ -	\$ (1,369)
Payments to Management Company	(24,495)		(24,495)
Payments to Employees	(44,777)	(44,106)	(88,883)
Payments for Employee Benefits		(27,000)	(27,000)
Payments for Supplies and Services	(91,736)	(5,518)	(97,254)
Net Cash Provided by (Used for) Operating Activities	<u>(162,377)</u>	<u>(76,624)</u>	<u>(239,001)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	5,992		5,992
Federal Sources	198,079		198,079
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>204,071</u>		<u>204,071</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of Fixed Assets			
Net Cash Provided by (Used for) Capital Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	90	31	121
Net Increase in Cash and Cash Equivalents	41,784	(76,593)	(34,809)
Cash and Cash Equivalents -- July 1	122,950	270,964	393,914
Cash and Cash Equivalents -- June 30	<u>\$ 164,734</u>	<u>\$ 194,371</u>	<u>\$ 359,105</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (165,339)	\$ (76,624)	\$ (241,963)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	(4,381)		(4,381)
(Increase) Decrease in Accounts Receivable	2,129		2,129
(Increase) Decrease in Interfund Receivable			0
(Increase) Decrease in Inventories	114		114
Increase (Decrease) in Unearned Revenue	4,236		4,236
Increase (Decrease) in Accounts Payable	864		864
Total Adjustments	<u>2,962</u>		<u>2,962</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (162,377)</u>	<u>\$ (76,624)</u>	<u>\$ (239,001)</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.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
School District Refunding Bonds - Series 2016	09-14-16	\$ 8,365,000	03-01-22	\$ 480,000	4.00%	\$ 6,480,000		\$ 925,000	\$ 5,555,000
			03-01-23	635,000	4.00%				
			03-01-24	640,000	4.00%				
			03-01-25	640,000	3.00%				
			03-01-26	640,000	3.00%				
			03-01-27	635,000	3.50%				
			03-01-28	635,000	3.00%				
			03-01-29	625,000	3.50%				
			03-01-30	625,000	3.50%				



**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Debt Service Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	<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	\$ 985,958		\$ 985,958	\$ 985,958	
State Sources:					
Debt Service Aid Type II	169,667		169,667	169,667	
Total Revenues	<u>1,155,625</u>		<u>1,155,625</u>	<u>1,155,625</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	230,625		230,625	230,625	
Redemption of Principal	925,000		925,000	925,000	
Total Expenditures	<u>1,155,625</u>		<u>1,155,625</u>	<u>1,155,625</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Operating Transfers In:					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Restricted Fund Balance				<u>\$</u>	

**STATISTICAL SECTION**

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 4,593,313	\$ 3,779,374	\$ 2,864,732	\$ 2,543,351	\$ 1,769,218	\$ 1,967,127	\$ 1,687,809	\$ 1,504,616	\$ 1,450,787	\$ 1,410,647
Restricted	5,241,126	4,532,667	4,148,012	3,649,028	3,159,870	2,998,955	2,640,525	2,329,781	1,679,066	1,922,185
Unrestricted (Deficit)	<u>(3,498,892)</u>	<u>(3,977,757)</u>	<u>(4,211,094)</u>	<u>(4,385,670)</u>	<u>(3,667,853)</u>	<u>(4,199,304)</u>	<u>(4,120,110)</u>	<u>(224,102)</u>	<u>(142,141)</u>	<u>(250,459)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 6,335,547</u>	<u>\$ 4,334,284</u>	<u>\$ 2,801,650</u>	<u>\$ 1,806,709</u>	<u>\$ 1,261,235</u>	<u>\$ 766,777</u>	<u>\$ 208,224</u>	<u>\$ 3,610,295</u>	<u>\$ 2,987,712</u>	<u>\$ 3,082,373</u>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 42,755	\$ 47,136	\$ 51,663	\$ 17,212	\$ 19,186	\$ 21,403	\$ 26,537	\$ 31,922	\$ 22,052	\$ 30,266
Unrestricted	<u>367,295</u>	<u>400,685</u>	<u>413,590</u>	<u>477,047</u>	<u>435,609</u>	<u>390,792</u>	<u>322,962</u>	<u>248,229</u>	<u>186,763</u>	<u>174,228</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 410,050</u>	<u>\$ 447,821</u>	<u>\$ 465,253</u>	<u>\$ 494,259</u>	<u>\$ 454,795</u>	<u>\$ 412,194</u>	<u>\$ 349,499</u>	<u>\$ 280,151</u>	<u>\$ 208,815</u>	<u>\$ 204,494</u>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 4,636,068	\$ 3,826,510	\$ 2,916,395	\$ 2,560,563	\$ 1,788,404	\$ 1,988,530	\$ 1,714,346	\$ 1,536,538	\$ 1,472,839	\$ 1,440,913
Restricted	5,241,126	4,532,667	4,148,012	3,649,028	3,159,870	2,998,955	2,640,525	2,329,781	1,679,066	1,922,185
Unrestricted (Deficit)	<u>(3,131,597)</u>	<u>(3,577,072)</u>	<u>(3,797,504)</u>	<u>(3,908,623)</u>	<u>(3,232,244)</u>	<u>(3,808,512)</u>	<u>(3,797,148)</u>	<u>24,126</u>	<u>44,622</u>	<u>(76,231)</u>
<b>Total Government-wide Net Position</b>	<u>\$ 6,745,597</u>	<u>\$ 4,782,105</u>	<u>\$ 3,266,903</u>	<u>\$ 2,300,968</u>	<u>\$ 1,716,030</u>	<u>\$ 1,178,972</u>	<u>\$ 557,723</u>	<u>\$ 3,890,445</u>	<u>\$ 3,196,527</u>	<u>\$ 3,286,867</u>

Source: Exhibit A-1

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

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

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>EXPENSES:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 4,882,500	\$ 4,599,642	\$ 4,638,050	\$ 4,432,535	\$ 4,391,258	\$ 4,897,047	\$ 5,240,728	\$ 4,685,701	\$ 4,736,984	\$ 4,297,173
Special Education	1,741,183	1,679,943	1,764,431	1,615,646	1,617,712	1,683,856	1,416,951	1,420,120	1,682,763	1,597,824
Other Special Education	749,769	675,449	519,836	548,518	726,868	591,072	522,805	487,942	427,228	334,898
<b>Support Services:</b>										
Tuition	1,139,645	1,661,860	1,336,684	1,295,971	1,380,458	1,450,814	1,371,105	1,425,581	1,064,517	987,665
Student and Instruction Related Services	2,271,463	1,829,566	1,803,019	1,752,793	1,619,126	1,525,066	1,651,117	1,565,243	1,584,884	1,662,108
School Administrative Services	941,187	481,667	1,097,280	423,498	413,584	403,066	509,522	368,970	502,060	503,830
General and Business Administrative Services	724,505	702,211	744,938	690,026	796,722	713,233	942,828	838,531	690,948	565,790
Plant Operations and Maintenance	1,686,284	2,269,359	1,593,714	2,239,552	1,544,631	1,417,720	1,487,968	1,433,716	1,410,294	1,337,947
Pupil Transportation	292,099	337,129	357,474	397,385	370,634	289,333	316,263	294,760	310,514	253,947
Unallocated Benefits	8,249,100	6,258,068	9,815,194	8,664,268	7,889,694	6,198,135	4,062,962	3,603,120	3,888,106	3,491,252
Special Schools										
Interest on Long-term Debt	230,390	304,774	187,874	434,809	298,544	395,020	427,371	448,970	473,181	488,934
Unallocated Depreciation										597,286
<b>Total Governmental Activities Expenses</b>	<b>22,908,125</b>	<b>20,799,668</b>	<b>23,858,494</b>	<b>22,495,001</b>	<b>21,049,231</b>	<b>19,564,361</b>	<b>17,949,621</b>	<b>16,572,653</b>	<b>16,771,480</b>	<b>16,118,654</b>
<b>Business-type Activities:</b>										
Food Service	166,222	290,272	450,478	371,481	371,310	364,319	348,434	365,504	354,224	345,900
After School Program	76,624	120,683	147,530	144,562	132,725	119,501	114,003	96,814	131,485	63,624
<b>Total Business-type Activities Expense</b>	<b>242,846</b>	<b>410,955</b>	<b>598,008</b>	<b>516,043</b>	<b>504,035</b>	<b>483,820</b>	<b>462,437</b>	<b>462,317</b>	<b>485,710</b>	<b>409,524</b>
<b>Total Government Expenses</b>	<b>\$ 23,150,971</b>	<b>\$ 21,210,623</b>	<b>\$ 24,456,502</b>	<b>\$ 23,011,044</b>	<b>\$ 21,553,266</b>	<b>\$ 20,048,181</b>	<b>\$ 18,412,058</b>	<b>\$ 17,034,970</b>	<b>\$ 17,257,189</b>	<b>\$ 16,528,178</b>
<b>PROGRAM REVENUES:</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ 4,631,710	\$ 3,945,338	\$ 4,042,579	\$ 4,611,312	\$ 5,304,567	\$ 4,043,731	\$ 1,910,537	\$ 1,659,253	\$ 1,907,858	\$ 1,869,015
Charges for Services	2,037,396	1,878,779	1,615,418	1,438,398	1,103,457	1,361,193	1,749,865	1,853,201	1,800,427	1,740,648
<b>Total Governmental Activities Program Revenues</b>	<b>6,669,106</b>	<b>5,824,117</b>	<b>5,657,997</b>	<b>6,049,710</b>	<b>6,408,023</b>	<b>5,404,925</b>	<b>3,660,402</b>	<b>3,512,454</b>	<b>3,708,285</b>	<b>3,609,663</b>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Food Service	883	141,122	200,712	164,881	160,491	146,001	138,635	146,565	143,416	145,386
After School Program	0	95,434	137,093	148,461	154,699	148,714	165,802	152,379	128,924	116,270
Operating Grants and Contributions	204,071	156,658	230,790	238,370	237,138	251,721	227,293	219,204	217,621	205,030
<b>Total Business-type Activities Program Revenues</b>	<b>204,954</b>	<b>393,214</b>	<b>568,595</b>	<b>551,712</b>	<b>552,328</b>	<b>546,436</b>	<b>531,731</b>	<b>518,148</b>	<b>489,960</b>	<b>466,686</b>
<b>Total Government Program Revenues</b>	<b>\$ 6,874,060</b>	<b>\$ 6,217,331</b>	<b>\$ 6,226,592</b>	<b>\$ 6,601,422</b>	<b>\$ 6,960,352</b>	<b>\$ 5,951,360</b>	<b>\$ 4,192,133</b>	<b>\$ 4,030,602</b>	<b>\$ 4,198,245</b>	<b>\$ 4,076,349</b>
<b>NET (EXPENSE)/REVENUE:</b>										
Governmental Activities	\$(16,239,019)	\$(14,975,551)	\$(18,200,497)	\$(16,445,291)	\$(14,641,208)	\$(14,159,437)	\$(14,289,219)	\$(13,060,199)	\$(13,063,195)	\$(12,508,991)
Business-type Activities	(37,892)	(17,741)	(29,413)	35,669	48,294	62,616	69,293	55,831	4,251	57,162
<b>Total Government-wide Net Expense</b>	<b>\$(16,276,911)</b>	<b>\$(14,993,292)</b>	<b>\$(18,229,910)</b>	<b>\$(16,409,622)</b>	<b>\$(14,592,914)</b>	<b>\$(14,096,821)</b>	<b>\$(14,219,925)</b>	<b>\$(13,004,369)</b>	<b>\$(13,058,944)</b>	<b>\$(12,451,829)</b>

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 9,928,786	\$ 9,552,528	\$ 9,365,224	\$ 9,181,593	\$ 8,806,464	\$ 8,633,789	\$ 8,155,162	\$ 7,586,442	\$ 7,225,184	\$ 7,225,184
Taxes Levied for Debt Service	985,958	981,317	987,461	1,042,046	1,094,439	948,158	948,158	967,890	925,603	925,603
Unrestricted Grants and Contributions	6,941,219	5,400,356	8,698,562	6,749,597	5,097,356	5,041,154	5,033,439	5,073,565	4,937,350	4,725,939
Investment Earnings	30,285	62,039	84,978	35,078	3,729	4,171	3,747		2,700	1,182
Other	48,072	511,945	64,251	93,979	133,678	90,718	89,822	70,339	17,790	35,263
Disposal of Assets										(133)
Transfers								(15,454)		100,000
<b>Total Governmental Activities</b>	<b>17,934,320</b>	<b>16,508,185</b>	<b>19,200,476</b>	<b>17,102,293</b>	<b>15,135,666</b>	<b>14,717,990</b>	<b>14,230,328</b>	<b>13,682,782</b>	<b>13,108,627</b>	<b>13,013,038</b>
<b>Business-type Activities:</b>										
Investment Earnings	121	309	407	3,796	110	80	55	52	69	99
Contribution of Capital Assets										25,782
Transfers								15,454		(90,000)
<b>Total Business-type Activities</b>	<b>121</b>	<b>309</b>	<b>407</b>	<b>3,796</b>	<b>110</b>	<b>80</b>	<b>55</b>	<b>15,506</b>	<b>69</b>	<b>(64,119)</b>
<b>Total Government-wide</b>	<b>\$ 17,934,441</b>	<b>\$ 16,508,494</b>	<b>\$ 19,200,883</b>	<b>\$ 17,106,089</b>	<b>\$ 15,135,776</b>	<b>\$ 14,718,070</b>	<b>\$ 14,230,382</b>	<b>\$ 13,698,287</b>	<b>\$ 13,108,696</b>	<b>\$ 12,948,919</b>
<b>CHANGE IN NET POSITION:</b>										
Governmental Activities	\$ 1,695,301	\$ 1,532,634	\$ 999,979	\$ 657,002	\$ 494,458	\$ 558,553	\$ (58,891)	\$ 622,582	\$ 45,432	\$ 504,047
Business-type Activities	(37,771)	(17,432)	(29,006)	39,465	48,404	62,696	69,348	71,336	4,320	(6,957)
<b>Total Government</b>	<b>\$ 1,657,530</b>	<b>\$ 1,515,202</b>	<b>\$ 970,973</b>	<b>\$ 696,467</b>	<b>\$ 542,861</b>	<b>\$ 621,249</b>	<b>\$ 10,457</b>	<b>\$ 693,919</b>	<b>\$ 49,752</b>	<b>\$ 497,090</b>

Source: Exhibit A-2

In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 5,071,890	\$4,532,667	\$ 4,148,012	\$ 3,624,024	\$ 3,134,365	\$ 3,373,278	\$ 3,051,837	\$ 2,329,780	\$ 1,849,780	\$ 1,302,191
Committed										
Assigned	83,187	118,661	62,389	65,877	245,506	40,370	86,984	132,294	68,875	619,994
Unassigned (Deficit)	327,446	4,206	29,439	(19,680)	(15,850)	(23,568)	(71,432)	(33,661)	(90,817)	(72,123)
<b>Total General Fund</b>	<b>\$ 5,482,523</b>	<b>\$4,655,534</b>	<b>\$ 4,239,840</b>	<b>\$ 3,670,221</b>	<b>\$ 3,364,021</b>	<b>\$ 3,390,080</b>	<b>\$ 3,067,389</b>	<b>\$ 2,428,413</b>	<b>\$ 1,827,838</b>	<b>\$ 1,850,062</b>
All Other Governmental Funds:										
Restricted, Reported in:										
Capital Projects Fund										
Special Revenue Fund	\$ 169,236	\$	\$							
Debt Service Fund				\$ 25,004	\$ 25,505	\$ 501	\$ 501	\$ 1	\$ 1	\$
Permanent Fund										
<b>Total All Other Governmental Funds</b>	<b>\$ 169,236</b>	<b>\$</b>	<b>\$</b>	<b>\$ 25,505</b>	<b>\$ 25,505</b>	<b>\$ 501</b>	<b>\$ 501</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$</b>

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**  
 (Unaudited)

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>REVENUES:</b>										
Tax Levy	\$ 10,914,744	\$ 10,533,845	\$ 10,352,685	\$ 10,223,639	\$ 9,900,903	\$ 9,581,947	\$ 9,103,320	\$ 8,554,332	\$ 8,150,787	\$ 8,150,787
Other Local Revenue	2,180,987	2,452,763	1,764,647	1,567,455	1,263,263	1,456,082	1,843,434	1,923,540	1,820,917	1,777,093
State Sources	8,341,158	7,790,878	7,712,447	7,175,737	6,848,984	6,590,796	6,342,142	6,180,513	6,234,002	5,814,744
Federal Sources	921,770	653,795	616,502	568,759	570,718	606,194	601,834	552,304	603,065	780,210
<b>Total Revenues</b>	<b>22,358,659</b>	<b>21,431,281</b>	<b>20,446,281</b>	<b>19,535,590</b>	<b>18,583,868</b>	<b>18,235,019</b>	<b>17,890,730</b>	<b>17,210,690</b>	<b>16,808,771</b>	<b>16,522,834</b>
<b>EXPENDITURES:</b>										
<b>Instruction</b>										
Regular Instruction	4,645,260	4,544,738	4,602,714	4,406,508	4,348,615	4,409,816	4,268,397	4,191,463	4,300,228	4,400,577
Special Education Instruction	1,741,183	1,679,943	1,764,431	1,615,646	1,617,712	1,683,856	1,416,951	1,420,120	1,675,457	1,597,824
Other Special Instruction	749,769	675,449	519,836	548,518	726,868	591,072	514,858	487,942	427,228	334,898
<b>Support Services:</b>										
Tuition	1,139,645	1,661,860	1,336,684	1,295,971	1,380,458	1,450,814	1,371,105	1,425,581	1,064,517	987,665
Student and Instruction Related Services	2,271,463	1,829,566	1,803,019	1,744,009	1,575,495	1,540,934	1,613,266	1,558,038	1,576,677	1,662,108
School Administrative Services	494,388	481,667	468,226	420,764	386,961	426,397	464,598	368,797	501,863	469,404
Other Administrative Services	724,505	702,211	744,938	689,508	791,826	628,642	762,944	741,803	594,238	531,363
Plant Operations and Maintenance	1,683,241	1,619,476	1,590,671	1,439,696	1,441,720	1,338,401	1,387,803	1,323,077	1,299,136	1,274,658
Pupil Transportation	292,099	337,129	357,474	397,385	370,634	294,129	311,467	294,760	310,514	246,582
Unallocated Benefits	6,106,331	5,572,946	5,401,796	5,230,382	4,639,523	4,237,291	3,902,021	3,603,120	3,888,106	3,491,252
<b>Debt Service:</b>										
Principal	925,000	885,000	895,000	905,000	910,000	885,000	720,000	725,000	705,000	660,000
Interest and Other Charges	230,625	266,023	292,875	313,975	353,044	405,405	431,168	451,918	476,393	494,067
Special Schools										
Capital Outlay	599,653	759,579	124,002	222,529	162,413	20,570	86,677	18,497	11,639	633,700
<b>Total Expenditures</b>	<b>21,603,162</b>	<b>21,015,587</b>	<b>19,901,666</b>	<b>19,229,891</b>	<b>18,705,269</b>	<b>17,912,328</b>	<b>17,251,254</b>	<b>16,610,114</b>	<b>16,830,995</b>	<b>16,784,098</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	755,497	415,694	544,615	305,699	(121,401)	322,691	639,476	600,575	(22,223)	(261,264)
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from Issuance of Refunding Bonds					8,365,000					
Premium from Issuance of Refunding Bonds					872,094					
Payment to Refunded Debt Escrow Agent					(9,116,749)					
Transfers In						151,154			44,245	100,000
Transfers Out	(65,234)					(151,154)			(44,245)	
<b>Total Other Financing Sources (Uses)</b>	<b>(65,234)</b>				<b>120,345</b>					<b>100,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 690,263</b>	<b>\$ 415,694</b>	<b>\$ 544,615</b>	<b>\$ 305,699</b>	<b>\$ (1,055)</b>	<b>\$ 322,691</b>	<b>\$ 639,476</b>	<b>\$ 600,575</b>	<b>\$ (22,223)</b>	<b>\$ (161,264)</b>
Debt Service as a Percentage of Non-capital Expenditures	5.50%	5.68%	6.01%	6.41%	6.81%	7.21%	6.71%	7.09%	7.02%	7.15%

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Interest on Investments	\$ 19,008	\$ 62,039	\$ 84,978	\$ 35,078	\$ 3,729	\$ 4,171	\$ 3,747	\$ 2,889	\$ 2,700	\$ 1,182
Tuition	1,964,690	1,878,779	1,615,418	1,438,398	1,103,457	1,361,193	1,749,865	1,853,201	1,800,427	1,740,648
Transportation Fees					5,918					
Shared Services										7,130
Solar Energy Rebate					53,550					
Rental/Lease of Facilities							1,800	3,699	500	855
Prior Year E-Rate	33,264	63,131	47,385	58,041	42,196	38,914	48,074			
Prior Year Refunds	3,536	7,377		14,920	13,034	29,581	14,228	17,687	12,636	12,202
Athletics		21,654	15,276	19,530	13,895	15,917	21,525	40,731		
Sale of Assets					22,670					
Miscellaneous	57,894	1,580	1,590	488	4,814	6,305	4,195	5,333	4,654	15,076
<b>Total Miscellaneous Revenues</b>	<b><u>\$2,078,392</u></b>	<b><u>\$2,034,560</u></b>	<b><u>\$1,764,647</u></b>	<b><u>\$1,263,263</u></b>	<b><u>\$1,263,263</u></b>	<b><u>\$1,456,082</u></b>	<b><u>\$1,843,434</u></b>	<b><u>\$1,923,540</u></b>	<b><u>\$1,820,917</u></b>	<b><u>\$1,777,093</u></b>

Source: District Records



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
 (Unaudited)

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (3)
2021	\$ 4,733,600	\$ 409,706,845	\$	\$ 32,267,600	\$ 9,486,300	\$ 21,205,900	\$ 477,400,245	\$ 94	\$ 477,400,339	\$ 52,145,755	\$ 526,060,876	\$ 2.24
2020	4,627,600	408,915,145		32,380,300	9,506,300	21,205,900	476,635,245	94	476,635,339	52,426,455	510,274,077	2.29
2019	4,787,800	408,502,345		32,380,300	10,506,300	21,205,900	477,382,645	93	477,382,738	51,977,100	514,919,117	2.21
2018	4,745,800	408,349,375		32,396,800	10,506,300	20,916,100	477,098,075	94	476,914,469	52,333,400	509,197,496	2.17
2017	4,696,800	408,717,075	5,500	32,223,300	10,579,000	20,876,400	477,863,675	94	477,098,169	52,271,600	506,258,669	2.14
2016	4,719,400	409,121,975	5,500	32,492,300	10,648,100	20,876,400	478,745,130	93	477,863,768	52,300,600	515,828,765	2.07
2015	4,719,400	409,719,630	5,500	32,778,100	10,706,100	20,816,400	479,129,030	91	478,745,221	52,110,800	541,077,329	2.00
2014	4,719,400	410,223,830	5,500	32,599,300	10,715,100	20,865,900	480,659,630	284,018	479,413,048	52,161,100	530,998,495	1.90
2013	4,786,000	411,186,330	5,500	32,858,100	10,790,100	21,033,600	311,792,415	478,375	481,138,005	51,354,800	530,832,154	1.78
2012	4,036,900	268,395,315	27,800	19,347,300	7,042,500	12,942,600	312,861,070	285,208	312,077,623	31,866,102	558,878,264	2.61

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

Source: Burlington County Board of Taxation

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(Unaudited)

Year Ended Dec. 31	District Direct Rate (1)			Overlapping Rates (1)		
	General Basic Rate	Obligation Debt Service	Total Direct School Tax Rate	Borough of Palmyra	Burlington County	Total Direct and Overlapping Tax Rate
2021	\$ 2.040	\$ 0.203	\$ 2.243	\$ 1.313	\$ 0.434	\$ 3.990
2020	2.062	0.227	2.289	1.295	0.421	4.005
2019	1.986	0.220	2.206	1.243	0.430	3.879
2018	1.943	0.228	2.171	1.224	0.429	3.824
2017	1.905	0.237	2.142	1.200	0.433	3.775
2016	1.866	0.205	2.071	1.188	0.442	3.701
2015	1.793	0.208	2.001	1.177	0.470	3.648
2014	1.683	0.215	1.898	1.165	0.424	3.487
2013	1.576	0.202	1.778	1.142	0.420	3.340
2012	2.285	0.326	2.611	1.729	0.681	5.021

Source: Municipal Tax Collector

(1) Rate per \$100 of Assessed Value

(2) Revaluation

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willow Shores LP	\$ 11,406,700	1	2.39%	<b>NOT AVAILABLE</b>		
Boss Lady, LLC	3,500,000	2	0.73%			
River Villas Mew LLC	2,261,600	3	0.47%			
NAI Entertainment Holdings LLC	2,009,000	4	0.42%			
Philadelphia Sign Company	1,809,200	5	0.38%			
Rainer, Joseph	1,530,300	6	0.32%			
Palmyra Holdings LLC	1,320,600	7	0.28%			
ROTO Cylinders, INC	1,247,800	8	0.26%			
Taxpayer #1	1,177,700	9	0.25%			
Taxpayer #2	1,173,600	10	0.25%			
<b>Total</b>	<b>\$ 27,943,100</b>		<b>3.36%</b>	<b>\$ 15,374,600</b>		<b>0.00%</b>

Source: Municipal Tax Assessor

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2021	\$ 10,914,744	\$ 10,914,744	100%	
2020	10,533,845	10,533,845	100%	
2019	10,352,685	10,352,685	100%	
2018	10,223,639	10,223,639	100%	
2017	9,900,903	9,900,903	100%	
2016	9,581,947	9,581,947	100%	
2015	9,103,320	9,103,320	100%	
2014	8,554,332	8,554,332	100%	
2013	8,150,787	8,150,787	100%	
2012	8,150,787	8,150,787	100%	

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

Source: District Records

**BOROUGH OF PALMYRA 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 Personal Income (2)		Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Bonds Authorized But not Issued	Capital Leases		Income (2)	Per Capita (3)	
2021	\$ 5,555,000				\$ 5,555,000	1.23%	\$ 781	
2020	6,480,000				6,480,000	1.52%	912	
2019	7,365,000				7,365,000	1.73%	1,037	
2018	8,260,000				8,260,000	1.93%	1,155	
2017	9,165,000				9,165,000	2.14%	1,278	
2016	10,335,000				10,335,000	2.50%	1,436	
2015	11,220,000				11,220,000	2.76%	1,548	
2014	11,940,000				11,940,000	3.06%	1,637	
2013	12,665,000				12,665,000	3.36%	1,732	
2012	13,370,000				13,370,000	3.56%	1,817	

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income.
- (3) Per capita personal income by county-estimated based upon the 2010 Census published

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2021	\$ 5,555,000		\$ 5,555,000	1.06%	\$ 781
2020	6,480,000		6,480,000	1.27%	912
2019	7,365,000		7,365,000	1.43%	1,037
2018	8,260,000		8,260,000	1.62%	1,155
2017	9,165,000		9,165,000	2.00%	1,278
2016	10,335,000		10,335,000	2.07%	1,436
2015	11,220,000		11,220,000	2.25%	1,548
2014	11,940,000		11,940,000	2.39%	1,637
2013	12,665,000		12,665,000	2.39%	1,732
2012	13,370,000		13,370,000	2.34%	1,817

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2020**  
**(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Palmyra Borough</u>
Municipal Debt: (1)				
Palmyra Borough Local School District	\$ 6,480,000	\$ 6,480,000	\$	\$
Palmyra Borough Sewer Utility	5,426,987	5,426,987		
Palmyra Borough	<u>14,106,392</u>	<u>573,850</u>	13,532,542	13,532,542
	<u>\$ 26,013,379</u>	<u>\$ 12,480,837</u>	<u>\$ 13,532,542</u>	<u>\$ 13,532,542</u>
 Overlapping Debt Apportioned to the Municipality:				
County of Burlington: (2)				
General:				
Bonds	\$ 220,115,332	\$ 17,704,990	\$ 202,410,342	\$ 2,172,470
Bonds Issued by Other Public Bodies				
Guaranteed by the County	394,216,300	394,216,300		
Solid Waste Utility	<u>48,855,193</u>	<u>48,855,193</u>		
	<u>663,186,825</u>	<u>460,776,483</u>	<u>202,410,342</u>	<u>2,172,470</u>
	<u>\$ 689,200,204</u>	<u>\$ 473,257,320</u>	<u>\$ 215,942,884</u>	<u>\$ 15,705,012</u>

Sources:

- (1) 2020 Annual Debt Statement
- (2) County's 2019 Audit Report

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)

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

	Equalized Valuation Basis (1):	
	2020	\$ 525,217,901
	2019	509,643,050
	2018	512,976,632
	<b>[A]</b>	<u>\$ 1,547,837,583</u>
	Average Equalized Valuation of Taxable Property	<b>[A/3]</b> \$ 515,945,861
	Debt Limit (4% of Average Equalization Value) (2)	<b>[B]</b> 20,637,834
	Total Net Debt Applicable to Limit (3)	<b>[C]</b> <u>5,555,000</u>
	Legal Debt Margin	<b>[B-C]</b> <u>\$ 15,082,834</u>

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 20,637,834	\$ 20,426,844	\$ 20,392,550	\$ 20,443,263	\$ 20,871,496	\$ 21,209,348	\$ 21,399,907	\$ 21,650,176	\$ 22,516,840	\$ 23,401,220
Total Net Debt Applicable to Limit (3)	<u>5,555,000</u>	<u>6,480,000</u>	<u>7,365,000</u>	<u>8,260,000</u>	<u>9,165,000</u>	<u>10,335,000</u>	<u>11,220,000</u>	<u>11,940,000</u>	<u>12,665,000</u>	<u>13,370,000</u>
Legal Debt Margin	<u>\$ 15,082,834</u>	<u>\$ 13,946,844</u>	<u>\$ 13,027,550</u>	<u>\$ 12,183,263</u>	<u>\$ 11,706,496</u>	<u>\$ 10,874,348</u>	<u>\$ 10,179,907</u>	<u>\$ 9,710,176</u>	<u>\$ 9,851,840</u>	<u>\$ 10,031,220</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.92%	31.72%	36.12%	40.40%	43.91%	48.73%	52.43%	55.15%	56.25%	57.13%

Sources:

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



**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2021 *	7,113	\$ 453,343,914	\$ 63,732	3.51%
2020	7,135	426,806,946	63,669	8.50%
2019	7,149	428,523,181	63,605	3.30%
2018	7,158	428,874,531	61,244	3.90%
2017	7,177	427,993,666	59,432	4.20%
2016	7,202	413,719,331	57,951	4.50%
2015	7,252	406,145,000	56,277	5.00%
2014	7,296	390,148,766	53,770	6.30%
2013	7,314	376,538,752	51,635	11.1%
2012	7,360	375,470,898	51,106	11.6%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

\* Estimates

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Principal Non-Governmental Employers  
Previous Year and Nine Years Ago  
(Unaudited)

<u>Employer</u>	<u>2021</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Quality Management Associates						
Quality Management Associates, LLC						
Burlington County Bridge Commission						
Philadelphia Sign Company						
Dunkin' Donuts Northeast Distribution Ctr.						
Wawa						
Maids of Honor						
Bridge Machine Company						
Callahan Chemical Co.						
Quality Management						
	-		0.00%	-		-

INFORMATION  
NOT AVAILABLE

INFORMATION  
NOT AVAILABLE

Source: Burlington County Economic Resource Guide

\*Information for Burlington County. The number of employees per company was not given.

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
 (Unaudited)

Function/Program	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	64	61	61	59	65	65	64	59	61	64
Special education	29	30	27	26	26	27	27	27	33	29
Athletics	2	2	2	2	3	3	3	3	3	3
Adult/continuing education programs										
Support Services:										
Student & instruction related services	16	20	19	24	24	22	22	26	25	25
School administrative services	9	9	8	6	5	6	5	6	6	7
General and business administrative services	7	7	8	7	6	6	5	6	8	8
Plant operations and maintenance	16	16	19	19	14	14	14	16	15	16
Business and other support services	4		2	2	1	2	2	2	1	1
Child Care	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>148</b>	<b>146</b>	<b>147</b>	<b>145</b>	<b>145</b>	<b>142</b>	<b>145</b>	<b>152</b>	<b>154</b>	<b>134</b>

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Operating Statistics  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30,	Resident Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2020	934	\$ 19,847,884	\$ 21,250	11.34%	91	1:12.0	1:11.0	934	885	1.74%	94.75%
2020	938	19,523,188	20,814	9.05%	91	1:14.0	1:14.0	918	885	-1.29%	96.41%
2019	919	15,589,789	20,228	5.98%	90	1:14.0	1:14.0	924	880	-1.29%	95.24%
2018	932	17,788,387	19,086	-1.14%	86	1:14.0	1:11.0	930	879	4.45%	94.52%
2017	895	17,279,812	19,307	9.09%	93	1:11.0	1:8.33	890	842	-4.85%	94.53%
2016	941	16,601,354	17,642	4.45%	92	1:12.0	1:10.0	936	877	-0.91%	93.78%
2015	945	16,013,409	16,945	1.59%	91	1:10.0	1:11.0	944	889	-1.12%	94.11%
2014	960	16,013,409	16,681	3.68%	86	1:13.0	1:12.0	956	902	-0.92%	94.39%
2013	972	15,637,963	16,088	9.11%	93	1:12.0	1:10.0	964	905	0.23%	93.90%
2012	1,017	14,996,331	14,746	3.71%	114	1:12.0	1:10.0	950	924	1.26%	94.27%

Sources: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
School Building Information  
Last Ten Fiscal Years  
(Unaudited)

District Building	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary										
Charles Street Elementary (1958)										
Square Feet	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884	62,884
Capacity (students)	705	705	705	705	705	705	705	705	705	705
Enrollment	360	353	459	495	495	520	525	529	481	493
Delaware Avenue Elementary (1956)										
Square Feet	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539	11,539
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment									16	27
Senior High School										
Junior/Senior High School (1922)										
Square Feet	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248	99,248
Capacity (students)	765	765	765	765	765	765	765	765	765	765
Enrollment	574	585	460	400	400	421	420	431	449	433
Number of Schools at June 30, 2021										
Elementary School =	2									
Junior/Senior High School =	1									
Other =	0									

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
 (Unaudited)

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

School Facilities*	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Charles Street School	\$ 194,612	\$ 189,591	\$ 165,310	\$ 130,952	\$ 132,314	\$ 115,208	\$ 132,252	\$ 111,027	\$ 112,451	\$ 71,365
Delaware Avenue School	37,841	36,865	32,144	25,462	25,728	22,402	18,466	21,589	21,865	13,876
Junior/Senior High School	298,076	300,186	261,740	207,343	209,498	182,413	183,820	176,807	178,047	112,994
Total School Facilities	<u>\$ 530,529</u>	<u>\$ 526,642</u>	<u>\$ 459,194</u>	<u>\$ 363,757</u>	<u>\$ 367,540</u>	<u>\$ 320,023</u>	<u>\$ 334,538</u>	<u>\$ 309,423</u>	<u>\$ 312,363</u>	<u>\$ 198,235</u>

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

Source: District Records

**BOROUGH OF PALMYRA SCHOOL DISTRICT**

Insurance Schedule

June 30, 2021

(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Boiler and Machinery	\$ 100,000,000	\$ 2,500
General and Automobile Liability	5,000,000	
Property & Auto Physical Damage	500,000,000	2,500/1,000
Cyber Liability	2,000,000	10,000
Comprehensive Crime Coverage		
Money and Securities	50,000	
Blanket Dishonesty Bond	100,000 person/ 500,000 per loss	
Computer Fraud	50,000	
Forgery and Alteration	50,000	
Environmental Impairment Liability	1,000,000	5,000
School Excess Liability	10,000,000	10,000
School Leaders Professional Liability	5,000,000	10,000
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Student Accident Liability (1)	1,000,000	
Surety Bonds (2)		
Treasurer	250,000	
Board Secretary	175,000	

(1) School Alliance Insurance Fund

(2) National Union Fire Insurance Company of Pittsburgh, PA

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  
Palmyra Borough School District  
County of Burlington, 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 Palmyra Borough School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education of the Palmyra Borough School District's basic financial statements, and have issued our report thereon dated January 28, 2022.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Palmyra Borough 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 Palmyra Borough Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Palmyra Borough 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 Palmyra Borough Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance, or other matters that 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 and is described in the accompanying schedule of findings and questioned costs, labeled finding 2021-1.

### **Palmyra Board of Education's Response to Findings**

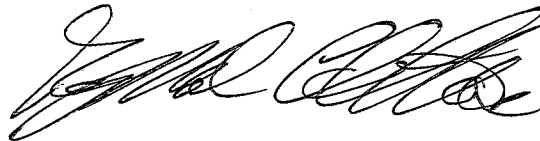
Palmyra Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 28, 2022

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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  
Palmyra Borough School District  
County of Burlington, New Jersey

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

We have audited the Board of Education of the Palmyra Borough School District, in the County of Burlington, 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 Palmyra Borough School District's major federal and state programs for the fiscal year ended June 30, 2021. The Palmyra Borough 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 Palmyra Borough 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 Palmyra Borough 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 Palmyra Borough Board of Education's compliance.

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

In our opinion, the Board of Education of the Palmyra Borough School District, in the County of Burlington, 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, 2021.

**Report on Internal Control Over Compliance**

Management of the Palmyra Borough 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 Palmyra Borough 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 Palmyra Borough School District Board of Education's internal control over compliance.

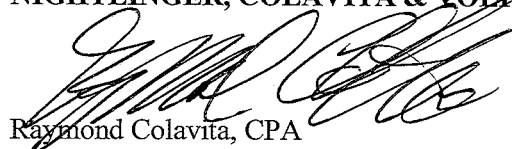
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement 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 January 28, 2022. 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.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 28, 2022

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards - Schedule A**  
**For the Fiscal Year Ended June 30, 2021**

Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 29, 2020	Carry-over / (Walkover) Amount	Cash Received	Adjust/ ment	Budgetary Funds		Balance June 30, 2021		
					From	To					Pass-Through Funds	Total Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education:</b>															
<b>Passed-through the State Department of Education:</b>															
General Fund:															
Medicaid Administrative Claiming Aid	93.778	2105NJ5MAP	Unavailable	\$ 4,463	07-01-20	06-30-21			\$ 4,463			\$ (4,463)	\$ (4,463)		
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	Unavailable	10,645	07-01-20	06-30-21			10,645			(10,645)	(10,645)		
<b>Total General Fund:</b>									<u>15,108</u>			<u>(15,108)</u>	<u>(15,108)</u>		
<b>U.S. Department of Education:</b>															
<b>Passed-through State Department of Education:</b>															
Special Revenue Fund:															
E.S.E.A.:															
Title I, Part A	84.010	S010A200030	ESEA392020	217,275	07-01-19	09-30-20	\$ (49,672)		49,672						
Title I, Part A	84.010	S010A200030	ESEA392021	218,434	07-01-20	09-30-21			200,893		(215,941)	(215,941)	\$ (15,048)		
Title I, Part A - Reallocated	84.010	S010A190030	ESEA392020	9,922	07-01-19	09-30-20	(1,770)		1,770						
Title I, Part A - Reallocated	84.010	S010A190030	ESEA392021	12,247	07-01-20	09-30-21			3,600		(9,000)	(9,000)	(5,400)		
Title I, SIA Part A	84.010	S010A200030	ESEA392020	51,000	07-01-19	09-30-20	(16,600)		16,600						
Title I, SIA Part A	84.010	S010A200030	ESEA392021	93,885	07-01-20	09-30-21			52,500		(52,500)	(52,500)			
Title II, Part A	84.367A	S367A200029	ESEA392020	22,812	07-01-19	09-30-20	(276)		276						
Title II, Part A	84.367A	S367A200029	ESEA392021	21,402	07-01-20	09-30-21			18,642		(21,402)	(21,402)	(2,760)		
Title IV, Part A	84.424A	S424A200031	ESEA392020	13,530	07-01-19	09-30-20	(1,509)		1,509						
Title IV, Part A	84.424A	S424A200031	ESEA392021	22,044	07-01-20	09-30-21			8,627		(20,860)	(20,860)	(12,233)		
CRRSA:															
Learning Acceleration	84-425D	S425D200027	NA	45,951	03-13-20	09-30-23									
Mental Health	84-425D	S425D200027	NA	45,000	03-13-20	09-30-23									
ESSER II	84-425D	S425D200027	NA	716,034	03-13-20	09-30-23					(28,330)	(28,330)	(28,330)		
CARES Act	84.425D	S425D200027	CARES392020	184,222	03-13-20	09-30-22			182,025	\$ 105	(182,130)	(182,130)			
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA392020	277,515	07-01-19	09-30-20	(47,089)		47,089						
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA392021	287,197	07-01-20	06-30-21			257,667		(275,292)	(275,292)	(17,625)		
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEA392020	7,657	07-01-19	09-30-20	(1,533)		1,533						
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEA392021	7,637	07-01-20	06-30-21			6,890		(7,637)	(7,637)	(747)		
COVID Relief	21.019	NA	21E00041	60,305	07-01-20	12/31/20			60,305		(60,226)	(60,226)		\$ 79	
Digital Divide	84.425D	S425D200027	NA	35,241	07/16/20	10/31/20			33,485	(141)	(33,344)	(33,344)			
<b>Total Special Revenue Fund</b>							<u>(118,449)</u>		<u>943,083</u>	<u>(36)</u>	<u>(906,662)</u>	<u>(906,662)</u>	<u>(82,143)</u>	<u>79</u>	
<b>U.S. Department of Agriculture:</b>															
<b>Passed-through State Department of Agriculture:</b>															
Enterprise Fund:															
Non-Cash Assistance (Food Distribution):															
Food Distribution Program	10.565	Unknown	Unavailable	38,541	07-01-19	06-30-20	10,806				(10,806)	(10,806)			
Food Distribution Program	10.565	Unknown	Unavailable	34,467	07-01-20	06-30-21			34,467		(19,056)	(19,056)		15,411	
Child Nutrition Cluster:															
Cash Assistance:															
National School Breakfast Program	10.553	201NJ304N1099	Unavailable	22,573	07-01-19	06-30-20	(1,029)		1,029						
National School Breakfast Program	10.553	211NJ304N1099	Unavailable	62,536	07-01-20	06-30-21			59,684		(62,536)	(62,536)	(2,852)		
National School Lunch Program	10.555	201NJ304N1099	Unavailable	103,496	07-01-19	06-30-20	(1,628)		1,628						
National School Lunch Program	10.555	211NJ304N1099	Unavailable	105,681	07-01-20	06-30-21			100,145		(105,681)	(105,681)	(5,536)		
<b>Total Enterprise Fund</b>							<u>8,149</u>		<u>196,953</u>		<u>(198,079)</u>	<u>(198,079)</u>	<u>(8,388)</u>	<u>15,411</u>	
<b>Total Federal Financial Assistance</b>							<u>\$ (110,300)</u>	<u>\$</u>	<u>\$ 1,155,144</u>	<u>\$ (36)</u>	<u>\$ (1,119,849)</u>	<u>\$ (1,119,849)</u>	<u>\$ (90,531)</u>	<u>\$ 15,490</u>	

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance - Schedule B**  
**For the Fiscal Year Ended June 30, 2021**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020			Balance June 30, 2021			Memo	
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	Cash Received	Total Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021
<b>State Department of Education:</b>												
General Fund:												
Equalization Aid	20-495-034-5120-078	\$ 3,988,761	07-01-19	06-30-20	\$ (353,719)		\$ 353,719					
Equalization Aid	21-495-034-5120-078	3,989,710	07-01-20	06-30-21			3,629,595	\$ (3,989,710)	\$ (360,115)		\$ (360,115)	\$ 3,989,710
Special Education Categorical Aid	20-495-034-5120-089	696,197	07-01-19	06-30-20	(61,738)		61,738					
Special Education Categorical Aid	21-495-034-5120-089	696,197	07-01-20	06-30-21			633,357	(696,197)	(62,840)		(62,840)	696,197
Security Aid	20-495-034-5120-084	218,608	07-01-19	06-30-20	(19,386)		19,386					
Security Aid	21-495-034-5120-084	218,608	07-01-20	06-30-21			198,876	(218,608)	(19,732)		(19,732)	218,608
Adjustment Aid	20-495-034-5120-085	102,575	07-01-19	06-30-20	(9,096)		9,096					
Adjustment Aid	21-495-034-5120-085	102,575	07-01-20	06-30-21			93,316	(102,575)	(9,259)		(9,259)	102,575
Transportation Aid	20-495-034-5120-014	97,770	07-01-19	06-30-20	(8,670)		8,670					
Transportation Aid	21-495-034-5120-014	97,770	07-01-20	06-30-21			88,945	(97,770)	(8,825)		(8,825)	97,770
Extraordinary Aid	20-100-034-5120-473	128,509	07-01-19	06-30-20	(128,509)		128,509					
Extraordinary Aid	21-100-034-5120-473	127,870	07-01-20	06-30-21				(127,870)	(127,870)			127,870
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	513,334	07-01-19	06-30-20	(24,993)		24,993					
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	547,328	07-01-20	06-30-21			547,328	(547,328)				547,328
On-behalf T.P.A.F. Pension Contrib - Normal Cost	21-495-034-5094-002	1,826,207	07-01-20	06-30-21			1,826,207	(1,826,207)				1,826,207
On-behalf T.P.A.F. Pension Contrib - Post-Retirement Med	21-495-034-5094-001	572,305	07-01-20	06-30-21			572,305	(572,305)				572,305
On-behalf T.P.A.F. Pension Contrib - Long Term Disability	21-495-034-5094-004	1,083	07-01-20	06-30-21			1,083	(1,083)				1,083
<b>Total General Fund</b>					<b>(606,111)</b>	<b>-</b>	<b>8,197,123</b>	<b>(8,179,653)</b>	<b>(588,641)</b>		<b>(460,771)</b>	<b>8,179,653</b>
Debt Service Fund:												
Debt Service Aid Type II	21-100-034-5120-017	169,667	07-01-20	06-30-21			169,667	(169,667)				169,667
<b>Total Debt Service Fund:</b>							<b>169,667</b>	<b>(169,667)</b>				<b>169,667</b>
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
State School Lunch Aid	20-100-010-3350-023	2,854	07-01-19	06-30-20	(29)		29					
State School Lunch Aid	21-100-010-3350-023	5,992	07-01-20	06-30-21			5,061	(5,992)	(931)			5,992
<b>Total Enterprise Fund</b>					<b>(29)</b>		<b>5,090</b>	<b>(5,992)</b>	<b>(931)</b>			<b>5,992</b>
<b>Total State Financial Assistance</b>					<b>\$ (606,140)</b>		<b>\$ 8,371,880</b>	<b>\$ (8,355,312)</b>	<b>\$ (589,572)</b>		<b>\$ (460,771)</b>	<b>\$ 8,355,312</b>
Less: On-Behalf TPAF Pension System Contributions												
On-behalf T.P.A.F. Pension Contrib. - Normal Cost	21-495-034-5094-002	1,826,207	07-01-20	06-30-21			\$ 1,826,207	\$ (1,826,207)				
On-behalf T.P.A.F. Pension Contrib. - Post-Retire. Medical	21-495-034-5094-001	572,305	07-01-20	06-30-21			572,305	(572,305)				
On-behalf T.P.A.F. Pension Contrib. - Long Term Disability	21-495-034-5094-004	1,083	07-01-20	06-30-21			1,083	(1,083)				
<b>Total General Fund (Non-Cash Assistance)</b>							<b>2,399,595</b>	<b>(2,399,595)</b>				
<b>Total State Financial Assistance - Major Program Determination</b>							<b>\$ 5,972,285</b>	<b>\$ (5,955,717)</b>				

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

**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 Borough of Palmyra 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 \$8,162 for the general fund. See Exhibit C-3 (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:

**BOROUGH OF PALMYRA SCHOOL DISTRICT.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 15,108	\$ 8,171,491	\$ 8,186,599
Special Revenue Fund	906,662		906,662
Debt Service Fund		169,667	169,667
Food Service Fund	198,079	5,992	204,071
Total Awards & Financial Assistance	<u>\$ 1,119,849</u>	<u>\$ 8,347,150</u>	<u>\$ 9,466,999</u>

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**

Borough of Palmyra School District had no outstanding loans at June 30, 2021.

**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, 2021. 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, 2021.

**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**

As of June 30, 2021, there was one immaterial adjustment reflected on Schedule A, in the amount of \$36. There was no adjustment reflected on Schedule B.



**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? \_\_\_\_\_ yes  X  no

Noncompliance material to basic financial statements noted?  X  yes \_\_\_\_\_ no

**Federal Awards**

Internal control over major programs:

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

2) Significant deficiencies identified? \_\_\_\_\_ Yes  X  no

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.010	S010A190030	TITLE I, TITLE I REALLOCATED, TITLE I SIA

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

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

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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     no

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>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-085	Adjustment Aid

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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: 2021-1 ( AMR 2021-1)**

**Criteria or specific requirement:**

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

**Condition:**

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

**Context:**

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$102,959, as of June 30, 2021.

**Effect:**

Violation of New Jersey Department of Agriculture requirements.

**Cause:**

Inadvertent oversight

**Recommendation:**

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

**BOROUGH OF PALMYRA 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**

**Finding:** None

**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**

**Finding:** None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**BOROUGH OF PALMYRA SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**STATUS OF PRIOR - YEAR FINDINGS**

**Finding: 2020-1**

**Condition:**

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

**Status:** Unresolved