

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

PAULSBORO SCHOOL DISTRICT
Table of Contents

| | <u>Page</u> |
|--|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | 2 |
| Organizational Chart | 7 |
| Roster of Officials | 8 |
| Consultants and Advisors | 9 |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 11 |
| Required Supplementary Information - Part I Management's Discussion and Analysis | 17 |
| Basic Financial Statements | |
| A. Government-Wide Financial Statements: | |
| A-1 Statement of Net Position | 26 |
| A-2 Statement of Activities | 27 |
| B. Fund Financial Statements: | |
| Governmental Funds: | |
| B-1 Balance Sheet | 29 |
| B-2 Statement of Revenues, Expenditures and Changes in Fund Balances | 30 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 31 |
| Proprietary Funds: | |
| B-4 Statement of Net Position | 32 |
| B-5 Statement of Revenues, Expenses and Changes in Net Position | 33 |
| B-6 Statement of Cash Flows | 34 |
| Fiduciary Funds: | |
| B-7 Statement of Fiduciary Net Position | N/A |
| B-8 Statement of Changes in Fiduciary Net Position | N/A |
| Notes to Financial Statements | 35 |
| Required Supplementary Information - Part II | |
| C. Budgetary Comparison Schedules | |
| C-1 Budgetary Comparison Schedule - General Fund | 72 |
| C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | N/A |
| C-1b Community Development Block Grant - Budget and Actual | N/A |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund | 82 |
| C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation | 85 |

PAULSBORO SCHOOL DISTRICT
Table of Contents (Cont'd)

| | Page |
|---|-------------|
| Required Supplementary Information - Part III | |
| L. Schedules Related to Accounting and Reporting for Pensions | |
| L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability - PERS | 87 |
| L-2 Schedule of the School District's Contributions – PERS | 88 |
| L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF | 89 |
| L-4 Schedule of the School District's Contributions – TPAF | 90 |
| L-5 Notes to Required Supplementary Information - Part III | 91 |
| Required Supplementary Information - Part IV | |
| M. Schedules Related to Accounting and Reporting for OPEB | |
| M-1 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios | 93 |
| M-2 Notes to Required Supplementary Information - Part IV | 94 |
| Other Supplementary Information | |
| D. School Based Budget Schedules: | |
| D-1 Combining Balance Sheet | N/A |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual | N/A |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual | N/A |
| E. Special Revenue Fund: | |
| E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis | 97 |
| E-2 Schedule of Preschool Education Aid - Budgetary Basis | 101 |
| F. Capital Projects Fund: | |
| F-1 Summary Schedule of Project Expenditures | 103 |
| F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances | 104 |
| F-2a-2g Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status | 105 |

**PAULSBORO SCHOOL DISTRICT
Table of Contents (Cont'd)**

| Other Supplementary Information (Cont'd) | Page |
|---|-------------|
| G. Proprietary Fund: | |
| Enterprise Fund: | |
| G-1 Statement of Net Position | 113 |
| G-2 Statement of Revenues, Expenses and Changes in Fund Net Position | 114 |
| G-3 Statement of Cash Flows | 115 |
| Internal Service Fund: | |
| G-4 Combining Statement of Net Position | N/A |
| G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position | N/A |
| G-6 Combining Statement of Cash Flows | N/A |
| H. Fiduciary Funds: | |
| H-1 Combining Statement of Fiduciary Net Position | N/A |
| H-2 Statement of Changes in Fiduciary Net Position | N/A |
| H-3 Student Activity Agency Fund Statement of Receipts and Disbursements | N/A |
| H-4 Payroll Agency Fund Statement of Receipts and Disbursements | N/A |
| I. Long-Term Debt: | |
| I-1 Schedule of Serial Bonds | 117 |
| I-2 Schedule of Obligations under Capital Leases | 118 |
| I-3 Debt Service Fund Budgetary Comparison Schedule | 119 |

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

| | |
|---|-----|
| J-1 Net Position by Component | 122 |
| J-2 Changes in Net Position | 123 |
| J-3 Fund Balances - Governmental Funds | 125 |
| J-4 Changes in Fund Balances - Governmental Funds | 126 |
| J-5 General Fund - Other Local Revenue by Source | 127 |

Revenue Capacity

| | |
|---|-----|
| J-6 Assessed Value and Actual Value of Taxable Property | 129 |
| J-7 Direct and Overlapping Property Tax Rates | 130 |
| J-8 Principal Property Taxpayers | 131 |
| J-9 Property Tax Levies and Collections | 132 |

Debt Capacity

| | |
|--|-----|
| J-10 Ratios of Outstanding Debt by Type | 134 |
| J-11 Ratios of Net General Bonded Debt Outstanding | 135 |
| J-12 Direct and Overlapping Governmental Activities Debt | 136 |
| J-13 Legal Debt Margin Information | 137 |

**PAULSBORO SCHOOL DISTRICT
Table of Contents (Cont'd)**

| | Page |
|--|-------------|
| STATISTICAL SECTION (Unaudited) (Cont'd) | |
| Demographic and Economic Information | |
| J-14 Demographic and Economic Statistics | 139 |
| J-15 Principal Non-Governmental Employers | 140 |
| Operating Information | |
| J-16 Full-time Equivalent District Employees by Function/Program | 142 |
| J-17 Operating Statistics | 143 |
| J-18 School Building Information | 144 |
| J-19 Schedule of Required Maintenance | 145 |
| J-20 Insurance Schedule | 146 |
| SINGLE AUDIT SECTION | |
| K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 14 |
| K-2 Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB | 148 |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A | 151 |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B | 153 |
| K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance | 157 |
| K-6 Schedule of Findings and Questioned Costs | |
| Section 1 - Summary of Auditor's Results | 160 |
| Section 2 - Schedule of Financial Statement Findings | 162 |
| Section 3 - Schedule of Federal Award Findings and Questioned Costs | 165 |
| Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs | 166 |
| K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management | 170 |

INTRODUCTORY SECTION

Paulsboro Public Schools

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

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

February 14, 2022

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

Dear Board Members:

The annual comprehensive financial report of the Paulsboro School District (“District”) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

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

The Paulsboro School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the district are included in this report; the Paulsboro School District and all its schools constitute the district's reporting entity. The Paulsboro School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for children with special needs. The Paulsboro School District enrollment for 2020-2021 was 1,178 students, which is 65 students above the previous year's enrollment. The following details the changes in the student average daily enrollment of the School District over the last ten fiscal years.

| District Enrollment | | |
|----------------------------|----------------------------------|------------------------------|
| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
| 2020-2021 | 1,178 | -0.76% |
| 2019-2020 | 1,187 | 5.79% |
| 2018-2019 | 1,122 | 0.90% |
| 2017-2018 | 1,112 | -1.16% |
| 2016-2017 | 1,125 | 0.18% |
| 2015-2016 | 1,123 | -2.43% |
| 2014-2015 | 1,151 | -0.60% |
| 2013-2014 | 1,158 | -4.77% |
| 2012-2013 | 1,216 | -1.46% |
| 2011-2012 | 1,234 | -5.15% |

2. **ECONOMIC CONDITION AND OUTLOOK:**

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

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

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

3. MAJOR INITIATIVES:

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

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the Paulsboro School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year. The amounts to be re-appropriated are reported as assignments of fund balance of June 30, 2021.

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2021, the District's outstanding debt issues included \$2,432,000 of Series 2015 school district bonds.

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

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

11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

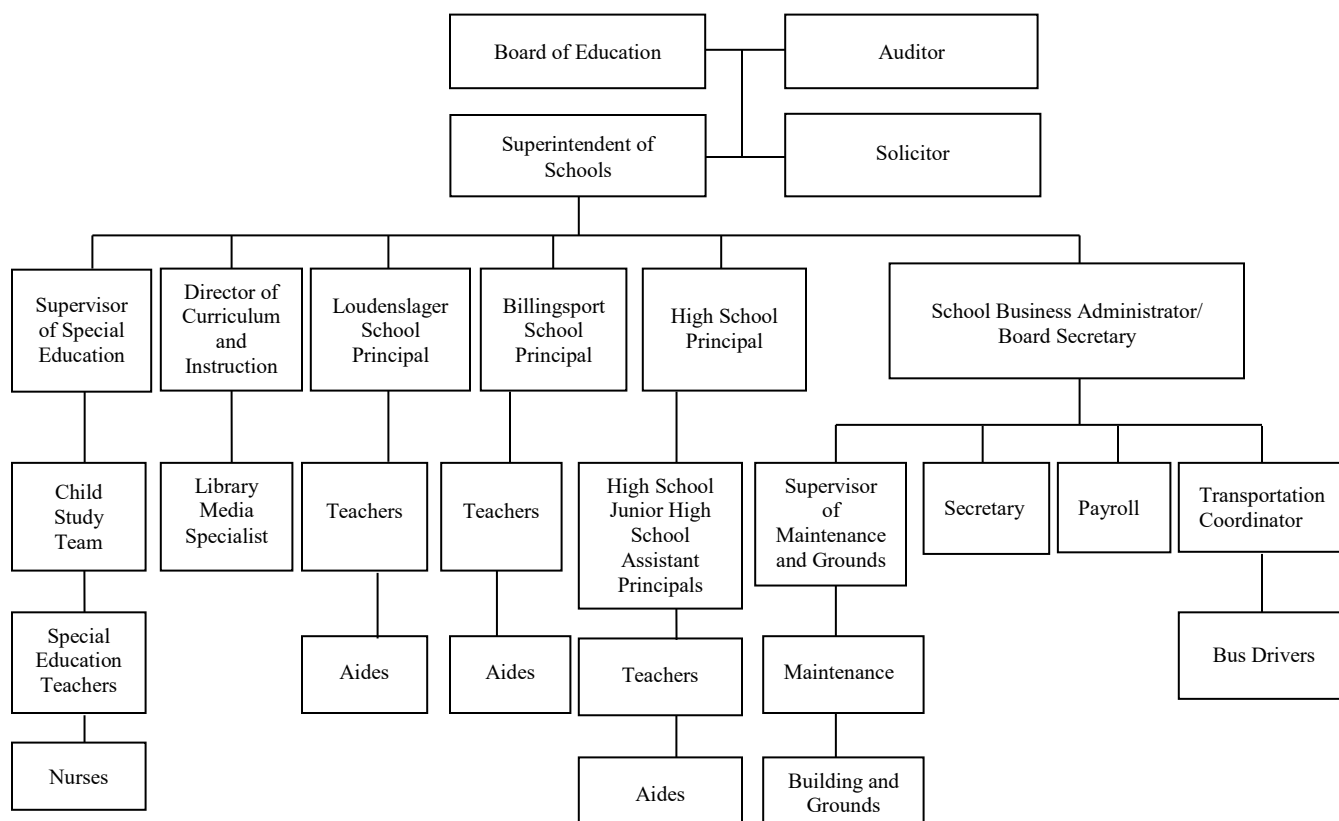


Dr. Roy Dawson III
Superintendent of Schools



Anisah Coppin
Business Administrator /
Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 28 July 2021

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

**ROSTER OF OFFICIALS
JUNE 30, 2021**

| MEMBERS OF THE BOARD OF EDUCATION | TERM EXPIRES |
|--|---------------------|
| Marvin E. Hamilton, President | 2022 |
| Danielle Scott, Vice President | 2021 |
| Crystal L. Henderson | 2023 |
| Tyesha Scott | 2023 |
| Theresa Cooper | 2021 |
| Markee Robinson | 2023 |
| Irma R. Stevenson | 2021 |
| Robert Davis | 2022 |
| Elizabeth Reilly | 2022 |
| Gerald Michael * | |

OTHER OFFICIALS

Dr. Roy Dawson III, Superintendent

Anisah Coppin, Business Administrator/Board Secretary

Michelle Jankauskas, Treasurer

Frank P. Cavallo, Solicitor

* Greenwich Township Public Schools Representative

BOROUGH OF PAULSBORO SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
713 Creek Road
Bellmawr, New Jersey 08031

AUDIT FIRM

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

ATTORNEY

Parker McCay
9000 Midlantic Drive
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

OceanFirst Bank
890 Mantua Pike
Woodbury Heights, New Jersey 08097

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Paulsboro School District, in the County of Gloucester, 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Paulsboro School District, in the County of Gloucester, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter***Adoption of New Accounting Principle***

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 84, several funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Lastly, during the fiscal year ended June 30, 2021, the School District became aware of capital assets that were expensed, as opposed to capitalized, in the prior fiscal year. As a result, the School District has restated net position as of July 1, 2020 on the statement of activities to reflect the capitalization of these assets, net of related depreciation expense, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

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

Other Information

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

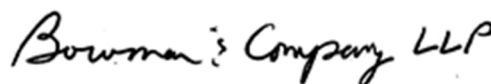
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the Paulsboro School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Paulsboro School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Paulsboro School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
February 14, 2022

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Paulsboro School District, in the County of Gloucester, 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 School District's basic financial statements, and have issued our report thereon dated February 14, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the recording of previously unidentified capital assets.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Findings No. 2021-001 and 2021-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2021-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Paulsboro School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Findings No. 2021-001, 2021-002 and 2021-003.

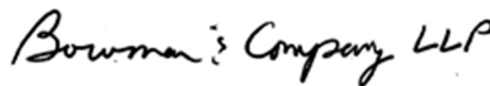
The Paulsboro School District's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
February 14, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The management's discussion and analysis of the Borough of Paulsboro School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021 and 2020. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2021:

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,520,391.95 (net position).
- The School District's total net position increased by \$3,104,606.75, from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$6,115,810.72, an increase of \$1,826,130.02 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The School District has two kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2021 and 2020.

| TABLE 1 | | | | |
|---|-----------------|-----------------------------|-----------------|----------|
| Net Position | | | | |
| | June 30, 2021 | (Restated) June 30, 2020 | Change | % Change |
| Current and Other Assets | \$ 7,602,114.31 | \$ 5,398,577.34 | \$ 2,203,536.97 | 40.82% |
| Capital Assets | 10,360,450.00 | 9,505,329.62 | 855,120.38 | 9.00% |
| Total Assets | 17,962,564.31 | 14,903,906.96 | 3,058,657.35 | 20.52% |
| Deferred Outflow of Resources - Related to Pensions | 780,259.00 | 1,122,788.00 | (342,529.00) | -30.51% |
| Long-Term Liabilities | 7,564,297.82 | 8,339,729.39 | (775,431.57) | -9.30% |
| Other Liabilities | 1,641,691.54 | 1,298,914.37 | 342,777.17 | 26.39% |
| Total Liabilities | 9,205,989.36 | 9,638,643.76 | (432,654.40) | -4.49% |
| Deferred Inflow of Resources - Related to Pensions | 2,016,442.00 | 1,972,266.00 | 44,176.00 | 2.24% |
| Net Position: | | | | |
| Net Investment in Capital Assets | 7,757,945.41 | 6,673,869.37 | 1,084,076.04 | 16.24% |
| Restricted | 5,539,277.77 | 4,936,603.09 | 602,674.68 | 12.21% |
| Unrestricted (Deficit) | (5,776,831.23) | (7,194,687.26) | 1,417,856.03 | -19.71% |
| Total Net Position | \$ 7,520,391.95 | \$ 4,415,785.20 | \$ 3,104,606.75 | 70.31% |

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

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

| | June 30, 2021 | June 30, 2020 | Change | % Change |
|--|-------------------|-------------------|-----------------|----------|
| Deferred Outflows Related to Pensions | \$ 780,259.00 | \$ 1,122,788.00 | \$ (342,529.00) | -30.51% |
| Less: Accounts Payable Related to Pensions | (238,255.00) | (275,888.00) | 37,633.00 | -13.64% |
| Less: Net Pension Liability | (4,112,632.00) | (4,715,548.00) | 602,916.00 | -12.79% |
| Less: Deferred Inflows Related to Pensions | (2,016,442.00) | (1,972,266.00) | (44,176.00) | 2.24% |
| | \$ (5,587,070.00) | \$ (5,840,914.00) | \$ 253,844.00 | -4.35% |

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2021 and 2020.

TABLE 3
Change in Net Position

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Change</u> | <u>% Change</u> |
|--|------------------------|------------------------|------------------------|-----------------|
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 1,375,605.20 | \$ 1,396,869.11 | \$ (21,263.91) | -1.52% |
| Federal and State Categorical Grants | \$9,398,092.62 | 6,450,264.40 | 2,947,828.22 | 45.70% |
| General Revenues: | | | | |
| Property Taxes | 6,739,513.00 | 6,503,786.00 | 235,727.00 | 3.62% |
| Federal and State Grants | 15,929,528.90 | 14,865,988.31 | 1,063,540.59 | 7.15% |
| Other | 100,834.34 | 114,184.82 | (13,350.48) | -11.69% |
| Total Revenues | 33,543,574.06 | 29,331,092.64 | 4,212,481.42 | 14.36% |
| Expenses: | | | | |
| Instruction: | | | | |
| Regular | 5,492,385.67 | 5,143,584.41 | 348,801.26 | 6.78% |
| Special Education | 3,999,036.53 | 3,059,456.68 | 939,579.85 | 30.71% |
| School Sponsored Activities | 425,038.85 | 466,959.46 | (41,920.61) | -8.98% |
| Other Instruction | 49,341.15 | 49,366.63 | (25.48) | -0.05% |
| Student Services: | | | | |
| Tuition | 2,010,744.29 | 2,348,774.41 | (338,030.12) | -14.39% |
| Student and Instruction Related Services | 2,437,840.33 | 2,539,625.98 | (101,785.65) | -4.01% |
| School Administrative Services | 928,241.48 | 784,146.69 | 144,094.79 | 18.38% |
| Business Administrative Services | 556,073.42 | 425,411.65 | 130,661.77 | 30.71% |
| Central Services | 348,055.82 | 257,664.76 | 90,391.06 | 35.08% |
| Administrative Information Technology | 192,728.89 | 112,160.27 | 80,568.62 | 71.83% |
| Plant Operations and Maintenance | 1,700,428.54 | 2,064,336.20 | (363,907.66) | -17.63% |
| Pupil Transportation | 832,391.58 | 819,917.68 | 12,473.90 | 1.52% |
| Unallocated Benefits | 10,197,037.83 | 7,843,206.99 | 2,353,830.84 | 30.01% |
| Transfer to Charter Schools | 198,976.00 | 117,117.00 | 81,859.00 | 69.90% |
| Interest on Long-Term Debt | 79,357.50 | 83,107.50 | (3,750.00) | -4.51% |
| Unallocated Depreciation | 555,468.70 | 549,445.27 | 6,023.43 | 1.10% |
| Food Service | 435,820.73 | 723,022.69 | (287,201.96) | -39.72% |
| Total Expenses | 30,438,967.31 | 27,387,304.27 | 3,051,663.04 | 11.14% |
| Increase (Decrease) in Net Position | 3,104,606.75 | 1,943,788.37 | 1,160,818.38 | 59.72% |
| Beginning Net Position (Restated) | 4,415,785.20 | 1,878,356.18 | 2,537,429.02 | 135.09% |
| Restatements to Net Position | | 593,640.65 | (593,640.65) | -100.00% |
| Ending Net Position | \$ 7,520,391.95 | \$ 4,415,785.20 | \$ 3,698,247.40 | 83.75% |

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

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

Governmental Activities

In 2020-2021, Governmental Activities Revenues were \$33,100,691.27 or 98.68% of total revenues.

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

In 2020-2021, General Revenues - Property Taxes of \$6,739,513.00 made up 20.36%, and General Revenues - Federal and State Grants of \$15,929,528.90 made up 48.12% of Governmental Activities Revenues.

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

Business-Type Activities

In 2020-2021 Business-Type Activities Revenues were \$442,882.79 or 1.32% of total revenues.

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

Charges for Services for Business-Type Activities were \$900.00 in 2020-2021 compared to \$23,655.85 in 2019-2020, a decrease of \$22,755.85.

Operating Grants and Contributions for Business-Type Activities were \$441,982.79 in 2020-2021 compared to \$707,889.68 in 2019-2020, a decrease of \$265,906.89.

Expenses for Business-Type Activities were \$435,820.73 in 2020-2021 compared to \$723,022.69 in 2019-2020, a decrease of \$287,201.96.

General Fund Budgeting Highlights

During the fiscal 2021 school year, the Board of Education amended its general fund appropriation budget as needed. The fiscal year 2021 appropriation budget of \$23,867,538.61 was 6.95% greater than the final fiscal year 2020 appropriation budget of \$22,316,717.50.

The final budgetary basis revenue estimate was \$22,560,777.00, which was \$714,030.00 less than the original budget, due to a reduction in state aid.

The 2020-2021 General Fund Tax Levy was \$6,535,763.00 which was an increase of \$217,525.00 from the 2019-2020 General Fund Tax Levy.

The School District reported revenues and expenses of \$621,828.82, \$2,240,625.00, \$42,631.00, \$715,537.00 and \$1,161.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Normal Pension Contributions, T.P.A.F. Non-contributory Insurance, T.P.A.F. Post-Retirement Medical Contributions and T.P.A.F. Long-Term Disability Insurance, respectively.

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

CAPITAL ASSETS

At the end of fiscal year 2021 and 2020, the School District had \$10,360,450.00 and \$9,505,329.62, respectively, in capital assets less accumulated depreciation. Table 4 reflects the balances of capital assets, net of accumulated depreciation.

TABLE 4
Capital Assets

| Capital Assets (Net of Depreciation): | <u>June 30, 2021</u> | (Restated) |
|---------------------------------------|-------------------------|------------------------|
| | | <u>June 30, 2020</u> |
| Land | \$ 99,211.00 | \$ 99,211.00 |
| Construction in Progress | 5,380,989.67 | 4,888,763.48 |
| Building and Improvements | 260,704.41 | 315,506.90 |
| Land Improvements | 3,437,152.80 | 2,750,962.06 |
| Furniture, Fixtures and Equipment | <u>1,182,392.12</u> | <u>1,450,886.18</u> |
| Total Capital Assets | <u>\$ 10,360,450.00</u> | <u>\$ 9,505,329.62</u> |

Depreciation expense was \$556,392.81 and \$550,281.10 for fiscal years ended 2021 and 2020 respectively.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the School District had \$2,432,000.00 in bonded debt outstanding.

FUND BALANCES – FUND LEVEL STATEMENTS

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$6,115,810.72, an increase of \$1,826,130.02 in comparison with the prior year.

Of the combined ending fund balances of \$6,115,810.72, \$477,285.13 constitutes unassigned fund balance deficits. The remainder of fund balance is made up of restricted for capital reserves of \$508,246.38, maintenance reserve of \$10,013.42, restricted excess surplus of \$3,729,517.61, restricted for debt service of \$2,019.92, restricted for capital projects of \$1,075,231.09 and assigned for various purposes of \$1,053,818.08.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary funds had \$105,351.69 in total net position.

PAULSBORO SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Cont'd)

FACTORS ON THE SCHOOL DISTRICT'S FUTURE

Paulsboro Public Schools anticipate that the approved 2021-2022 budget along with additional Emergency and Secondary School Emergency Relief Grant Funds (ESSER) will be adequate to meet the District's 2021-2022 financial needs. However, the current pandemic has caused prices to rise for most commodities. As the nation experiences high levels of inflation not seen in more than 40 years, the District anticipates challenges meeting its financial needs once emergency grant funds have been depleted.

The Paulsboro Board of Education and School District administration are committed to work within the financial boundaries of the New Jersey Department of Education's rules and regulations to provide a quality education to the residents of Paulsboro Borough. Our standard operating procedures and internal controls will ensure continued success in today's challenging economic environment.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PAULSBORO SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------------------|----------------------------|-----------------------------|-----------------|
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 4,860,722.28 | | \$ 4,860,722.28 |
| Receivables, net | 2,270,745.83 | \$ 229,667.41 | 2,500,413.24 |
| Inventory | | 26,729.44 | 26,729.44 |
| Internal Balances | 95,582.85 | (95,582.85) | |
| Restricted Cash and Cash Equivalents | 214,249.35 | | 214,249.35 |
| Capital Assets, net (Note 6) | 10,349,599.82 | 10,850.18 | 10,360,450.00 |
| Total Assets | 17,790,900.13 | 171,664.18 | 17,962,564.31 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Related to Pensions (Note 8) | 780,259.00 | | 780,259.00 |
| LIABILITIES: | | | |
| Accounts Payable: | | | |
| Related to Pension | 238,255.00 | | 238,255.00 |
| Other | 693,271.12 | 56,644.17 | 749,915.29 |
| Cash Deficit | 90,387.75 | | 90,387.75 |
| Payroll Deductions and Withholdings | 37,141.26 | | 37,141.26 |
| Unearned Revenue | 422,109.86 | | 422,109.86 |
| Due to Other Governments | 82,579.60 | | 82,579.60 |
| Accrued Interest | 21,302.78 | | 21,302.78 |
| Noncurrent Liabilities (Note 7): | | | |
| Due within One Year | 260,621.71 | | 260,621.71 |
| Due beyond One Year | 7,294,007.79 | 9,668.32 | 7,303,676.11 |
| Total Liabilities | 9,139,676.87 | 66,312.49 | 9,205,989.36 |
| DEFERRED INFLOW OF RESOURCES: | | | |
| Related to Pensions (Note 8) | 2,016,442.00 | | 2,016,442.00 |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 7,747,095.23 | 10,850.18 | 7,757,945.41 |
| Restricted for: | | | |
| Debt Service | 2,019.92 | | 2,019.92 |
| Capital Projects | 1,583,477.47 | | 1,583,477.47 |
| Other Purposes | 3,953,780.38 | | 3,953,780.38 |
| Unrestricted (Deficit) | (5,871,332.74) | 94,501.51 | (5,776,831.23) |
| Total Net Position | \$ 7,415,040.26 | \$ 105,351.69 | \$ 7,520,391.95 |

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

PAULSBORO SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 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 | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 5,492,385.67 | \$ 1,351,981.85 | | | \$ (4,140,403.82) | | \$ (4,140,403.82) |
| Special Education | 3,999,036.53 | | \$ 2,451,911.83 | | (1,547,124.70) | | (1,547,124.70) |
| School Sponsored Activities | 425,038.85 | | | | (425,038.85) | | (425,038.85) |
| Other Instruction | 49,341.15 | | | | (49,341.15) | | (49,341.15) |
| Support Services: | | | | | | | |
| Tuition | 2,010,744.29 | | | | (2,010,744.29) | | (2,010,744.29) |
| Student and Instruction Related Services | 2,437,840.33 | 22,723.35 | 49,120.18 | | (2,365,996.80) | | (2,365,996.80) |
| School Administrative Services | 928,241.48 | | | | (928,241.48) | | (928,241.48) |
| Business Administrative Services | 556,073.42 | | | | (556,073.42) | | (556,073.42) |
| Central Services | 348,055.82 | | | | (348,055.82) | | (348,055.82) |
| Administrative Information Technology | 192,728.89 | | | | (192,728.89) | | (192,728.89) |
| Plant Operations and Maintenance | 1,700,428.54 | | | | (1,700,428.54) | | (1,700,428.54) |
| Pupil Transportation | 832,391.58 | | | | (832,391.58) | | (832,391.58) |
| Unallocated Benefits | 10,197,037.83 | | 6,455,077.82 | | (3,741,960.01) | | (3,741,960.01) |
| Transfer to Charter School | 198,976.00 | | | | (198,976.00) | | (198,976.00) |
| Interest on Long-Term Debt | 79,357.50 | | | | (79,357.50) | | (79,357.50) |
| Unallocated Depreciation | 555,468.70 | | | | (555,468.70) | | (555,468.70) |
| Total Governmental Activities | 30,003,146.58 | 1,374,705.20 | 8,956,109.83 | - | (19,672,331.55) | - | (19,672,331.55) |
| Business-Type Activities: | | | | | | | |
| Food Service | 435,820.73 | 900.00 | 441,982.79 | | | \$ 7,062.06 | 7,062.06 |
| Total Business-Type Activities | 435,820.73 | 900.00 | 441,982.79 | - | - | 7,062.06 | 7,062.06 |
| Total Government | \$ 30,438,967.31 | \$ 1,375,605.20 | \$ 9,398,092.62 | \$ - | (19,672,331.55) | 7,062.06 | (19,665,269.49) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes, net | | | | | 6,535,763.00 | | 6,535,763.00 |
| Property Taxes Levied for Debt Service | | | | | 203,750.00 | | 203,750.00 |
| Federal and State Aid not Restricted | | | | | 15,929,528.90 | | 15,929,528.90 |
| Miscellaneous Income | | | | | 100,834.34 | | 100,834.34 |
| Total General Revenues | | | | | 22,769,876.24 | - | 22,769,876.24 |
| Change in Net Position | | | | | 3,097,544.69 | 7,062.06 | 3,104,606.75 |
| Net Position - July 1 (Restated) | | | | | 4,317,495.57 | 98,289.63 | 4,415,785.20 |
| Net Position - June 30 | | | | | \$ 7,415,040.26 | \$ 105,351.69 | \$ 7,520,391.95 |

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

FUND FINANCIAL STATEMENTS

PAULSBORO SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 4,860,722.28 | \$ 214,249.35 | | | \$ 5,074,971.63 |
| Receivables, net: | | | | | |
| Interfunds Receivable: | | | | | |
| General Fund | | | | \$ 2,019.92 | 2,019.92 |
| Special Revenue Fund | 80,907.78 | | | | 80,907.78 |
| Capital Projects Fund | 12,661.92 | | | | 12,661.92 |
| Food Service Fund | 95,582.85 | | | | 95,582.85 |
| Receivables from Other Governments: | | | | | |
| Federal Government | | 603,736.43 | | | 603,736.43 |
| State of New Jersey | 300,405.99 | 15,690.65 | \$ 1,295,670.76 | | 1,611,767.40 |
| Other Receivables | 55,242.00 | | | | 55,242.00 |
| Total Assets | \$ 5,405,522.82 | \$ 833,676.43 | \$ 1,295,670.76 | \$ 2,019.92 | \$ 7,536,889.93 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | | | \$ 90,387.75 | | \$ 90,387.75 |
| Accounts Payable | \$ 542,051.28 | \$ 33,829.84 | 117,390.00 | | 693,271.12 |
| Payroll Deductions and Withholdings | 37,141.26 | | | | 37,141.26 |
| Interfunds Payable: | | | | | |
| General Fund | | 80,907.78 | 12,661.92 | | 93,569.70 |
| Debt Service Fund | 2,019.92 | | | | 2,019.92 |
| Due to Other Governments | | 82,579.60 | | | 82,579.60 |
| Unearned Revenue | | 422,109.86 | | | 422,109.86 |
| Total Liabilities | 581,212.46 | 619,427.08 | 220,439.67 | - | 1,421,079.21 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Capital Reserve | 508,246.38 | | | | 508,246.38 |
| Maintenance Reserve | 10,013.42 | | | | 10,013.42 |
| Excess Surplus - Current Year | 1,412,695.55 | | | | 1,412,695.55 |
| Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures | 2,316,822.06 | | | | 2,316,822.06 |
| Capital Projects | | | 1,075,231.09 | | 1,075,231.09 |
| Debt Service | | | | \$ 2,019.92 | 2,019.92 |
| Scholarships | | 159,326.84 | | | 159,326.84 |
| Student Activities | | 54,922.51 | | | 54,922.51 |
| Assigned: | | | | | |
| Designated for Subsequent Years' Expenditures | 1,028,088.94 | | | | 1,028,088.94 |
| Other Purposes | 25,729.14 | | | | 25,729.14 |
| Unassigned (Deficit) | (477,285.13) | | | | (477,285.13) |
| Total Fund Balances | 4,824,310.36 | 214,249.35 | 1,075,231.09 | 2,019.92 | 6,115,810.72 |
| Total Liabilities and Fund Balances | \$ 5,405,522.82 | \$ 833,676.43 | \$ 1,295,670.76 | \$ 2,019.92 | |

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 \$23,153,926.09 and the accumulated depreciation is \$12,804,326.27.

10,349,599.82

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(21,302.78)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(3,441,997.50)

Net Pension Liability

(4,112,632.00)

Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources.

(238,255.00)

Deferred Outflows of Resources - Related to Pensions

780,259.00

Deferred Inflows of Resources - Related to Pensions

(2,016,442.00)

Net Position of Governmental Activities

\$ 7,415,040.26

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

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local Tax Levy | \$ 6,535,763.00 | | | \$ 203,750.00 | \$ 6,739,513.00 |
| Tuition | 1,351,981.85 | | | | 1,351,981.85 |
| Miscellaneous | 100,065.34 | | | 769.00 | 100,834.34 |
| Local Sources | | \$ 71,843.53 | | | 71,843.53 |
| State Sources | 17,902,560.72 | 1,160,419.57 | \$ 830,762.18 | | 19,893,742.47 |
| Federal Sources | 70,112.99 | 2,039,368.09 | | | 2,109,481.08 |
| Total Revenues | 25,960,483.90 | 3,271,631.19 | 830,762.18 | 204,519.00 | 30,267,396.27 |
| EXPENDITURES: | | | | | |
| Regular Instruction | 5,477,859.67 | | | | 5,477,859.67 |
| Special Education Instruction | 1,540,380.86 | 2,451,911.83 | | | 3,992,292.69 |
| School Sponsored Activities | 425,038.85 | | | | 425,038.85 |
| Other Instruction | 49,341.15 | | | | 49,341.15 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 2,010,744.29 | | | | 2,010,744.29 |
| Student and Instruction Related Services | 1,715,210.30 | 713,256.66 | | | 2,428,466.96 |
| General Administration | 560,604.84 | | | | 560,604.84 |
| School Administrative Services | 873,278.33 | | | | 873,278.33 |
| Central Services | 348,055.82 | | | | 348,055.82 |
| Administrative Information Technology | 237,418.47 | | | | 237,418.47 |
| Plant Operations and Maintenance | 1,697,579.06 | | | | 1,697,579.06 |
| Pupil Transportation | 917,225.40 | | | | 917,225.40 |
| Unallocated Benefits | 3,989,696.96 | | | | 3,989,696.96 |
| Reimbursed TPAF Pension and Social Security | 3,621,782.82 | | | | 3,621,782.82 |
| Transfer to Charter School | 198,976.00 | | | | 198,976.00 |
| Debt Service: | | | | | |
| Principal | | | | 125,000.00 | 125,000.00 |
| Interest and Other Charges | | | | 80,295.00 | 80,295.00 |
| Capital Outlay | 540,997.76 | 35,850.00 | 830,762.18 | | 1,407,609.94 |
| Total Expenditures | 24,204,190.58 | 3,201,018.49 | 830,762.18 | 205,295.00 | 28,441,266.25 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 1,756,293.32 | 70,612.70 | - | (776.00) | 1,826,130.02 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfer to Special Revenue Fund | (17,239.00) | 17,239.00 | | | |
| Total Other Financing Sources (Uses) | (17,239.00) | 17,239.00 | - | - | - |
| Net Change in Fund Balances | 1,739,054.32 | 87,851.70 | - | (776.00) | 1,826,130.02 |
| Fund Balance (Deficit) - July 1 | 3,085,256.04 | (106,381.10) | 1,075,231.09 | 2,795.92 | 4,056,901.95 |
| Prior Period Adjustments | | 232,778.75 | | | 232,778.75 |
| Fund Balance - July 1 (Restated) | 3,085,256.04 | 126,397.65 | 1,075,231.09 | 2,795.92 | 4,289,680.70 |
| Fund Balance - June 30 | \$ 4,824,310.36 | \$ 214,249.35 | \$ 1,075,231.09 | \$ 2,019.92 | \$ 6,115,810.72 |

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

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

| | |
|--|-----------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ 1,826,130.02 |
|--|-----------------|

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

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

| | | |
|------------------------------------|---------------------|------------|
| Depreciation Expense | \$ (555,468.70) | |
| Loss on Disposal of Capital Assets | (1,393.75) | |
| Capital Outlays | <u>1,407,609.94</u> | |
| | | 850,747.49 |

| | |
|---|------------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | 125,000.00 |
|---|------------|

| | |
|---|------------|
| Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | 125,258.44 |
|---|------------|

| | |
|--|----------|
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) | 2,502.46 |
|--|----------|

| | |
|---|-------------|
| 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 (+). | (85,937.72) |
|---|-------------|

| | |
|--|-------------------|
| Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceed the School District's pension contributions in the current period. | <u>253,844.00</u> |
|--|-------------------|

| | |
|---|-------------------------------|
| Change in Net Position of Governmental Activities | <u><u>\$ 3,097,544.69</u></u> |
|---|-------------------------------|

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

PAULSBORO SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2021

| | <u>Food Service</u> |
|-----------------------------------|-------------------------|
| ASSETS: | |
| Current Assets: | |
| Accounts Receivable: | |
| Federal | \$ 229,667.41 |
| Inventories | <u>26,729.44</u> |
| Total Current Assets | <u>256,396.85</u> |
| Noncurrent Assets: | |
| Furniture, Fixtures and Equipment | 98,709.00 |
| Less: Accumulated Depreciation | <u>(87,858.82)</u> |
| Total Noncurrent Assets | <u>10,850.18</u> |
| Total Assets | <u>267,247.03</u> |
| LIABILITIES: | |
| Current Liabilities: | |
| Interfund Accounts Payable: | |
| Due to General Fund | 95,582.85 |
| Accounts Payable | <u>56,644.17</u> |
| Total Current Liabilities | <u>152,227.02</u> |
| Noncurrent Liabilities: | |
| Compensated Absences Payable | <u>9,668.32</u> |
| Total Liabilities | <u>161,895.34</u> |
| NET POSITION: | |
| Net Investment in Capital Assets | 10,850.18 |
| Unrestricted | <u>94,501.51</u> |
| Total Net Position | <u>\$ 105,351.69</u> |

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

PAULSBORO SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021

| | <u>Food Service</u> |
|---|-------------------------|
| OPERATING REVENUES: | |
| Charges for Services: | |
| Daily Sales - Non-Reimbursable Programs | \$ 900.00 |
| Total Operating Revenues | <u>900.00</u> |
| OPERATING EXPENSES: | |
| Salaries | 184,385.18 |
| Employee Benefits | 42,557.80 |
| Purchased Professional and Technical Services | 2,088.00 |
| Supplies and Materials | 18,021.26 |
| Depreciation | 924.11 |
| Cost of Sales - Reimbursable Programs | 128,259.00 |
| Cost of Sales - Non-Reimbursable Programs | 1,200.46 |
| Other Purchased Services | 42,120.00 |
| Direct Expenses | 8,891.72 |
| Miscellaneous | <u>7,373.20</u> |
| Total Operating Expenses | <u>435,820.73</u> |
| Operating Loss | <u>(434,920.73)</u> |
| NONOPERATING REVENUES (EXPENSES): | |
| Federal Sources: | |
| Summer Food Service Program | 342,204.68 |
| Emergency Operational Cost Program | 55,794.44 |
| P-EBT Administration Cost Reimbursement | 3,063.00 |
| Food Distribution Program | <u>40,920.67</u> |
| Total Nonoperating Revenues (Expenses) | <u>441,982.79</u> |
| Net Income/Change in Net Position | 7,062.06 |
| Net Position - July 1 | <u>98,289.63</u> |
| Net Position - June 30 | <u>\$ 105,351.69</u> |

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

PAULSBORO SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

| | <u>Food Service</u> |
|---|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from Customers | \$ 900.00 |
| Payments to Employees | (29,338.69) |
| Payments to Management Company | (308,172.71) |
| Payments to Suppliers | <u>(50,883.63)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>(387,495.03)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Operating Subsidies and Transfers to (from) Other Funds | 114,812.07 |
| State Sources | 2,413.04 |
| Federal Sources | <u>239,755.18</u> |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>356,980.29</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchase of Capital Assets | <u>(5,297.00)</u> |
| Net Cash Provided by (used for) Investing Activities | <u>(5,297.00)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (35,811.74) |
| Cash and Cash Equivalents -- July 1 | <u>35,811.74</u> |
| Cash and Cash Equivalents -- June 30 | <u><u>\$ -</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) | |
| Operating Activities: | |
| Operating Income (Loss) | <u>\$ (434,920.73)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | |
| Provided by (used for) Operating Activities: | |
| Depreciation and Net Amortization | 924.11 |
| (Increase) Decrease in Accounts Receivable, net | 7,828.59 |
| (Increase) Decrease in Inventories | (8,624.97) |
| Increase (Decrease) in Compensated Absences Payable | (8,194.85) |
| Increase (Decrease) in Unearned Revenue | <u>(1,151.35)</u> |
| Total Adjustments | <u>47,425.70</u> |
| Net Cash Provided by (used for) Operating Activities | <u><u>\$ (387,495.03)</u></u> |

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

PAULSBORO SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades pre-K through 12 at its four schools. The School District has an approximate enrollment at June 30, 2021 of 1,178.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

Budgets / Budgetary Control

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

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.

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

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

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources 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.

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.

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

Interfund Activity

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

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

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

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

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 20).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2021, the School District's bank balances of \$ 5,884,464.84 were exposed to custodial credit risk as follows:

| | |
|--------------------------------|------------------------|
| Insured by FDIC and GUDPA | \$ 4,671,408.02 |
| Uninsured and Uncollateralized | <u>1,213,056.82</u> |
| Total | <u>\$ 5,884,464.84</u> |

Note 3: CAPITAL RESERVE ACCOUNT

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

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

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

| | |
|---------------------------------|----------------------|
| Beginning Balance, July 1, 2020 | \$ 500,310.27 |
| Increased by: | |
| Interest Earnings | \$ 765.11 |
| Deposits: | |
| Budget Appropriation | <u>7,171.00</u> |
| | <u>7,936.11</u> |
| Ending Balance, June 30, 2021 | <u>\$ 508,246.38</u> |

The June 30, 2021 LRFP balance of local support costs of uncompleted projects at June 30, 2021 is \$3,640,621.00. There were no withdrawals from capital reserve for the current 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 funds, in the aggregate, are as follows:

| <u>Description</u> | <u>Governmental Funds</u> | | | <u>Business Type Activities - Proprietary Fund</u> | |
|--------------------|---------------------------|-----------------------------|------------------------------|--|--------------------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Activities</u> | <u>Food Service Fund</u> |
| Federal Awards | | \$603,736.43 | | \$ 603,736.43 | \$ 229,667.41 |
| State Awards | \$ 300,405.99 | 15,690.65 | \$ 1,295,670.76 | 1,611,767.40 | |
| Tuition Charges | 55,242.00 | | | 55,242.00 | |
| Total | <u>\$ 355,647.99</u> | <u>\$ 619,427.08</u> | <u>\$ 1,295,670.76</u> | <u>\$ 2,270,745.83</u> | <u>\$ 229,667.41</u> |
| | | | | | <u>\$ 2,500,413.24</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, consisted of the following:

| | |
|----------|---------------------|
| Food | \$ 24,397.11 |
| Supplies | <u>2,332.33</u> |
| | <u>\$ 26,729.44</u> |

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

| | (Restated) Balance July 1, 2020 | Increases | Transfers | Decreases | Balance June 30, 2021 |
|--|--|------------------|------------------|------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Land | \$ 99,211.00 | | | | \$ 99,211.00 |
| Construction in Progress | 4,888,763.48 | \$ 1,361,359.94 | \$ (869,133.75) | | 5,380,989.67 |
| Total Capital Assets, not being Depreciated | 4,987,974.48 | 1,361,359.94 | (869,133.75) | - | 5,480,200.67 |
| Capital Assets, being Depreciated: | | | | | |
| Furniture, Fixtures and Equipment | 4,728,394.84 | 46,250.00 | | \$ (31,975.29) | 4,742,669.55 |
| Buildings and Improvements | 10,044,215.70 | | 869,133.75 | (3,000.00) | 10,910,349.45 |
| Land Improvements | 2,020,706.42 | | | | 2,020,706.42 |
| Total Capital Assets, being Depreciated | 16,793,316.96 | 46,250.00 | 869,133.75 | (34,975.29) | 17,673,725.42 |
| Total Capital Assets, Cost | 21,781,291.44 | 1,407,609.94 | - | (34,975.29) | 23,153,926.09 |
| Less Accumulated Depreciation for: | | | | | |
| Furniture, Fixtures and Equipment | (3,283,985.95) | (319,116.95) | | 31,975.29 | (3,571,127.61) |
| Buildings and Improvements | (7,293,253.64) | (181,549.26) | | 1,606.25 | (7,473,196.65) |
| Land Improvements | (1,705,199.52) | (54,802.49) | | | (1,760,002.01) |
| Total Accumulated Depreciation | (12,282,439.11) | (555,468.70) | - | 33,581.54 | (12,804,326.27) |
| Total Capital Assets, being Depreciated, Net | 4,510,877.85 | (509,218.70) | 869,133.75 | (1,393.75) | 4,869,399.15 |
| Governmental Activities Capital Assets, Net | \$ 9,498,852.33 | \$ 852,141.24 | \$ - | \$ (1,393.75) | \$ 10,349,599.82 |
| | Balance July 1, 2020 | Increases | Transfers | Decreases | Balance June 30, 2021 |
| Business-Type Activities: | | | | | |
| Capital Assets, being Depreciated: | | | | | |
| Furniture, Fixtures and Equipment | \$ 102,082.00 | \$ 5,297.00 | | \$ (8,670.00) | \$ 98,709.00 |
| Less Accumulated Depreciation for: | | | | | |
| Furniture, Fixtures and Equipment | (95,604.71) | (924.11) | | 8,670.00 | (87,858.82) |
| Business-Type Activities Capital Assets, Net | \$ 6,477.29 | \$ 4,372.89 | \$ - | \$ - | \$ 10,850.18 |

Depreciation expense was not charged to the various functions / programs of the School District.

Note 7: LONG-TERM LIABILITIES

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

| | <u>Balance</u> <u>July 1, 2020</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2021</u> | <u>Due within</u> <u>One Year</u> |
|---|---------------------------------------|------------------------|--------------------------|--|--------------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | \$ 2,557,000.00 | | \$ (125,000.00) | \$ 2,432,000.00 | \$ 135,000.00 |
| Other Liabilities: | | | | | |
| Obligations under Capital Lease | 274,460.25 | | (125,258.44) | 149,201.81 | 80,974.41 |
| Compensated Absences | 774,857.97 | \$ 206,629.52 | (120,691.80) | 860,795.69 | 44,647.30 |
| Net Pension Liability | 4,715,548.00 | 2,536,314.00 | (3,139,230.00) | 4,112,632.00 | |
| Total Other Liabilities | 5,764,866.22 | 2,742,943.52 | (3,385,180.24) | 5,122,629.50 | 125,621.71 |
| Governmental Activities Long-Term Liabilities | <u>\$ 8,321,866.22</u> | <u>\$ 2,742,943.52</u> | <u>\$ (3,510,180.24)</u> | <u>\$ 7,554,629.50</u> | <u>\$ 260,621.71</u> |

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

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

| | <u>Balance</u> <u>July 1, 2020</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2021</u> | <u>Due within</u> <u>One Year</u> |
|----------------------------------|---------------------------------------|------------------|-------------------|--|--------------------------------------|
| Business-Type Activities: | | | | | |
| Other Liabilities: | | | | | |
| Compensated Absences Payable | \$ 17,863.17 | \$ 968.85 | \$ (9,163.70) | \$ 9,668.32 | - |

Compensated absences are liquidated by the food service enterprise fund.

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

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

Note 7: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|------------------------|
| 2022 | \$ 135,000.00 | \$ 76,545.00 | \$ 211,545.00 |
| 2023 | 140,000.00 | 72,495.00 | 212,495.00 |
| 2024 | 145,000.00 | 68,295.00 | 213,295.00 |
| 2025 | 150,000.00 | 63,945.00 | 213,945.00 |
| 2026 | 155,000.00 | 59,445.00 | 214,445.00 |
| 2027-2031 | 885,000.00 | 222,675.00 | 1,107,675.00 |
| 2032-2035 | 822,000.00 | 71,392.50 | 893,392.50 |
| Total | <u>\$ 2,432,000.00</u> | <u>\$ 634,792.50</u> | <u>\$ 3,066,792.50</u> |

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

Obligations under Capital Lease - The School District is leasing school buses and technology equipment with a total cost of \$660,571.55 under capital leases. All capital leases are for terms of five to six year. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|----------------------|
| 2022 | \$ 80,974.41 | \$ 4,220.60 | \$ 85,195.01 |
| 2023 | 68,227.40 | 1,491.44 | 69,718.84 |
| Total | <u>\$ 149,201.81</u> | <u>\$ 5,712.04</u> | <u>\$ 154,913.85</u> |

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. 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: PENSION PLANS

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

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

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 20.42% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$1,795,204.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$695,223.99.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 16.01% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$275,888.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$114,687.85.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

For the fiscal year ended June 30, 2021, employee contributions totaled \$32,915.58, and the School District recognized pension expense, which equaled the required contributions, of \$21,360.07. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

| | | |
|--|----|----------------------|
| School District's Proportionate Share of Net Pension Liability | \$ | - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | | 52,167,059.00 |
| | \$ | <u>52,167,059.00</u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0792224937%, which was a decrease of 0.0057881357% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized \$3,243,970.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2021, the School District reported a liability of \$4,112,632.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was 0.0252194442%, which was a decrease of 0.0009511713% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized pension expense of \$22,043.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | \$ 74,884.00 | \$ 14,544.00 |
| Changes of Assumptions | 133,418.00 | 1,721,998.00 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 140,573.00 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | 193,129.00 | 279,900.00 |
| School District Contributions Subsequent to the Measurement Date | 238,255.00 | - |
| | <u>\$ 780,259.00</u> | <u>\$ 2,016,442.00</u> |

Deferred outflows of resources in the amount of \$238,255.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year | |
|-------------------------------|--------------------------|
| <u>Ending June 30,</u> | |
| 2022 | \$ (501,003.00) |
| 2023 | (491,715.00) |
| 2024 | (450,884.00) |
| 2025 | (679.00) |
| 2026 | (30,157.00) |
| | <u>\$ (1,474,438.00)</u> |

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | 5.21 | - |
| June 30, 2020 | 5.16 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| June 30, 2020 | - | 5.16 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |
| June 30, 2020 | 5.16 | 5.16 |

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

⁽¹⁾ based on years of service

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| U.S. Equity | 27.00% | 7.71% |
| Non-US Developed Markets Equity | 13.50% | 8.57% |
| Emerging Market 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% |
| | <u>100.00%</u> | |

Discount Rate -

Teachers' Pension and Annuity Fund - 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 the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% 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 the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | TPAF | | |
|--|------------------------------------|--|------------------------------------|
| | 1% Decrease (4.40%) | Current Discount Rate (5.40%) | 1% Increase (6.40%) |
| School District's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | 61,276,320.00 | 52,167,059.00 | 44,603,346.00 |
| | <u>\$ 61,276,320.00</u> | <u>\$ 52,167,059.00</u> | <u>\$ 44,603,346.00</u> |

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

| | PERS | | |
|---|------------------------------------|--|------------------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| School District's Proportionate Share of the Net Pension Liability | \$ 5,217,827.00 | \$ 4,112,632.00 | \$ 3,234,623.00 |

Pension Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

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

Employees Covered by Benefit Terms - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

| | |
|--|----------------|
| Active Plan Members | 216,804 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 149,304 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments | - |
| | <u>366,108</u> |

Total Non-Employer OPEB Liability

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$67,974,014.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.1002419282%, which was a decrease of 0.0014901444% from its proportion measured as of June 30, 2019.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

| | <u>TPAF/ABP</u> * | <u>PERS</u> * | <u>PFRS</u> |
|-------------------|--------------------------|----------------------|--------------------------------|
| Salary Increases: | | | |
| 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 |

* based on service years

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Experience Studies - 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%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Discount Rate - The discount rate for June 30, 2020 measurement date 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 Non-Employer OPEB Liability

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

| | | |
|---|-----------------|-------------------------|
| Balance at June 30, 2020 | | \$ 42,451,859.00 |
| Changes for the Year: | | |
| Service Cost | \$ 1,463,714.00 | |
| Interest Cost | 1,517,136.00 | |
| Difference between Expected and Actual Experience | 11,272,292.00 | |
| Changes in Assumptions | 12,416,517.00 | |
| Member Contributions | 35,868.00 | |
| Gross Benefit Payments | (1,183,372.00) | |
| Net Changes | | <u>25,522,155.00</u> |
| Balance at June 30, 2021 | | <u>\$ 67,974,014.00</u> |

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Differences between expected and actual experience reflect an increase in liability from June 30, 2019 to June 30, 2020 due to changes in the census, claims, and premiums experience.

Changes in assumptions reflect an 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.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|--|---------------------------|-------------------------------------|---------------------------|
| State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 81,946,182.00</u> | <u>\$ 67,974,014.00</u> | <u>\$ 57,049,124.00</u> |

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|--|-------------------------------|---|-------------------------------|
| State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 54,870,916.00</u> | <u>\$ 67,974,014.00</u> | <u>\$ 83,576,891.00</u> |

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

OPEB Expense - For the fiscal year ended June 30, 2021, the School District recognized \$2,588,118.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Difference between Expected and Actual Experience | \$ 10,320,226.00 | \$ 9,192,890.00 |
| Changes of Assumptions | 11,562,156.00 | 7,756,220.00 |
| Changes in Proportion | <u>145,797.00</u> | <u>3,336,600.00</u> |
| | <u>\$ 22,028,179.00</u> | <u>\$ 20,285,710.00</u> |

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

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

| Fiscal Year Ending <u>June 30,</u> | |
|---|-------------------------------|
| 2022 | \$ (383,164.00) |
| 2023 | (383,164.00) |
| 2024 | (383,164.00) |
| 2025 | (383,164.00) |
| 2026 | (383,164.00) |
| Thereafter | <u>3,658,289.00</u> |
| | <u><u>\$ 1,742,469.00</u></u> |

Note 10: 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, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,240,625.00, \$42,631.00, \$715,537.00, and \$1,161.00, respectively.

Note 11: RISK MANAGEMENT

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

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

Note 12: DEFERRED COMPENSATION

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

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

Note 13: 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, *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.

Note 13: COMPENSATED ABSENCES (CONT'D)

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$860,795.69 and \$9,668.32, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|--------------------|---|--------------------------------------|
| General | \$ 189,152.55 | \$ 2,019.92 |
| Special Revenue | | 80,907.78 |
| Capital Projects | | 12,661.92 |
| Debt Service | 2,019.92 | |
| Food Service | | 95,582.85 |
| | <u> </u> | <u> </u> |
| Totals | <u>\$ 191,172.47</u> | <u>\$ 191,172.47</u> |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers - During the fiscal year ended June 30, 2021, the general fund transferred \$17,239.00 to the special revenue fund as a local contribution to the preschool education program.

| | |
|-----------------------------|-------------------------------------|
| | <u>Transfer In:</u> |
| | Special Revenue Fund |
| <u>Transfer Out:</u> | |
| General Fund | <u>\$ 17,239.00</u> |

Note 15: 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.

Note 16: 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 17: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2021 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

| <u>Contract</u> | <u>Commitment Date</u> | <u>Amount Outstanding</u> |
|---|-----------------------------------|--------------------------------------|
| Demolition and Removal of Boilers | 12-11-20 | \$ 437,200.00 |
| Upgrade Automation and Energy Management System | 12-11-20 | 347,125.00 |
| Replace Water Closet and Lavatory | 12-10-20 | 3,240.00 |
| Paulsboro High School Track Upgrades | 05-12-21 | 484,310.00 |
| Total | | <u>\$ 1,271,875.00</u> |

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$477,285.13 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, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$477,285.13 is less than the June state aid payments.

Note 19: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District does not have any non-spendable fund balances as of June 30, 2021.

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. 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 \$1,412,695.55. Additionally, \$2,316,822.06 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2021-2022 budget.

For Capital Reserve Account - As of June 30, 2021, the balance in the capital reserve account is \$508,246.38. 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 \$10,013.42. 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).

Special Revenue Fund

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2021 is \$159,326.84.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$54,922.51.

Capital Projects Fund - As of June 30, 2021, the balance in the capital projects fund is \$1,075,231.09, which is restricted for approved projects.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022 \$1,251.00 of the \$2,019.92 debt service fund balance at June 30, 2021.

Note 19: FUND BALANCES (CONT'D)**COMMITTED**

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

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022 \$1,028,088.94 of general fund balance at June 30, 2021.

Other Purposes - As of June 30, 2021, the School District had \$25,729.14 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2021, the fund balance of the general fund was a deficit of \$477,285.13, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$477,285.13 is less than the last state aid payment.

Note 20: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Additionally, construction in progress was understated, which resulted in net position being understated. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. The following tables illustrate the restatements:

| | | <u>Governmental Activities</u> |
|---|------------------|---|
| Beginning Net Position as Previously Reported at July 1, 2020 | | \$ 3,723,854.92 |
| Prior Period Adjustments: | | |
| Reclassification of Net Position from Fiduciary Fund: | | |
| Scholarship Fund | \$ 162,306.08 | |
| Construction in Progress Understated | 360,861.90 | |
| Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund | <u>70,472.67</u> | |
| Total Prior Period Adjustments | | <u>593,640.65</u> |
| Net Position as Restated, July 1, 2020 | | <u>\$ 4,317,495.57</u> |

| | | <u>Governmental Funds Special Revenue Fund</u> |
|---|------------------|---|
| Beginning Fund Balance as Previously Reported at July 1, 2020 | | \$ (106,381.10) |
| Prior Period Adjustments: | | |
| Reclassification of Scholarship Fund Net Position from Fiduciary Fund | \$ 162,306.08 | |
| Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund | <u>70,472.67</u> | |
| Total Prior Period Adjustments | | <u>232,778.75</u> |
| Fund Balance as Restated, July 1, 2020 | | <u>\$ 126,397.65</u> |

Note 21: SUBSEQUENT EVENTS

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

PAULSBORO SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

| | Original <u>Budget</u> | Budget <u>Modifications</u> | Final <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) <u>Final to Actual</u> |
|--|---------------------------|--------------------------------|------------------------|-----------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 6,535,763.00 | | \$ 6,535,763.00 | \$ 6,535,763.00 | |
| Tuition from Other LEAs Within the State | 1,346,558.00 | | 1,346,558.00 | 1,351,981.85 | \$ 5,423.85 |
| Unrestricted Miscellaneous Revenues | 375,000.00 | | 375,000.00 | 100,065.34 | (274,934.66) |
| Total - Local Sources | 8,257,321.00 | - | 8,257,321.00 | 7,987,810.19 | (269,510.81) |
| State Sources: | | | | | |
| School Choice Aid | 33,655.00 | \$ 3,015.00 | 36,670.00 | 36,670.00 | |
| Categorical Transportation Aid | 179,476.00 | | 179,476.00 | 179,476.00 | |
| Categorical Special Education Aid | 715,226.00 | | 715,226.00 | 715,226.00 | |
| Equalization Aid | 13,318,957.00 | (717,045.00) | 12,601,912.00 | 12,601,912.00 | |
| Categorical Security Aid | 498,216.00 | | 498,216.00 | 498,216.00 | |
| Extraordinary Aid | 218,031.00 | | 218,031.00 | 260,195.00 | 42,164.00 |
| Homeless Tuition Reimbursement | | | | 37,390.00 | 37,390.00 |
| On-Behalf TPAF Pension Contributions (non-budgeted): | | | | | |
| Post Retirement Medical | | | | 715,537.00 | 715,537.00 |
| Teacher's Pension and Annuity Fund | | | | 2,240,625.00 | 2,240,625.00 |
| TPAF Non-Contributory Insurance | | | | 42,631.00 | 42,631.00 |
| Long-Term Disability Insurance | | | | 1,161.00 | 1,161.00 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 621,828.82 | 621,828.82 |
| Total - State Sources | 14,963,561.00 | (714,030.00) | 14,249,531.00 | 17,950,867.82 | 3,701,336.82 |
| Federal Sources: | | | | | |
| Medicaid Reimbursement | 53,925.00 | | 53,925.00 | 70,112.99 | 16,187.99 |
| Total - Federal Sources | 53,925.00 | - | 53,925.00 | 70,112.99 | 16,187.99 |
| Total Revenues | 23,274,807.00 | (714,030.00) | 22,560,777.00 | 26,008,791.00 | 3,448,014.00 |

PAULSBORO 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: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | \$ 458,138.00 | \$ (64,963.80) | \$ 393,174.20 | \$ 393,174.20 | |
| Grades 1-5 | 1,711,895.00 | 120,365.91 | 1,832,260.91 | 1,832,260.11 | \$ 0.80 |
| Grades 6-8 | 924,637.00 | (83,796.11) | 840,840.89 | 839,671.99 | 1,168.90 |
| Grades 9-12 | 1,970,791.00 | (70,781.00) | 1,900,010.00 | 1,899,122.80 | 887.20 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 30,280.00 | | 30,280.00 | 144.00 | 30,136.00 |
| Purchased Professional - Educational Services | 30,534.00 | | 30,534.00 | 15,464.00 | 15,070.00 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 25,400.00 | | 25,400.00 | | 25,400.00 |
| Purchased Professional - Educational Services | 334,400.00 | (17,048.50) | 317,351.50 | 356.40 | 316,995.10 |
| Rentals | | 144,647.95 | 144,647.95 | 66,258.69 | 78,389.26 |
| Other Purchased Services (400-500 series) | 182,143.00 | (167,428.00) | 14,715.00 | | 14,715.00 |
| General Supplies | 364,689.10 | (38,078.00) | 326,611.10 | 276,984.79 | 49,626.31 |
| Textbooks | 198,017.00 | | 198,017.00 | 185,852.96 | 12,164.04 |
| Other Objects | 1,825.00 | | 1,825.00 | 662.45 | 1,162.55 |
| Total Regular Programs - Instruction | <u>6,232,749.10</u> | <u>(177,081.55)</u> | <u>6,055,667.55</u> | <u>5,509,952.39</u> | <u>545,715.16</u> |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 647,172.00 | 0.02 | 647,172.02 | 618,355.48 | 28,816.54 |
| Other Salaries for Instruction | 127,378.00 | | 127,378.00 | 127,378.00 | |
| General Supplies | 6,408.00 | (1,634.04) | 4,773.96 | 2,995.29 | 1,778.67 |
| Textbooks | 6,000.00 | | 6,000.00 | | 6,000.00 |
| Total Learning and/or Language Disabilities | <u>786,958.00</u> | <u>(1,634.02)</u> | <u>785,323.98</u> | <u>748,728.77</u> | <u>36,595.21</u> |
| Behavioral Disabilities: | | | | | |
| Salaries of Teachers | 235,765.00 | (1,259.83) | 234,505.17 | 222,279.14 | 12,226.03 |
| Other Salaries for Instruction | 101,766.00 | | 101,766.00 | 71,352.80 | 30,413.20 |
| General Supplies | 3,779.00 | 178.12 | 3,957.12 | 2,938.23 | 1,018.89 |
| Total Behavioral Disabilities | <u>341,310.00</u> | <u>(1,081.71)</u> | <u>340,228.29</u> | <u>296,570.17</u> | <u>43,658.12</u> |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 183,590.00 | 15,866.00 | 199,456.00 | 193,053.00 | 6,403.00 |
| Other Salaries for Instruction | 76,506.00 | | 76,506.00 | 67,352.38 | 9,153.62 |
| General Supplies | 10,491.00 | (382.00) | 10,109.00 | 2,332.82 | 7,776.18 |
| Total Multiple Disabilities | <u>270,587.00</u> | <u>15,484.00</u> | <u>286,071.00</u> | <u>262,738.20</u> | <u>23,332.80</u> |

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Resource Room / Resource Center: | | | | | |
| Salaries of Teachers | \$ 192,129.00 | \$ 11,250.00 | \$ 203,379.00 | \$ 203,379.00 | |
| Other Salaries for Instruction | 25,502.00 | 2,514.69 | 28,016.69 | 28,016.69 | |
| General Supplies | 1,119.00 | 136.00 | 1,255.00 | 948.03 | \$ 306.97 |
| Total Resource Room / Resource Center | 218,750.00 | 13,900.69 | 232,650.69 | 232,343.72 | 306.97 |
| Total Special Education - Instruction | 1,617,605.00 | 26,668.96 | 1,644,273.96 | 1,540,380.86 | 103,893.10 |
| Basic Skills / Remedial - Instruction: | | | | | |
| Other Salaries for Instruction | 25,502.00 | | 25,502.00 | 25,502.00 | |
| General Supplies | 825.00 | 48.00 | 873.00 | 520.15 | 352.85 |
| Total Basic Skills / Remedial - Instruction | 26,327.00 | 48.00 | 26,375.00 | 26,022.15 | 352.85 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 27,500.00 | (1,263.00) | 26,237.00 | 10,120.00 | 16,117.00 |
| General Supplies | 368.00 | 1,263.00 | 1,631.00 | 1,631.00 | |
| Total Bilingual Education - Instruction | 27,868.00 | - | 27,868.00 | 11,751.00 | 16,117.00 |
| School Sponsored Co/Extra-Curricular Activities - Instruction: | | | | | |
| Salaries | 56,200.00 | | 56,200.00 | 54,266.00 | 1,934.00 |
| Purchased Services (300-500 series) | 2,450.00 | | 2,450.00 | | 2,450.00 |
| Supplies and Materials | 1,550.00 | | 1,550.00 | | 1,550.00 |
| Transfers to Cover Deficit (Agency Funds) | 4,000.00 | | 4,000.00 | 2,500.00 | 1,500.00 |
| Total School Sponsored Co/Extra-Curricular Activities - Instruction | 64,200.00 | - | 64,200.00 | 56,766.00 | 7,434.00 |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 270,112.00 | (6,604.30) | 263,507.70 | 252,187.80 | 11,319.90 |
| Purchased Services (300-500 series) | 146,875.00 | (10,000.00) | 136,875.00 | 41,365.68 | 95,509.32 |
| Supplies and Materials | 96,300.00 | (13,587.98) | 82,712.02 | 58,102.31 | 24,609.71 |
| Other Objects | 12,000.00 | 5,000.00 | 17,000.00 | 16,617.06 | 382.94 |
| Total School Sponsored Athletics - Instruction | 525,287.00 | (25,192.28) | 500,094.72 | 368,272.85 | 131,821.87 |
| Before/After School Programs - Instruction | | | | | |
| Salaries | 15,000.00 | 7,404.30 | 22,404.30 | 11,568.00 | 10,836.30 |
| Total Instruction | 8,509,036.10 | (168,152.57) | 8,340,883.53 | 7,524,713.25 | 816,170.28 |

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction (Tuition): | | | | | |
| Tuition to Other LEA's Within State - Regular | \$ 129,125.00 | \$ 46,842.21 | \$ 175,967.21 | \$ 167,249.14 | \$ 8,718.07 |
| Tuition to Other LEA's Within State - Special | 144,000.00 | (15,183.00) | 128,817.00 | 128,815.62 | 1.38 |
| Tuition to County Vocational School District - Regular | 87,570.00 | (30,530.19) | 57,039.81 | 53,708.00 | 3,331.81 |
| Tuition to CSSD and Regional Day Schools | 648,250.00 | (322,425.83) | 325,824.17 | 325,499.50 | 324.67 |
| Tuition to Private Schools for the Disabled - Within State | 1,494,681.00 | (121,786.84) | 1,372,894.16 | 1,241,044.03 | 131,850.13 |
| Tuition - State Facilities | 39,872.00 | | 39,872.00 | 39,872.00 | |
| Tuition - Other | 68,800.00 | | 68,800.00 | 54,556.00 | 14,244.00 |
| Total Instruction (Tuition) | <u>2,612,298.00</u> | <u>(443,083.65)</u> | <u>2,169,214.35</u> | <u>2,010,744.29</u> | <u>158,470.06</u> |
| Attendance and Social Work: | | | | | |
| Salaries | 33,531.00 | (104.00) | 33,427.00 | 10,600.79 | 22,826.21 |
| Purchased Professional and Technical Services | 29,901.00 | (5,000.00) | 24,901.00 | | 24,901.00 |
| Other Purchased Services (400-500 series) | 2,000.00 | | 2,000.00 | 65.00 | 1,935.00 |
| Supplies | 900.00 | | 900.00 | 419.88 | 480.12 |
| Total Attendance and Social Work | <u>66,332.00</u> | <u>(5,104.00)</u> | <u>61,228.00</u> | <u>11,085.67</u> | <u>50,142.33</u> |
| Health Services: | | | | | |
| Salaries | 189,158.00 | | 189,158.00 | 186,925.80 | 2,232.20 |
| Purchased Professional and Technical Services | 282,921.00 | (59,736.87) | 223,184.13 | 32,343.90 | 190,840.23 |
| Supplies and Materials | 10,130.00 | | 10,130.00 | 4,322.97 | 5,807.03 |
| Other Objects | 30.00 | | 30.00 | | 30.00 |
| Total Health Services | <u>482,239.00</u> | <u>(59,736.87)</u> | <u>422,502.13</u> | <u>223,592.67</u> | <u>198,909.46</u> |
| Speech, OT, PT & Related Services: | | | | | |
| Salaries | 139,083.00 | | 139,083.00 | 113,233.70 | 25,849.30 |
| Purchased Professional - Educational Services | 92,925.65 | | 92,925.65 | 53,125.00 | 39,800.65 |
| Supplies and Materials | 2,200.00 | | 2,200.00 | 928.07 | 1,271.93 |
| Total Speech, OT, PT & Related Services | <u>234,208.65</u> | <u>-</u> | <u>234,208.65</u> | <u>167,286.77</u> | <u>66,921.88</u> |
| Other Support Services - Students - Extraordinary Services: | | | | | |
| Salaries | 141,488.00 | | 141,488.00 | 133,676.54 | 7,811.46 |
| Total Other Support Services - Students - Extraordinary Services | <u>141,488.00</u> | <u>-</u> | <u>141,488.00</u> | <u>133,676.54</u> | <u>7,811.46</u> |

PAULSBORO 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> | Variance Positive (Negative) <u>Final to Actual</u> |
|--|----------------------------|---------------------------------|-------------------------|-------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures (Cont'd): | | | | | |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 319,002.00 | \$ (35,672.20) | \$ 283,329.80 | \$ 277,818.75 | \$ 5,511.05 |
| Salaries of Secretarial and Clerical Assistants | 23,479.00 | 7,872.20 | 31,351.20 | 31,351.20 | |
| Purchased Professional - Educational Services | 5,679.00 | | 5,679.00 | 2,552.00 | 3,127.00 |
| Other Purchased Prof. and Tech. Services | | 2,000.00 | 2,000.00 | 1,795.00 | 205.00 |
| Other Purchased Services (400-500) | 5,990.00 | | 5,990.00 | 200.00 | 5,790.00 |
| Supplies and Materials | 3,650.00 | | 3,650.00 | 1,585.68 | 2,064.32 |
| Other Objects | 475.00 | | 475.00 | | 475.00 |
| Total Guidance | <u>358,275.00</u> | <u>(25,800.00)</u> | <u>332,475.00</u> | <u>315,302.63</u> | <u>17,172.37</u> |
| Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 407,048.00 | (52,950.42) | 354,097.58 | 324,345.50 | 29,752.08 |
| Salaries of Secretarial and Clerical Assistants | 46,078.00 | | 46,078.00 | 31,678.60 | 14,399.40 |
| Purchased Professional - Educational Services | 48,427.00 | | 48,427.00 | 39,751.82 | 8,675.18 |
| Other Purchased Services (400-500 series) | 2,700.00 | (2,700.00) | | | |
| Misc. Purchased Services (400-500 series other than Residential Costs) | | 2,700.00 | 2,700.00 | | 2,700.00 |
| Supplies and Materials | 10,000.00 | | 10,000.00 | 7,403.88 | 2,596.12 |
| Other Objects | 3,000.00 | | 3,000.00 | | 3,000.00 |
| Total Child Study Team | <u>517,253.00</u> | <u>(52,950.42)</u> | <u>464,302.58</u> | <u>403,179.80</u> | <u>61,122.78</u> |
| Improvement of Instruction Services: | | | | | |
| Salaries of Supervisors of Instruction | 24,000.00 | (2,080.00) | 21,920.00 | 18,128.00 | 3,792.00 |
| Salaries of Other Professional Staff | 121,226.00 | 169,337.29 | 290,563.29 | 290,563.25 | 0.04 |
| Salaries of Secretarial and Clerical Assistants | 27,960.00 | 399.52 | 28,359.52 | 28,359.52 | |
| Other Purchased Services (400-500) | 8,000.00 | 13,689.11 | 21,689.11 | 21,689.11 | |
| Supplies and Materials | 5,220.00 | (4,953.00) | 267.00 | 267.00 | |
| Other Objects | 2,900.00 | (2,900.00) | | | |
| Total Improvement of Instruction Services | <u>189,306.00</u> | <u>173,492.92</u> | <u>362,798.92</u> | <u>359,006.88</u> | <u>3,792.04</u> |

(Continued)

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures (Cont'd): | | | | | |
| Educational Media Services / School Library: | | | | | |
| Salaries | \$ 82,894.00 | \$ (1,351.53) | \$ 81,542.47 | \$ 81,542.47 | |
| Salaries of Technology Coordinators | 126,706.00 | 25,562.72 | 152,268.72 | 152,268.72 | |
| Purchased Professional and Technical Services | 1,700.00 | | 1,700.00 | | \$ 1,700.00 |
| Other Purchased Services (400-500) | 1,100.00 | (847.42) | 252.58 | | 252.58 |
| Supplies and Materials | 2,100.00 | | 2,100.00 | 128.22 | 1,971.78 |
| Total Educational Media Services / School Library | 214,500.00 | 23,363.77 | 237,863.77 | 233,939.41 | 3,924.36 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 4,280.00 | (4,280.00) | | | |
| Salaries of Other Professional Staff | 55,000.00 | (55,000.00) | | | |
| Salaries of Secretaries and Clerical Associates | 27,960.00 | 399.51 | 28,359.51 | 28,359.49 | 0.02 |
| Purchased Professional and Technical Services | | 1,000.00 | 1,000.00 | 1,000.00 | |
| Other Purchased Services | 2,500.00 | (2,500.00) | | | |
| Supplies and Materials | 500.00 | (500.00) | | | |
| Total Instructional Staff Training Services | 90,240.00 | (60,880.49) | 29,359.51 | 29,359.49 | 0.02 |
| Support Services - General Administration: | | | | | |
| Salaries | 194,150.00 | 42,817.64 | 236,967.64 | 236,767.64 | 200.00 |
| Legal Services | 55,000.00 | (12,020.00) | 42,980.00 | 42,979.96 | 0.04 |
| Audit Fees | 30,000.00 | 17,000.00 | 47,000.00 | 47,000.00 | |
| Architectural / Engineering Fees | 5,000.00 | (5,000.00) | | | |
| Other Purchased Professional Services | 25,000.00 | 20.00 | 25,020.00 | 16,570.40 | 8,449.60 |
| Communications / Telephone | 127,825.00 | | 127,825.00 | 85,535.33 | 42,289.67 |
| BOE Other Purchased Services | 7,090.00 | (325.00) | 6,765.00 | 2,055.92 | 4,709.08 |
| Miscellaneous Purchased Services (400-500 Other than 530 & 594) | 99,705.00 | (6,659.45) | 93,045.55 | 78,829.45 | 14,216.10 |
| General Supplies | 6,125.00 | (22.00) | 6,103.00 | 5,259.33 | 843.67 |
| BOE In-House Training / Meeting Supplies | 2,000.00 | 22.00 | 2,022.00 | 2,022.00 | |
| Judgments against the School District | | 6,127.79 | 6,127.79 | 6,127.79 | |
| Miscellaneous Expenditures | 3,500.00 | | 3,500.00 | 2,843.14 | 656.86 |
| BOE Membership Dues and Fees | 10,500.00 | 325.00 | 10,825.00 | 10,824.40 | 0.60 |
| Total Support Services - General Administration | 565,895.00 | 42,285.98 | 608,180.98 | 536,815.36 | 71,365.62 |

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures (Cont'd): | | | | | |
| Support Services - School Administration: | | | | | |
| Salaries of Principals / Assistant Principals / Program Director | \$ 619,936.00 | \$ (118,834.49) | \$ 501,101.51 | \$ 501,101.47 | \$ 0.04 |
| Salaries of Other Professional Staff | 10,000.00 | 10,000.00 | 20,000.00 | | 20,000.00 |
| Salaries of Secretarial and Clerical Assistants | 162,728.00 | 42,095.03 | 204,823.03 | 203,533.01 | 1,290.02 |
| Other Purchased Services (400-500) | 10,500.00 | (6,604.56) | 3,895.44 | 3,895.44 | |
| Supplies and Materials | 19,400.00 | (5,903.78) | 13,496.22 | 12,237.33 | 1,258.89 |
| Other Objects | 7,160.00 | (1,050.00) | 6,110.00 | 6,110.00 | |
| Total Support Services - School Administration | 829,724.00 | (80,297.80) | 749,426.20 | 726,877.25 | 22,548.95 |
| Central Services: | | | | | |
| Salaries | 212,583.00 | 76,194.75 | 288,777.75 | 288,777.75 | |
| Purchased Technical Services | 29,585.00 | 26,841.00 | 56,426.00 | 56,426.00 | |
| Travel | | 185.00 | 185.00 | 185.00 | |
| Miscellaneous Purchased Services | 6,460.00 | (6,460.00) | | | |
| Supplies and Materials | 3,500.00 | (3,500.00) | | | |
| Interest on Lease Purchase Agreements | 47,751.00 | (47,751.00) | | | |
| Miscellaneous Expenditures | 1,490.00 | 1,177.07 | 2,667.07 | 2,667.07 | |
| Total Central Services | 301,369.00 | 46,686.82 | 348,055.82 | 348,055.82 | - |
| Administrative Information Technology: | | | | | |
| Salaries | 60,000.00 | (11,758.75) | 48,241.25 | 48,241.25 | |
| Purchased Professional Services | 16,600.00 | 1,173.48 | 17,773.48 | 17,773.48 | |
| Other Purchased Services (400-500 series) | 56,110.00 | 14,499.54 | 70,609.54 | 70,082.52 | 527.02 |
| Supplies and Materials | 3,636.00 | 48,108.98 | 51,744.98 | 51,592.09 | 152.89 |
| Other Objects | | 210.00 | 210.00 | 210.00 | |
| Total Administrative Information Technology | 136,346.00 | 52,233.25 | 188,579.25 | 187,899.34 | 679.91 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 156,865.00 | 9,883.66 | 166,748.66 | 89,064.24 | 77,684.42 |
| Cleaning, Repair and Maintenance Services | 270,870.00 | (16,449.00) | 254,421.00 | 188,005.99 | 66,415.01 |
| General Supplies | 47,719.64 | 4,451.17 | 52,170.81 | 43,776.45 | 8,394.36 |
| Total Required Maintenance for School Facilities | 475,454.64 | (2,114.17) | 473,340.47 | 320,846.68 | 152,493.79 |

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures (Cont'd): | | | | | |
| Custodial Services: | | | | | |
| Salaries | \$ 550,401.00 | \$ (3,898.36) | \$ 546,502.64 | \$ 452,290.44 | \$ 94,212.20 |
| Salaries of Non-Instructional Aid | 77,695.00 | | 77,695.00 | | 77,695.00 |
| Purchased Professional and Technical Services | | 737.50 | 737.50 | 737.50 | |
| Cleaning, Repair and Maintenance Services | 48,623.00 | (580.21) | 48,042.79 | 27,407.20 | 20,635.59 |
| Other Purchased Property Services | 139,460.50 | (4,000.00) | 135,460.50 | 26,685.00 | 108,775.50 |
| Insurance | 302,399.00 | (115.54) | 302,283.46 | 292,381.10 | 9,902.36 |
| Miscellaneous Purchased Services | 1,100.00 | 27,115.54 | 28,215.54 | 16,730.54 | 11,485.00 |
| General Supplies | 89,614.36 | 206.98 | 89,821.34 | 79,218.85 | 10,602.49 |
| Energy (Natural Gas) | 194,456.00 | 2.00 | 194,458.00 | 142,000.00 | 52,458.00 |
| Energy (Electricity) | 237,394.00 | | 237,394.00 | 214,199.00 | 23,195.00 |
| Total Custodial Services | 1,641,142.86 | 19,467.91 | 1,660,610.77 | 1,251,649.63 | 408,961.14 |
| Care and Upkeep of Grounds: | | | | | |
| Salaries | 46,791.00 | | 46,791.00 | 38,391.00 | 8,400.00 |
| Cleaning, Repair and Maintenance Services | 70,000.00 | 16,000.00 | 86,000.00 | 70,122.85 | 15,877.15 |
| General Supplies | 23,000.00 | | 23,000.00 | 9,337.09 | 13,662.91 |
| Total Care and Upkeep of Grounds | 139,791.00 | 16,000.00 | 155,791.00 | 117,850.94 | 37,940.06 |
| Student Transportation Services: | | | | | |
| Salaries of Non-Instructional Aides | 77,315.00 | 8,361.96 | 85,676.96 | 31,350.58 | 54,326.38 |
| Salaries for Pupil Transportation (Between Home and School) - Regular | 111,725.00 | (18,779.42) | 92,945.58 | 80,026.02 | 12,919.56 |
| Salaries for Pupil Transportation (Between Home and School) - Spec. Ed. | 62,620.00 | | 62,620.00 | 23,533.54 | 39,086.46 |
| Salaries for Pupil Transportation (Other than Between Home and School) | 37,433.00 | 8,779.42 | 46,212.42 | 33,797.20 | 12,415.22 |
| Cleaning, Repair and Maintenance Services | 40,600.00 | 398.40 | 40,998.40 | 31,271.39 | 9,727.01 |
| Lease Purchase Payments - School Buses | 35,676.00 | 47,648.81 | 83,324.81 | 83,324.27 | 0.54 |
| Contracted Services - Aid in Lieu of Payments - Choice School | 35,000.00 | 493.45 | 35,493.45 | 13,449.80 | 22,043.65 |
| Contracted Services - (Between Home and School) - Vendors | 20,000.00 | (400.00) | 19,600.00 | | 19,600.00 |
| Contracted Services - (Other than Between Home and School) - Vendors | 35,000.00 | | 35,000.00 | 12,628.11 | 22,371.89 |
| Contracted Services - (Between Home and School) - Joint Agreements | 53,095.00 | | 53,095.00 | | 53,095.00 |
| Contracted Services - (Special Ed Students) - Joint Agreements | 669,039.00 | (16,202.96) | 652,836.04 | 566,967.93 | 85,868.11 |
| Miscellaneous Purchased Services - Transportation | 40,494.00 | (1,898.52) | 38,595.48 | 38,595.48 | |
| General Supplies | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Transportation Supplies | 17,639.36 | (93.45) | 17,545.91 | 2,281.08 | 15,264.83 |
| Total Student Transportation Services | 1,236,636.36 | 28,307.69 | 1,264,944.05 | 917,225.40 | 347,718.65 |

PAULSBORO 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): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures (Cont'd): | | | | | |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | \$ 270,787.00 | | \$ 270,787.00 | \$ 253,019.24 | \$ 17,767.76 |
| Other Retirement Contributions - PERS | 291,115.00 | | 291,115.00 | 275,888.00 | 15,227.00 |
| Unemployment Compensation | 60,883.00 | \$ 677.17 | 61,560.17 | | 61,560.17 |
| Workmen's Compensation | 291,480.00 | | 291,480.00 | 261,064.99 | 30,415.01 |
| Health Benefits | 3,803,996.00 | 45,682.65 | 3,849,678.65 | 3,165,764.66 | 683,913.99 |
| Tuition Reimbursement | 25,000.00 | | 25,000.00 | 12,600.00 | 12,400.00 |
| Other Employee Benefits | 25,000.00 | (677.17) | 24,322.83 | 21,360.07 | 2,962.76 |
| Unused Sick Payment to Terminated/Retired Staff | 15,000.00 | (15,000.00) | | | |
| Total Unallocated Benefits - Employee Benefits | 4,783,261.00 | 30,682.65 | 4,813,943.65 | 3,989,696.96 | 824,246.69 |
| On-Behalf TPAF Post Retirement Medical (non-budgeted) | | | | 715,537.00 | (715,537.00) |
| On-Behalf Teacher's Pension and Annuity Fund (non-budgeted) | | | | 2,240,625.00 | (2,240,625.00) |
| On-Behalf TPAF Non-Contributory Insurance (non-budgeted) | | | | 42,631.00 | (42,631.00) |
| On-Behalf TPAF Long-Term Disability Insurance (non-budgeted) | | | | 1,161.00 | (1,161.00) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 621,828.82 | (621,828.82) |
| Total On-behalf Contributions | - | - | - | 3,621,782.82 | (3,621,782.82) |
| Total Undistributed Expenditures | 15,015,759.51 | (297,446.41) | 14,718,313.10 | 15,905,874.35 | (1,187,561.25) |
| Total Current Expense | 23,524,795.61 | (465,598.98) | 23,059,196.63 | 23,430,587.60 | (371,390.97) |
| Capital Outlay: | | | | | |
| Equipment: | | | | | |
| Grades 9-12 | 17,500.00 | | 17,500.00 | | 17,500.00 |
| Admin Information Technology | 99,572.00 | (50,052.87) | 49,519.13 | 49,519.13 | |
| Custodial Services | 15,860.00 | (15,860.00) | | | |
| Total Equipment | 132,932.00 | (65,912.87) | 67,019.13 | 49,519.13 | 17,500.00 |
| Facilities Acquisition and Construction Services: | | | | | |
| Architectural/Engineering | 40,940.00 | (40,940.00) | | | |
| Construction Services | 474,260.00 | 43,376.85 | 517,636.85 | 517,636.85 | |
| Assessment for Debt Service on SDA Funding | 7,471.00 | | 7,471.00 | 7,471.00 | |
| Total Facilities Acquisition and Construction Services | 522,671.00 | 2,436.85 | 525,107.85 | 525,107.85 | - |
| Total Capital Outlay | 655,603.00 | (63,476.02) | 592,126.98 | 574,626.98 | 17,500.00 |

PAULSBORO 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): | | | | | |
| Transfer of Funds to Charter School | \$ 93,931.00 | \$ 105,045.00 | \$ 198,976.00 | \$ 198,976.00 | |
| Total Expenditures | 24,274,329.61 | (424,030.00) | 23,850,299.61 | 24,204,190.58 | \$ (353,890.97) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (999,522.61) | (290,000.00) | (1,289,522.61) | 1,804,600.42 | 3,094,123.03 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers Out: | | | | | |
| Local Contributions - Transfers to Special Revenue - Inclusion | (17,239.00) | | (17,239.00) | (17,239.00) | |
| Total Other Financing Sources (Uses) | (17,239.00) | - | (17,239.00) | (17,239.00) | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (1,016,761.61) | (290,000.00) | (1,306,761.61) | 1,787,361.42 | 3,094,123.03 |
| Fund Balances, July 1 | 4,380,383.94 | | 4,380,383.94 | 4,380,383.94 | |
| Fund Balances, June 30 | <u>\$ 3,363,622.33</u> | <u>\$ (290,000.00)</u> | <u>\$ 3,073,622.33</u> | <u>\$ 6,167,745.36</u> | <u>\$ 3,094,123.03</u> |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Capital Reserve | | | | \$ 508,246.38 | |
| Maintenance Reserve | | | | 10,013.42 | |
| Excess Surplus - Current Year | | | | 1,412,695.55 | |
| Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures | | | | 2,316,822.06 | |
| Assigned: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 1,028,088.94 | |
| Year-End Encumbrances | | | | 25,729.14 | |
| Unassigned | | | | <u>866,149.87</u> | |
| | | | | 6,167,745.36 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment Not Recognized on GAAP Basis | | | | <u>(1,343,435.00)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 4,824,310.36</u> | |

PAULSBORO SCHOOL DISTRICT
Special Revenue 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: | | | | | |
| State Sources: | | | | | |
| Preschool Education Aid | \$ 1,042,696.00 | | \$ 1,042,696.00 | \$ 975,282.25 | \$ (67,413.75) |
| Nonpublic Aid | 133,354.00 | \$ 13,682.00 | 147,036.00 | 94,403.00 | (52,633.00) |
| Total - State Sources | 1,176,050.00 | 13,682.00 | 1,189,732.00 | 1,069,685.25 | (120,046.75) |
| Federal Sources: | | | | | |
| Title I | 848,890.00 | 48,514.00 | 897,404.00 | 529,871.49 | (367,532.51) |
| Title I Reallocated | | 31,955.00 | 31,955.00 | 7,328.53 | (24,626.47) |
| Title I SIA | | 92,805.00 | 92,805.00 | 75,456.96 | (17,348.04) |
| Title II-A | 72,534.00 | (5,923.00) | 66,611.00 | 60,396.89 | (6,214.11) |
| Title IV | 48,420.00 | 68,402.00 | 116,822.00 | 45,294.12 | (71,527.88) |
| I.D.E.A., Part B Basic | 311,455.00 | 93,561.00 | 405,016.00 | 397,143.00 | (7,873.00) |
| I.D.E.A. Preschool | | 20,386.00 | 20,386.00 | 14,066.00 | (6,320.00) |
| CARES Act | | 1,084,857.00 | 1,084,857.00 | 951,250.63 | (133,606.37) |
| Total - Federal Sources | 1,281,299.00 | 1,434,557.00 | 2,715,856.00 | 2,080,807.62 | (635,048.38) |
| Local Sources | | 323,151.68 | 323,151.68 | 71,843.53 | (251,308.15) |
| Total Revenues | 2,457,349.00 | 1,771,390.68 | 4,228,739.68 | 3,222,336.40 | (1,006,403.28) |

(Continued)

PAULSBORO SCHOOL DISTRICT
Special Revenue 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: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 1,007,048.19 | \$ (131,283.19) | \$ 875,765.00 | \$ 746,814.90 | \$ 128,950.10 |
| Other Salaries for Instruction | 141,488.00 | 188,648.80 | 330,136.80 | 315,871.61 | 14,265.19 |
| Purchased Professional - Technical Services | 121,596.95 | 29,349.05 | 150,946.00 | 120,829.80 | 30,116.20 |
| Other Purchased Services | 309,747.15 | 111,527.85 | 421,275.00 | 395,514.00 | 25,761.00 |
| General Supplies | 67,479.14 | 949,561.70 | 1,017,040.84 | 866,659.69 | 150,381.15 |
| Textbooks | | 30,726.89 | 30,726.89 | 28,877.92 | 1,848.97 |
| Other Objects | | 1,305.00 | 1,305.00 | | 1,305.00 |
| | <u>1,647,359.43</u> | <u>1,179,836.10</u> | <u>2,827,195.53</u> | <u>2,474,567.92</u> | <u>352,627.61</u> |
| Total Instruction | | | | | |
| Support Services: | | | | | |
| Salaries of Program Directors | 3,786.00 | 1,251.96 | 5,037.96 | 3,816.24 | 1,221.72 |
| Salaries of Other Professional Staff | 178,006.19 | 11,272.66 | 189,278.85 | 132,329.85 | 56,949.00 |
| Salaries of Secretarial and Clerical Assistants | 10,503.00 | (359.00) | 10,144.00 | 3,334.24 | 6,809.76 |
| Other Salaries | 17,604.00 | 1,993.55 | 19,597.55 | 18,738.96 | 858.59 |
| Salaries of Community Parent Involvement Specialist | 52,630.00 | 17,018.00 | 69,648.00 | 69,648.00 | |
| Personal Services - Employee Benefits | 515,627.74 | 17,058.26 | 532,686.00 | 285,172.11 | 247,513.89 |
| Purchased Professional - Technical Services | 18,787.30 | 14,643.70 | 33,431.00 | 3,880.00 | 29,551.00 |
| Supplies and Materials | 23,206.74 | 139,525.37 | 162,732.11 | 108,301.83 | 54,430.28 |
| Scholarships Awarded | | 214,405.50 | 214,405.50 | 52,099.42 | 162,306.08 |
| Student Activities | | 108,746.18 | 108,746.18 | 38,273.51 | 70,472.67 |
| | <u>820,150.97</u> | <u>525,556.18</u> | <u>1,345,707.15</u> | <u>715,594.16</u> | <u>630,112.99</u> |
| Total Support Services | | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Non Instructional Equipment | 7,077.60 | 65,998.40 | 73,076.00 | 67,942.72 | 5,133.28 |
| | <u>7,077.60</u> | <u>65,998.40</u> | <u>73,076.00</u> | <u>67,942.72</u> | <u>5,133.28</u> |
| Total Expenditures | <u>2,474,588.00</u> | <u>1,771,390.68</u> | <u>4,245,978.68</u> | <u>3,258,104.80</u> | <u>987,873.88</u> |

(Continued)

PAULSBORO SCHOOL DISTRICT
Special Revenue 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> |
|--|----------------------------|---------------------------------|-------------------------|---------------|---|
| OTHER FINANCING SOURCES: | | | | | |
| Transfer from General Fund | \$ 17,239.00 | | \$ 17,239.00 | \$ 17,239.00 | |
| Total Expenditures and Other Financing Sources | 2,457,349.00 | \$ 1,771,390.68 | 4,228,739.68 | 3,240,865.80 | \$ 987,873.88 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | - | - | - | (18,529.40) | (18,529.40) |
| Fund Balance, July 1 Prior Period Adjustment | | | | 232,778.75 | 232,778.75 |
| Fund Balance, July 1 (Restated) | | | | 232,778.75 | 232,778.75 |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ 214,249.35 | \$ 214,249.35 |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Scholarships | | | | \$ 159,326.84 | |
| Student Activities | | | | 54,922.51 | |
| Total Fund Balance | | | | 214,249.35 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment Not Recognized on GAAP Basis | | | | (104,280.00) | |
| Unearned Restricted State Aid Related to Last State Aid Payment Not Recognized on GAAP Basis | | | | 104,280.00 | |
| Fund Balance per Governmental Funds (GAAP) | | | | \$ 214,249.35 | |

PAULSBORO SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2021

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|-------------------------|-------------------------------------|
| Sources / Inflows of Resources: | | |
| Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules | \$ 26,008,791.00 | \$ 3,222,336.40 |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | (57,086.31) |
| The restricted state aid recorded in the Special Revenue Fund is realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33. | | 104,280.00 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 1,295,127.90 | 106,381.10 |
| State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(1,343,435.00)</u> | <u>(104,280.00)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | <u>\$ 25,960,483.90</u> | <u>\$ 3,271,631.19</u> |
| Uses / Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 24,204,190.58 | \$ 3,258,104.80 |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | <u>(57,086.31)</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 24,204,190.58</u> | <u>\$ 3,201,018.49</u> |

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

| | Measurement Date Ending June 30, | | | | | | | |
|---|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| School District's Proportion of the Net Pension Liability | 0.0252194442% | 0.0261706155% | 0.0255103939% | 0.0265283683% | 0.0248342579% | 0.0247735397% | 0.0281227628% | 0.0289695975% |
| School District's Proportionate Share of the Net Pension Liability | \$ 4,112,632.00 | \$ 4,715,548.00 | \$ 5,022,869.00 | \$ 6,175,380.00 | \$ 7,355,195.00 | \$ 5,561,163.00 | \$ 5,265,350.00 | \$ 5,536,666.00 |
| School District's Covered Payroll (Plan Measurement Period) | \$ 1,955,572.00 | \$ 1,943,852.00 | \$ 1,996,016.00 | \$ 1,981,212.00 | \$ 1,867,260.00 | \$ 1,877,272.00 | \$ 2,114,596.00 | \$ 2,165,568.00 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 210.30% | 242.59% | 251.64% | 311.70% | 393.90% | 296.24% | 249.00% | 255.67% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

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

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

| | Fiscal Year Ended June 30, | | | | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Contractually Required Contribution | \$238,255.00 | \$ 275,888.00 | \$ 254,563.00 | \$ 253,746.00 | \$ 245,757.00 | \$ 220,624.00 | \$ 212,986.00 | \$ 231,840.00 |
| Contributions in Relation to the Contractually Required Contribution | <u>(238,255.00)</u> | <u>(275,888.00)</u> | <u>(254,563.00)</u> | <u>(253,746.00)</u> | <u>(245,757.00)</u> | <u>(220,624.00)</u> | <u>(212,986.00)</u> | <u>(231,840.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's Covered Payroll (Fiscal Year) | \$1,488,509.00 | \$ 1,544,202.00 | \$ 1,803,009.00 | \$ 1,720,978.00 | \$ 1,831,650.00 | \$ 1,781,473.00 | \$ 1,718,919.00 | \$ 1,826,655.00 |
| Contributions as a Percentage of School District's Covered Payroll | 16.01% | 17.87% | 14.12% | 14.74% | 13.42% | 12.38% | 12.39% | 12.69% |

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

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

| | Measurement Date Ending June 30, | | | |
|--|----------------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| School District's Proportion of the Net Pension Liability | | 0.00% | 0.00% | 0.00% |
| State's Proportion of the Net Pension Liability Associated with the School District | | 100.00% | 100.00% | 100.00% |
| | <u>0.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| School District's Proportionate Share of the Net Pension Liability | | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net Pension Liability Associated with the School District | <u>52,167,059.00</u> | <u>52,171,826.00</u> | <u>55,394,675.00</u> | <u>58,712,203.00</u> |
| | <u>\$ 52,167,059.00</u> | <u>\$ 52,171,826.00</u> | <u>\$ 55,394,675.00</u> | <u>\$ 58,712,203.00</u> |
| School District's Covered Payroll (Plan Measurement Period) | \$9,805,180.00 | \$ 10,083,344.00 | \$ 10,676,572.00 | \$ 10,632,404.00 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 532.04% | 517.41% | 518.84% | 552.20% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 24.60% | 26.95% | 26.49% | 25.41% |
| | | | | |
| | Measurement Date Ending June 30, | | | |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| School District's Proportion of the Net Pension Liability | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportion of the Net Pension Liability Associated with the School District | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| School District's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net Pension Liability Associated with the School District | <u>70,233,961.00</u> | <u>57,207,332.00</u> | <u>50,441,713.00</u> | <u>48,472,777.00</u> |
| | <u>\$ 70,233,961.00</u> | <u>\$ 57,207,332.00</u> | <u>\$ 50,441,713.00</u> | <u>\$ 48,472,777.00</u> |
| School District's Covered Payroll (Plan Measurement Period) | \$ 10,503,636.00 | \$ 10,456,336.00 | \$ 10,630,680.00 | \$ 10,724,484.00 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 668.66% | 547.11% | 474.49% | 451.98% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 22.33% | 28.71% | 33.64% | 33.76% |

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

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

This schedule is not applicable.

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

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

PAULSBORO SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2021

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 5.40% | 2016 | 3.22% |
| 2019 | 5.60% | 2015 | 4.13% |
| 2018 | 4.86% | 2014 | 4.68% |
| 2017 | 4.25% | | |

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 7.65% |
| 2019 | 7.00% | 2015 | 7.90% |
| 2018 | 7.00% | 2014 | 7.90% |
| 2017 | 7.00% | | |

The mortality assumption was updated upon direction from the DPB.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 3.98% |
| 2019 | 6.28% | 2015 | 4.90% |
| 2018 | 5.66% | 2014 | 5.39% |
| 2017 | 5.00% | | |

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 7.65% |
| 2019 | 7.00% | 2015 | 7.90% |
| 2018 | 7.00% | 2014 | 7.90% |
| 2017 | 7.00% | | |

The mortality assumption was updated upon direction from the DPB.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

| | Measurement Date Ending June 30, | | | |
|---|----------------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District | | | | |
| Changes for the Year: | | | | |
| Service Cost | \$ 1,463,714.00 | \$ 1,474,162.00 | \$ 1,656,113.00 | \$ 1,994,487.00 |
| Interest Cost | 1,517,136.00 | 1,939,034.00 | 2,081,211.00 | 1,798,960.00 |
| Difference Between Expected and Actual Experience | 11,272,292.00 | (9,586,108.00) | (4,665,486.00) | |
| Changes in Assumptions | 12,416,517.00 | 632,961.00 | (5,652,410.00) | (7,170,387.00) |
| Gross Benefit Payments | (1,183,372.00) | (1,303,146.00) | (1,317,097.00) | (1,322,753.00) |
| Member Contributions | 35,868.00 | 38,629.00 | 45,521.00 | 48,707.00 |
| Net Change in Total Non-Employer OPEB Liability | 25,522,155.00 | (6,804,468.00) | (7,852,148.00) | (4,650,986.00) |
| Total Non-Employer OPEB Liability - Beginning of Fiscal Year | 42,451,859.00 | 49,256,327.00 | 57,108,475.00 | 61,759,461.00 |
| Total Non-Employer OPEB Liability - End of Fiscal Year | <u>\$ 67,974,014.00</u> | <u>\$ 42,451,859.00</u> | <u>\$ 49,256,327.00</u> | <u>\$ 57,108,475.00</u> |
| School District's Covered Payroll (Plan Measurement Period) | <u>\$ 9,469,263.00</u> | <u>\$ 10,147,798.00</u> | <u>\$ 10,285,983.00</u> | <u>\$ 10,867,407.00</u> |
| State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll | 717.84% | 418.34% | 478.87% | 525.50% |

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

PAULSBORO SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms:

There were no changes in benefit terms from the previous valuations.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 2.21% | 2018 | 3.87% |
| 2019 | 3.50% | 2017 | 3.58% |

The mortality assumption was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend 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 rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

| | <u>Total</u> | <u>E.S.E.A.</u> | | | | | <u>Total Brought Forward</u> |
|--|-----------------|-----------------|--------------------------------|--------------------|-------------------|-----------------|--------------------------------------|
| | | <u>Title I</u> | <u>Title I Reallocated</u> | <u>Title I SIA</u> | <u>Title II-A</u> | <u>Title IV</u> | |
| REVENUES: | | | | | | | |
| Federal Sources | \$ 2,080,807.62 | \$ 529,871.49 | \$ 7,328.53 | \$ 75,456.96 | \$ 60,396.89 | \$ 45,294.12 | \$ 1,362,459.63 |
| State Sources | 1,069,685.25 | | | | | | 1,069,685.25 |
| Local Sources | 71,843.53 | | | | | | 71,843.53 |
| Total Revenues | 3,222,336.40 | 529,871.49 | 7,328.53 | 75,456.96 | 60,396.89 | 45,294.12 | 2,503,988.41 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 746,814.90 | 319,384.80 | | 9,000.00 | 57,196.81 | 13,522.74 | 347,710.55 |
| Other Salaries for Instruction | 315,871.61 | 188,538.81 | | | | | 127,332.80 |
| Purchased Professional - Technical Services | 120,829.80 | | | | | | 120,829.80 |
| Other Purchased Services | 395,514.00 | 7,300.00 | | | | 500.00 | 387,714.00 |
| General Supplies | 866,659.69 | 11,375.69 | 3,448.53 | 13,735.68 | 3,200.08 | 16,049.94 | 818,849.77 |
| Textbooks | 28,877.92 | | | | | | 28,877.92 |
| Total Instruction | 2,474,567.92 | 526,599.30 | 3,448.53 | 22,735.68 | 60,396.89 | 30,072.68 | 1,831,314.84 |
| Support Services: | | | | | | | |
| Salaries of Program Directors | 3,816.24 | | | | | | 3,816.24 |
| Salaries of Other Professional Staff | 132,329.85 | | | | | | 132,329.85 |
| Salaries of Secretarial and Clerical Assistants | 3,334.24 | | | | | | 3,334.24 |
| Other Salaries | 18,738.96 | | | | | | 18,738.96 |
| Salaries of Community Parent Involvement Specialist | 69,648.00 | | | | | | 69,648.00 |
| Personal Services - Employee Benefits | 285,172.11 | | | | | | 285,172.11 |
| Purchased Professional - Technical Services | 3,880.00 | | 3,880.00 | | | | |
| Supplies and Materials | 108,301.83 | 3,272.19 | | | | | 105,029.64 |
| Scholarships Awarded | 52,099.42 | | | | | | 52,099.42 |
| Student Activities | 38,273.51 | | | | | | 38,273.51 |
| Total Support Services | 715,594.16 | 3,272.19 | 3,880.00 | - | - | - | 708,441.97 |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Instructional Equipment | 67,942.72 | | | 52,721.28 | | 15,221.44 | |
| Total Expenditures | 3,258,104.80 | 529,871.49 | 7,328.53 | 75,456.96 | 60,396.89 | 45,294.12 | 2,539,756.81 |
| OTHER FINANCING SOURCES: | | | | | | | |
| Transfer from General Fund | 17,239.00 | | | | | | 17,239.00 |
| Total Expenditures and Other Financing Sources | 3,240,865.80 | 529,871.49 | 7,328.53 | 75,456.96 | 60,396.89 | 45,294.12 | 2,522,517.81 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (18,529.40) | | | | | | (18,529.40) |
| Fund Balance, July 1 | | | | | | | |
| Prior Period Adjustments | 232,778.75 | | | | | | 232,778.75 |
| Fund Balance, July 1 (Restated) | 232,778.75 | | | | | | 232,778.75 |
| Fund Balance, June 30 | \$ 214,249.35 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 214,249.35 |

(Continued)

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

| | Total Carried Forward | I.D.E.A. Part B | | C.A.R.E.S. | | | | Total Brought Forward |
|--|-----------------------------|-----------------|--------------|------------------------------------|-------------------------------|-------------------|--------------------------------|-----------------------------|
| | | Basic | Preschool | Education Stabilization Fund | Coronavirus Relief Fund | Digital Divide | Nonpublic Digital Divide | |
| REVENUES: | | | | | | | | |
| Federal Sources | \$ 1,362,459.63 | \$ 397,143.00 | \$ 14,066.00 | \$ 677,132.44 | \$ 108,734.40 | \$ 160,375.00 | \$ 5,008.79 | |
| State Sources | 1,069,685.25 | | | | | | | \$ 1,069,685.25 |
| Local Sources | 71,843.53 | | | | | | | 71,843.53 |
| Total Revenues | 2,503,988.41 | 397,143.00 | 14,066.00 | 677,132.44 | 108,734.40 | 160,375.00 | 5,008.79 | 1,141,528.78 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 347,710.55 | | | | | | | 347,710.55 |
| Other Salaries for Instruction | 127,332.80 | 1,080.00 | | | | | | 126,252.80 |
| Purchased Professional - Technical Services | 120,829.80 | 22,095.00 | | 11,395.80 | | | | 87,339.00 |
| Other Purchased Services | 387,714.00 | 373,648.00 | 14,066.00 | | | | | |
| General Supplies | 818,849.77 | | | 603,704.91 | 39,218.57 | 160,375.00 | 5,008.79 | 10,542.50 |
| Textbooks | 28,877.92 | | | | 21,813.92 | | | 7,064.00 |
| Total Instruction | 1,831,314.84 | 396,823.00 | 14,066.00 | 615,100.71 | 61,032.49 | 160,375.00 | 5,008.79 | 578,908.85 |
| Support Services: | | | | | | | | |
| Salaries of Program Directors | 3,816.24 | | | | | | | 3,816.24 |
| Salaries of Other Professional Staff | 132,329.85 | 320.00 | | | | | | 132,009.85 |
| Salaries of Secretarial and Clerical Assistants | 3,334.24 | | | | | | | 3,334.24 |
| Other Salaries | 18,738.96 | | | 4,704.00 | | | | 14,034.96 |
| Salaries of Community Parent Involvement Specialist | 69,648.00 | | | | | | | 69,648.00 |
| Personal Services - Employee Benefits | 285,172.11 | | | | | | | 285,172.11 |
| Purchased Professional - Technical Services | | | | | | | | |
| Supplies and Materials | 105,029.64 | | | 57,327.73 | 47,701.91 | | | |
| Scholarships Awarded | 52,099.42 | | | | | | | 52,099.42 |
| Student Activities | 38,273.51 | | | | | | | 38,273.51 |
| Total Support Services | 708,441.97 | 320.00 | - | 62,031.73 | 47,701.91 | - | - | 598,388.33 |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Instructional Equipment | | | | | | | | |
| Total Expenditures | 2,539,756.81 | 397,143.00 | 14,066.00 | 677,132.44 | 108,734.40 | 160,375.00 | 5,008.79 | 1,177,297.18 |
| OTHER FINANCING SOURCES: | | | | | | | | |
| Transfer from General Fund | 17,239.00 | | | | | | | 17,239.00 |
| Total Expenditures and Other Financing Sources | 2,522,517.81 | 397,143.00 | 14,066.00 | 677,132.44 | 108,734.40 | 160,375.00 | 5,008.79 | 1,160,058.18 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (18,529.40) | - | - | - | - | - | - | (18,529.40) |
| Fund Balance, July 1 | | | | | | | | |
| Prior Period Adjustments | 232,778.75 | | | | | | | 232,778.75 |
| Fund Balance, July 1 (Restated) | 232,778.75 | | | | | | | 232,778.75 |
| Fund Balance, June 30 | \$ 214,249.35 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 214,249.35 |

(Continued)

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

| | | N.J. Nonpublic Auxiliary Services Chapter 192 | | | N.J. Nonpublic Handicapped Services Chapter 193 | | | Total Brought Forward |
|--|----------------------|--|-----------------|-----------------|--|----------------------|-----------------------------|-----------------------------|
| | | Compensatory Education | Transportation | ESL | Examination and Classification | Corrective Speech | Supplemental Instruction | |
| | <u>Total</u> | | | | | | | |
| REVENUES: | | | | | | | | |
| Federal Sources | | | | | | | | |
| State Sources | \$ 1,069,685.25 | \$ 26,911.00 | \$ 1,691.00 | \$ 2,664.00 | \$ 17,838.00 | \$ 8,111.00 | \$ 12,871.00 | \$ 999,599.25 |
| Local Sources | 71,843.53 | | | | | | | 71,843.53 |
| Total Revenues | <u>1,141,528.78</u> | <u>26,911.00</u> | <u>1,691.00</u> | <u>2,664.00</u> | <u>17,838.00</u> | <u>8,111.00</u> | <u>12,871.00</u> | <u>1,071,442.78</u> |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 347,710.55 | | | | | | | 347,710.55 |
| Other Salaries for Instruction | 126,252.80 | | | | | | | 126,252.80 |
| Purchased Professional - Technical Services | 87,339.00 | 26,911.00 | 1,691.00 | 2,664.00 | 17,838.00 | 8,111.00 | 12,871.00 | 17,253.00 |
| Other Purchased Services | | | | | | | | |
| General Supplies | 10,542.50 | | | | | | | 10,542.50 |
| Textbooks | 7,064.00 | | | | | | | 7,064.00 |
| Total Instruction | <u>578,908.85</u> | <u>26,911.00</u> | <u>1,691.00</u> | <u>2,664.00</u> | <u>17,838.00</u> | <u>8,111.00</u> | <u>12,871.00</u> | <u>508,822.85</u> |
| Support Services: | | | | | | | | |
| Salaries of Program Directors | 3,816.24 | | | | | | | 3,816.24 |
| Salaries of Other Professional Staff | 132,009.85 | | | | | | | 132,009.85 |
| Salaries of Secretarial and Clerical Assistants | 3,334.24 | | | | | | | 3,334.24 |
| Other Salaries | 14,034.96 | | | | | | | 14,034.96 |
| Salaries of Community Parent Involvement Specialist | 69,648.00 | | | | | | | 69,648.00 |
| Personal Services - Employee Benefits | 285,172.11 | | | | | | | 285,172.11 |
| Purchased Professional - Technical Services | | | | | | | | |
| Supplies and Materials | | | | | | | | |
| Scholarships Awarded | 52,099.42 | | | | | | | 52,099.42 |
| Student Activities | 38,273.51 | | | | | | | 38,273.51 |
| Total Support Services | <u>598,388.33</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>598,388.33</u> |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Instructional Equipment | | | | | | | | |
| Total Expenditures | <u>1,177,297.18</u> | <u>26,911.00</u> | <u>1,691.00</u> | <u>2,664.00</u> | <u>17,838.00</u> | <u>8,111.00</u> | <u>12,871.00</u> | <u>1,107,211.18</u> |
| OTHER FINANCING SOURCES: | | | | | | | | |
| Transfer from General Fund | 17,239.00 | | | | | | | 17,239.00 |
| Total Expenditures and Other Financing Sources | <u>1,160,058.18</u> | <u>26,911.00</u> | <u>1,691.00</u> | <u>2,664.00</u> | <u>17,838.00</u> | <u>8,111.00</u> | <u>12,871.00</u> | <u>1,089,972.18</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | <u>(18,529.40)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(18,529.40)</u> |
| Fund Balance, July 1 | | | | | | | | |
| Prior Period Adjustments | 232,778.75 | | | | | | | 232,778.75 |
| Fund Balance, July 1 (Restated) | <u>232,778.75</u> | | | | | | | <u>232,778.75</u> |
| Fund Balance, June 30 | <u>\$ 214,249.35</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 214,249.35</u> |

(Continued)

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

| | <u>Total</u> | <u>Nonpublic Home Instruction</u> | <u>Nonpublic Textbook</u> | <u>Nonpublic Security</u> | <u>Nonpublic Nursing</u> | <u>Preschool Education Aid</u> | <u>Student Activity / Athletic Fund</u> | <u>Scholarship Fund</u> |
|---|---------------------|---|-------------------------------|-------------------------------|------------------------------|--|---|-----------------------------|
| REVENUES: | | | | | | | | |
| Federal Sources | | | | | | | | |
| State Sources | \$ 999,599.25 | \$ 1,449.00 | \$ 7,064.00 | \$ 3,972.00 | \$ 11,832.00 | \$ 975,282.25 | | |
| Local Sources | 71,843.53 | | | | | | \$ 22,723.35 | \$ 49,120.18 |
| Total Revenues | 1,071,442.78 | 1,449.00 | 7,064.00 | 3,972.00 | 11,832.00 | 975,282.25 | 22,723.35 | 49,120.18 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 347,710.55 | | | | | 347,710.55 | | |
| Other Salaries for Instruction | 126,252.80 | | | | | 126,252.80 | | |
| Purchased Professional - Technical Services | 17,253.00 | 1,449.00 | | 3,972.00 | 11,832.00 | | | |
| Other Purchased Services | | | | | | | | |
| General Supplies | 10,542.50 | | | | | 10,542.50 | | |
| Textbooks | 7,064.00 | | 7,064.00 | | | | | |
| Total Instruction | 508,822.85 | 1,449.00 | 7,064.00 | 3,972.00 | 11,832.00 | 484,505.85 | - | - |
| Support Services: | | | | | | | | |
| Salaries of Program Directors | 3,816.24 | | | | | 3,816.24 | | |
| Salaries of Other Professional Staff | 132,009.85 | | | | | 132,009.85 | | |
| Salaries of Secretarial and Clerical Assistants | 3,334.24 | | | | | 3,334.24 | | |
| Other Salaries | 14,034.96 | | | | | 14,034.96 | | |
| Salaries of Community Parent Involvement Specialist | 69,648.00 | | | | | 69,648.00 | | |
| Personal Services - Employee Benefits | 285,172.11 | | | | | 285,172.11 | | |
| Purchased Professional - Technical Services | | | | | | | | |
| Supplies and Materials | | | | | | | | |
| Scholarships Awarded | 52,099.42 | | | | | | | 52,099.42 |
| Student Activities | 38,273.51 | | | | | | 38,273.51 | |
| Total Support Services | 598,388.33 | - | - | - | - | 508,015.40 | 38,273.51 | 52,099.42 |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Instructional Equipment | | | | | | | | |
| Total Expenditures | 1,107,211.18 | 1,449.00 | 7,064.00 | 3,972.00 | 11,832.00 | 992,521.25 | 38,273.51 | 52,099.42 |
| OTHER FINANCING SOURCES: | | | | | | | | |
| Transfer from General Fund | 17,239.00 | | | | | 17,239.00 | | |
| Total Expenditures and Other Financing Sources | 1,089,972.18 | 1,449.00 | 7,064.00 | 3,972.00 | 11,832.00 | 975,282.25 | 38,273.51 | 52,099.42 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (18,529.40) | - | - | - | - | - | (15,550.16) | (2,979.24) |
| Fund Balance, July 1 | | | | | | | | |
| Prior Period Adjustments | 232,778.75 | | | | | | 70,472.67 | 162,306.08 |
| Fund Balance, July 1 (Restated) | 232,778.75 | - | - | - | - | - | 70,472.67 | 162,306.08 |
| Fund Balance, June 30 | \$ 214,249.35 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 54,922.51 | \$ 159,326.84 |

PAULSBORO SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|----------------------|---------------------|
| EXPENDITURES: | | | |
| Instruction: | | | |
| Salaries of Teachers | \$ 365,321.00 | \$ 347,710.55 | \$ 17,610.45 |
| Other Salaries for Instruction | 126,252.80 | 126,252.80 | |
| General Supplies | 13,479.84 | 10,542.50 | 2,937.34 |
| Total Instruction | 505,053.64 | 484,505.85 | 20,547.79 |
| Support Services: | | | |
| Salaries of Program Directors | 5,037.96 | 3,816.24 | 1,221.72 |
| Salaries of Other Professional Staff | 132,009.85 | 132,009.85 | |
| Salaries of Secretarial and Clerical Assistants | 10,144.00 | 3,334.24 | 6,809.76 |
| Other Salaries | 15,597.55 | 14,034.96 | 1,562.59 |
| Salaries of Community Parent Involvement Specialists | 69,648.00 | 69,648.00 | |
| Personal Services - Employee Benefits | 322,444.00 | 285,172.11 | 37,271.89 |
| Total Support Services | 554,881.36 | 508,015.40 | 46,865.96 |
| Total Expenditures | <u>\$ 1,059,935.00</u> | <u>\$ 992,521.25</u> | <u>\$ 67,413.75</u> |
| Calculation of Budget and Carryover: | | | |
| Total Revised 2020-2021 Preschool Education Aid Allocation | | \$ 1,042,800.00 | |
| Add: Actual ECPA/PEA Carryover (June 30, 2020) | | 321,383.76 | |
| Add: Budgeted Transfer from the General Fund 2020-2021 | | 17,239.00 | |
| Total Preschool Education Aid Funds Available for 2020-2021 Budget | | 1,381,422.76 | |
| Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover) | | (1,059,935.00) | |
| Available and Unbudgeted Preschool Education Funds as of June 30, 2021 | | 321,487.76 | |
| Add: June 30, 2021 Unexpended Preschool Education Aid | | 67,413.75 | |
| 2020-2021 Carryover - Preschool Education Aid Programs | | <u>\$ 388,901.51</u> | |
| 2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022 | | <u>\$ 104.00</u> | |

CAPITAL PROJECTS FUND

PAULSBORO SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2021

| <u>Project Title / Issue</u> | <u>Original Date</u> | <u>Appropriations</u> | <u>Expenditures to Date</u> | | <u>Unexpended Balance June 30, 2021</u> |
|---|----------------------|------------------------|-----------------------------|----------------------|---|
| | | | <u>Prior Years</u> | <u>Current Year</u> | |
| Renovations to High School Gymnasium | 10-28-09 | \$ 341,927.00 | \$ 316,993.00 | | \$ 24,934.00 |
| Paulsboro High School HVAC Replacement | 06-07-11 | 314,643.00 | 307,615.00 | | 7,028.00 |
| Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing | 06-02-15 | 2,498,969.00 | 1,596,626.89 | \$ 145,955.43 | 756,386.68 |
| Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing | 06-02-15 | 729,479.00 | 441,798.62 | 240,315.00 | 47,365.38 |
| Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing | 06-02-15 | 3,771,750.00 | 2,431,798.98 | 444,491.75 | 895,459.27 |
| Paulsboro High School Track Improvements | 04-01-15 | 798,272.00 | 57,384.00 | | 740,888.00 |
| Loudenslager Elementary School Basketball Courts | 04-01-15 | <u>325,000.00</u> | <u>22,619.00</u> | | <u>302,381.00</u> |
| Total | | <u>\$ 8,780,040.00</u> | <u>\$ 5,174,835.49</u> | <u>\$ 830,762.18</u> | <u>\$ 2,774,442.33</u> |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Unexpended Balance as of June 30, 2021 | | | | | \$ 2,774,442.33 |
| SDA Grant Revenue Not Recognized on GAAP Basis | | | | | <u>(1,699,211.24)</u> |
| Fund Balance per Governmental Funds (GAAP) | | | | | <u>\$ 1,075,231.09</u> |

PAULSBORO SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

Expenditures and Other Financing Uses

| | | |
|---|-------------------|-------------------------------|
| Purchased Professional Services | \$ 68,928.00 | |
| Construction Services | <u>761,834.18</u> | |
| | | <u>\$ 830,762.18</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (830,762.18) |
| Fund Balance - July 1 | | <u>3,605,204.51</u> |
| Fund Balance - June 30 | | <u><u>\$ 2,774,442.33</u></u> |
| Reconciliation to Governmental Funds Statements (GAAP): | | |
| Fund Balance as of June 30, 2021 | | \$ 2,774,442.33 |
| SDA Grant Revenue Not Recognized on GAAP Basis | | <u>(1,699,211.24)</u> |
| Fund Balance per Governmental Funds (GAAP) | | <u><u>\$ 1,075,231.09</u></u> |

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

Renovations to High School Gymnasium

From Inception and for the Fiscal Year Ended June 30, 2021

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

Additional Project Information:

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

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

Paulsboro High School HVAC

From Inception and for the Fiscal Year Ended June 30, 2021

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

Additional Project Information:

| | |
|---|------------------|
| Project Number | 4020-050-10-1001 |
| Grant Date | 06-07-11 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 385,000.00 |
| Additional Authorized Cost | (70,357.00) |
| Revised Authorized Cost | 314,643.00 |
| Percentage Decrease over Original Authorized Cost | -18.27% |
| Percentage Completion | 97.77% |
| Original Target Completion Date | 12/31/12 |
| Revised Target Completion Date | 12/31/12 |

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Loudenslager Elementary School - Unbundled Project, Exterior Closure, Plumbing
 From Inception and for the Fiscal Year Ended June 30, 2021

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds | \$ 717,087.00 | | \$ 717,087.00 | \$ 717,087.00 |
| State Sources - SDA Grant | 1,781,882.00 | | 1,781,882.00 | 1,781,882.00 |
| Total Revenues and Other Financing Sources | 2,498,969.00 | - | 2,498,969.00 | 2,498,969.00 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional Services | 219,340.15 | | 219,340.15 | 226,830.00 |
| Construction Services | 1,376,664.74 | \$ 145,955.43 | 1,522,620.17 | 2,267,307.00 |
| Miscellaneous Services | 622.00 | | 622.00 | 4,832.00 |
| Total Expenditures | 1,596,626.89 | 145,955.43 | 1,742,582.32 | 2,498,969.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 902,342.11 | \$ (145,955.43) | \$ 756,386.68 | \$ - |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 4020-070-14-G3GQ |
| Grant Date | 06-02-15 |
| Bond Authorization Date | 04-01-15 |
| Bonds Authorized | \$ 717,087.00 |
| Bonds Issued | 717,087.00 |
| Original Authorized Cost | 2,498,969.00 |
| Cancellation | - |
| Revised Authorized Cost | 2,498,969.00 |

| | |
|---|----------|
| Percentage Increase over Original Authorized Cost | |
| Percentage Completion | 69.73% |
| Original Target Completion Date | 12/31/16 |
| Revised Target Completion Date | 09/30/22 |

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

Billingsport Elementary School - Unbundled Project, Exterior Closure, Plumbing

From Inception and for the Fiscal Year Ended June 30, 2021

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds | \$ 209,326.00 | | \$ 209,326.00 | \$ 209,326.00 |
| State Sources - SDA Grant | 520,153.00 | | 520,153.00 | 520,153.00 |
| Total Revenues and Other Financing Sources | 729,479.00 | - | 729,479.00 | 729,479.00 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional Services | 101,807.97 | | 101,807.97 | 88,308.00 |
| Miscellaneous | 133.00 | | 133.00 | 1,342.00 |
| Construction Services | 339,857.65 | \$ 240,315.00 | 580,172.65 | 639,829.00 |
| Total Expenditures | 441,798.62 | 240,315.00 | 682,113.62 | 729,479.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 287,680.38 | \$ (240,315.00) | \$ 47,365.38 | \$ - |

Additional Project Information:

| | |
|---|------------------|
| Project Number | 4020-060-14-G3GP |
| Grant Date | 06-02-15 |
| Bond Authorization Date | 04-01-15 |
| Bonds Authorized | \$ 209,326.00 |
| Bonds Issued | 209,326.00 |
| Original Authorized Cost | 729,749.00 |
| Cancelation | (270.00) |
| Revised Authorized Cost | 729,479.00 |
| Percentage Decrease over Original Authorized Cost | -0.04% |
| Percentage Completion | 93.51% |
| Original Target Completion Date | 12/17/18 |
| Revised Target Completion Date | 09/30/22 |

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

Paulsboro High School - Unbundled Project, Exterior Closure, Plumbing

From Inception and for the Fiscal Year Ended June 30, 2021

| | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------|---------------------|-----------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds | \$ 1,082,315.00 | | \$ 1,082,315.00 | \$ 1,082,315.00 |
| State Sources - SDA Grant | 2,689,435.00 | | 2,689,435.00 | 2,689,435.00 |
| Total Revenues and Other Financing Sources | 3,771,750.00 | - | 3,771,750.00 | 3,771,750.00 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional Services | 290,159.79 | \$ 68,928.00 | 359,087.79 | 244,183.00 |
| Miscellaneous | 163.00 | | 163.00 | 7,247.00 |
| Construction Services | 2,141,476.19 | 375,563.75 | 2,517,039.94 | 3,520,320.00 |
| Total Expenditures | 2,431,798.98 | 444,491.75 | 2,876,290.73 | 3,771,750.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 1,339,951.02 | \$ (444,491.75) | \$ 895,459.27 | \$ - |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 4020-050-14-G3G0 |
| Grant Date | 06-02-15 |
| Bond Authorization Date | 04-01-15 |
| Bonds Authorized | \$ 1,082,315.00 |
| Bonds Issued | 1,082,315.00 |
| Original Authorized Cost | 3,771,750.00 |
| Cancelation | - |
| Revised Authorized Cost | 3,771,750.00 |

Percentage Decrease over Original Authorized Cost

Percentage Completion 76.26%

Original Target Completion Date 12/31/16

Revised Target Completion Date 06/30/22

PAULSBORO SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Paulsboro High School Track Improvements
From Inception and for the Fiscal Year Ended June 30, 2021

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

Additional Project Information:

| | |
|---|---------------|
| Project Number | 4020-050-1000 |
| Grant Date | N/A |
| Bond Authorization Date | 04-01-15 |
| Bonds Authorized | \$ 798,272.00 |
| Bonds Issued | 798,272.00 |
| Original Authorized Cost | 798,272.00 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 798,272.00 |
| Percentage Decrease over Original Authorized Cost | |
| Percentage Completion | 7.19% |
| Original Target Completion Date | 12/31/16 |
| Revised Target Completion Date | 12/31/21 |

PAULSBORO SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

Loudenslager Elementary School Basketball Courts

From Inception and for the Fiscal Year Ended June 30, 2021

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

Additional Project Information:

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

PROPRIETARY FUNDS

PAULSBORO SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Net Position
June 30, 2021

| | <u>Food Service</u> |
|-----------------------------------|-------------------------|
| ASSETS: | |
| Current Assets: | |
| Accounts Receivable: | |
| Federal | \$ 229,667.41 |
| Inventories | <u>26,729.44</u> |
| Total Current Assets | <u>256,396.85</u> |
| Noncurrent Assets: | |
| Furniture, Fixtures and Equipment | 98,709.00 |
| Less: Accumulated Depreciation | <u>(87,858.82)</u> |
| Total Noncurrent Assets | <u>10,850.18</u> |
| Total Assets | <u>267,247.03</u> |
| LIABILITIES: | |
| Current Liabilities: | |
| Interfund Accounts Payable: | |
| Due to General Fund | 95,582.85 |
| Accounts Payable | <u>56,644.17</u> |
| Total Current Liabilities | <u>152,227.02</u> |
| Noncurrent Liabilities: | |
| Compensated Absences Payable | <u>9,668.32</u> |
| Total Liabilities | <u>161,895.34</u> |
| NET POSITION: | |
| Net Investment in Capital Assets | 10,850.18 |
| Unrestricted | <u>94,501.51</u> |
| Total Net Position | <u>\$ 105,351.69</u> |

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

| | <u>Food Service</u> |
|---|-----------------------------|
| OPERATING REVENUES: | |
| Charges for Services: | |
| Daily Sales - Non-Reimbursable Programs | \$ 900.00 |
| Total Operating Revenues | <u>900.00</u> |
| OPERATING EXPENSES: | |
| Salaries | 184,385.18 |
| Employee Benefits | 42,557.80 |
| Purchased Professional and Technical Services | 2,088.00 |
| Supplies and Materials | 18,021.26 |
| Depreciation | 924.11 |
| Cost of Sales - Reimbursable Programs | 128,259.00 |
| Cost of Sales - Non-Reimbursable Programs | 1,200.46 |
| Other Purchased Services | 42,120.00 |
| Direct Expenses | 8,891.72 |
| Miscellaneous | <u>7,373.20</u> |
| Total Operating Expenses | <u>435,820.73</u> |
| Operating Loss | <u>(434,920.73)</u> |
| NONOPERATING REVENUES (EXPENSES): | |
| Federal Sources: | |
| Summer Food Service Program | 342,204.68 |
| Emergency Operational Cost Program | 55,794.44 |
| P-EBT Administration Cost Reimbursement | 3,063.00 |
| Food Distribution Program | <u>40,920.67</u> |
| Total Nonoperating Revenues (Expenses) | <u>441,982.79</u> |
| Net Income/Change in Net Position | 7,062.06 |
| Net Position - July 1 | <u>98,289.63</u> |
| Net Position - June 30 | <u><u>\$ 105,351.69</u></u> |

PAULSBORO SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

| | <u>Food Service</u> |
|---|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from Customers | \$ 900.00 |
| Payments to Employees | (29,338.69) |
| Payments to Management Company | (308,172.71) |
| Payments to Suppliers | <u>(50,883.63)</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>(387,495.03)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Operating Subsidies and Transfers to (from) Other Funds | 114,812.07 |
| State Sources | 2,413.04 |
| Federal Sources | <u>239,755.18</u> |
| Net Cash Provided by (Used for) Non-Capital Financing Activities | <u>356,980.29</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchase of Capital Assets | <u>(5,297.00)</u> |
| Net Cash Provided by (used for) Investing Activities | <u>(5,297.00)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (35,811.74) |
| Cash and Cash Equivalents - July 1 | <u>35,811.74</u> |
| Cash and Cash Equivalents - June 30 | <u><u>\$ -</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) | |
| Operating Activities: | |
| Operating Income (Loss) | <u>\$ (434,920.73)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | |
| Provided by (used for) Operating Activities: | |
| Depreciation and Net Amortization | 924.11 |
| (Increase) Decrease in Accounts Receivable, net | 7,828.59 |
| (Increase) Decrease in Inventories | (8,624.97) |
| Increase (Decrease) in Accounts Payable | 56,644.17 |
| Increase (Decrease) in Compensated Absences Payable | (8,194.85) |
| Increase (Decrease) in Unearned Revenue | <u>(1,151.35)</u> |
| Total Adjustments | <u>47,425.70</u> |
| Net Cash Provided by (Used for) Operating Activities | <u><u>\$ (387,495.03)</u></u> |

LONG-TERM DEBT

PAULSBORO 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>Retired</u> | <u>Balance June 30, 2021</u> |
|---|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|----------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| School District Bonds -- Series 2015 | 04-01-15 | \$ 3,132,000.00 | 04-01-22 | \$ 135,000.00 | 3.00% | | | |
| | | | 04-01-23 | 140,000.00 | 3.00% | | | |
| | | | 04-01-24 | 145,000.00 | 3.00% | | | |
| | | | 04-01-25 | 150,000.00 | 3.00% | | | |
| | | | 04-01-26 | 155,000.00 | 3.00% | | | |
| | | | 04-01-27 | 165,000.00 | 3.00% | | | |
| | | | 04-01-28 | 170,000.00 | 3.00% | | | |
| | | | 04-01-29 | 180,000.00 | 3.00% | | | |
| | | | 04-01-30 | 180,000.00 | 3.00% | | | |
| | | | 04-01-31 | 190,000.00 | 3.25% | | | |
| | | | 04-01-32 | 195,000.00 | 3.25% | | | |
| | | | 04-01-33 | 205,000.00 | 3.25% | | | |
| | | | 04-01-34 | 210,000.00 | 3.50% | | | |
| | | | 04-01-35 | 212,000.00 | 3.50% | \$ 2,557,000.00 | \$ 125,000.00 | \$ 2,432,000.00 |
| | | | | | | <u>\$ 2,557,000.00</u> | <u>\$ 125,000.00</u> | <u>\$ 2,432,000.00</u> |

PAULSBORO SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
For the Fiscal Year Ended June 30, 2021

| <u>Series</u> | <u>Date of Lease</u> | <u>Term of Lease</u> | <u>Amount of Original Issue</u> | | <u>Interest Rate Payable</u> | <u>Amount Outstanding June 30, 2020 (a)</u> | <u>Retired Current Year</u> | <u>Amount Outstanding June 30, 2021 (a)</u> |
|-------------------------------|----------------------|----------------------|---------------------------------|-----------------|------------------------------|---|-----------------------------|---|
| | | | <u>Principal</u> | <u>Interest</u> | | | | |
| Two 54 Passenger School Buses | 07-15-17 | 5 Years | \$ 232,396.32 | \$ 15,701.92 | 2.19% | \$ 134,418.04 | \$ 32,737.50 | \$ 101,680.54 |
| Two 54 Passenger School Buses | 09-02-16 | 5 Years | 199,768.24 | 7,327.00 | 1.56% | 46,916.92 | 46,916.92 | |
| One Computer Server | 04-01-18 | 5 Years | 228,407.00 | 19,188.66 | 4.20% | <u>93,125.29</u> | <u>45,604.02</u> | <u>47,521.27</u> |
| | | | | | | <u>\$ 274,460.25</u> | <u>\$ 125,258.44</u> | <u>\$ 149,201.81</u> |

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

PAULSBORO SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|--|--------------------|-------------------------|-----------------|-------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Miscellaneous | | | | \$ 769.00 | \$ 769.00 |
| Local Tax Levy | \$ 203,750.00 | | \$ 203,750.00 | 203,750.00 | |
| Total Revenues | 203,750.00 | - | 203,750.00 | 204,519.00 | 769.00 |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Bonds | 80,295.00 | | 80,295.00 | 80,295.00 | |
| Redemption of Principal | 125,000.00 | | 125,000.00 | 125,000.00 | |
| Total Expenditures | 205,295.00 | - | 205,295.00 | 205,295.00 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,545.00) | - | (1,545.00) | (776.00) | 769.00 |
| Fund Balance, July 1 | 2,795.92 | | 2,795.92 | 2,795.92 | |
| Fund Balance, June 30 | \$ 1,250.92 | \$ - | \$ 1,250.92 | \$ 2,019.92 | \$ 769.00 |

STATISTICAL SECTION

Financial Trends Information

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

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|
| | 2021* | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 7,747,095.23 | \$ 6,306,530.18 | \$ 6,532,615.00 | \$ 6,760,026.00 | \$ 5,392,191.00 | \$ 4,333,068.00 | \$ 2,302,241.00 | \$ 5,290,964.00 | \$ 5,253,341.00 | \$ 5,695,960.00 |
| Restricted | 5,539,277.77 | 4,703,824.34 | 2,063,929.65 | 1,848,782.00 | 2,455,511.00 | 2,777,753.00 | 3,213,715.00 | 639,243.00 | 195,093.00 | 89,965.00 |
| Unrestricted (Deficit) | (5,871,332.74) | (7,286,499.60) | (6,807,955.26) | (7,567,649.00) | (6,047,910.00) | (4,795,265.00) | (4,852,931.00) | (18,864.00) | 246,981.00 | 634,785.00 |
| Total Governmental Activities Net Position | <u>\$ 7,415,040.26</u> | <u>\$ 3,723,854.92</u> | <u>\$ 1,788,589.39</u> | <u>\$ 1,041,159.00</u> | <u>\$ 1,799,792.00</u> | <u>\$ 2,315,556.00</u> | <u>\$ 663,025.00</u> | <u>\$ 5,911,343.00</u> | <u>\$ 5,695,415.00</u> | <u>\$ 6,420,710.00</u> |
| Business-type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 10,850.18 | \$ 6,477.29 | \$ 7,313.12 | \$ 8,149.00 | \$ 8,985.00 | \$ 9,821.00 | \$ 5,234.00 | \$ 7,464.00 | \$ 15,955.00 | \$ 17,515.00 |
| Unrestricted | 94,501.51 | 91,812.34 | 82,453.67 | 44,435.00 | 144,045.00 | 105,832.00 | 78,339.00 | (2,390.00) | 96,785.00 | 96,583.00 |
| Total Business-type Activities Net Position | <u>\$ 105,351.69</u> | <u>\$ 98,289.63</u> | <u>\$ 89,766.79</u> | <u>\$ 52,584.00</u> | <u>\$ 153,030.00</u> | <u>\$ 115,653.00</u> | <u>\$ 83,573.00</u> | <u>\$ 5,074.00</u> | <u>\$ 112,740.00</u> | <u>\$ 114,098.00</u> |
| District-wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 7,757,945.41 | \$ 6,313,007.47 | \$ 6,539,928.12 | \$ 6,768,175.00 | \$ 5,401,176.00 | \$ 4,342,889.00 | \$ 2,307,475.00 | \$ 5,298,428.00 | \$ 5,269,296.00 | \$ 5,713,475.00 |
| Restricted | 5,539,277.77 | 4,703,824.34 | 2,063,929.65 | 1,848,782.00 | 2,455,511.00 | 2,777,753.00 | 3,213,715.00 | 639,243.00 | 195,093.00 | 89,965.00 |
| Unrestricted (Deficit) | (5,776,831.23) | (7,194,687.26) | (6,725,501.59) | (7,523,214.00) | (5,903,865.00) | (4,689,433.00) | (4,774,592.00) | (21,254.00) | 343,766.00 | 731,368.00 |
| Total District-wide Net Position | <u>\$ 7,520,391.95</u> | <u>\$ 3,822,144.55</u> | <u>\$ 1,878,356.18</u> | <u>\$ 1,093,743.00</u> | <u>\$ 1,952,822.00</u> | <u>\$ 2,431,209.00</u> | <u>\$ 746,598.00</u> | <u>\$ 5,916,417.00</u> | <u>\$ 5,808,155.00</u> | <u>\$ 6,534,808.00</u> |

* For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

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

Source: Exhibit A-1

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2021* | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 5,492,385.67 | \$ 5,143,584.41 | \$ 5,387,277.00 | \$ 5,858,718.00 | \$ 5,648,527.00 | \$ 6,058,930.00 | \$ 5,864,909.00 | \$ 5,348,121.00 | \$ 5,034,386.00 | \$ 5,205,071.00 |
| Special Education | 3,999,036.53 | 3,059,456.68 | 3,478,543.00 | 2,911,933.00 | 3,247,102.00 | 3,159,325.00 | 3,049,687.00 | 3,143,366.00 | 2,868,367.00 | 3,063,340.00 |
| School Sponsored Activities | 425,038.85 | 466,959.46 | | | | | | | | |
| Other Instruction | 49,341.15 | 49,366.63 | 407,557.00 | 490,712.00 | 565,651.00 | 548,956.00 | 615,464.00 | 1,065,131.00 | 1,054,958.00 | 1,037,756.00 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,010,744.29 | 2,348,774.41 | 3,409,709.00 | 3,282,778.00 | 2,717,272.00 | 1,843,059.00 | 1,525,656.00 | 1,669,618.00 | 1,834,598.00 | 1,727,154.00 |
| Student and Instruction Related Services | 2,437,840.33 | 2,539,625.98 | 1,559,922.00 | 1,963,307.00 | 2,211,805.00 | 1,898,373.00 | 1,978,961.00 | 2,064,512.00 | 2,029,477.00 | 10,603,057.00 |
| School Administrative Services | 928,241.48 | 784,146.69 | 680,649.00 | 751,436.00 | 953,041.00 | 925,178.00 | 912,215.00 | 868,322.00 | 864,657.00 | 16,382.00 |
| Business Administrative Services | 556,073.42 | 425,411.65 | 556,070.00 | 577,922.00 | 409,890.00 | 451,708.00 | 437,673.00 | 380,548.00 | 402,263.00 | 568,229.00 |
| Central Services | 348,055.82 | 257,664.76 | 266,463.00 | 239,446.00 | 262,821.00 | 247,573.00 | 236,181.00 | 232,388.00 | 239,882.00 | |
| Administrative Information Technology | 192,728.89 | 112,160.27 | 132,167.00 | 144,582.00 | 68,743.00 | 73,473.00 | 102,135.00 | 105,689.00 | 96,763.00 | 31,854.00 |
| Plant Operations and Maintenance | 1,700,428.54 | 2,064,336.20 | 1,699,340.00 | 1,565,345.00 | 1,393,830.00 | 1,609,360.00 | 1,545,376.00 | 1,447,747.00 | 1,519,474.00 | 430,263.00 |
| Pupil Transportation | 832,391.58 | 819,917.68 | 1,102,957.00 | 930,714.00 | 849,518.00 | 678,201.00 | 743,131.00 | 602,489.00 | 557,207.00 | |
| Unallocated Benefits | 10,197,037.83 | 7,843,216.99 | 9,336,950.00 | 11,918,534.00 | 6,767,235.00 | 8,100,032.00 | 8,087,277.00 | 5,503,188.00 | 6,105,646.00 | |
| Transfer to Charter School | 198,976.00 | 117,117.00 | 66,276.00 | 137,545.00 | | | | | 18,365.00 | |
| Interest on Long-term Debt | 79,357.50 | 83,107.50 | 153,944.00 | 113,641.00 | 102,702.00 | 99,550.00 | 27,734.00 | 18,580.00 | 21,399.00 | |
| Unallocated Depreciation | 555,468.70 | 549,445.27 | 574,493.00 | 635,942.00 | 496,048.00 | 518,503.00 | 362,438.00 | 342,411.00 | 974,617.00 | |
| Loss on Retirement of Capital Assets | | | | | | | (28,640.00) | 92,282.00 | (6,383.00) | |
| Total Governmental Activities Expenses | 30,003,146.58 | 26,664,291.58 | 28,812,317.00 | 31,522,555.00 | 25,694,185.00 | 26,212,221.00 | 25,460,197.00 | 22,884,392.00 | 23,615,676.00 | 22,683,106.00 |
| Business-type Activities: | | | | | | | | | | |
| Food Service | 435,820.73 | 723,022.69 | 751,102.00 | 883,504.00 | 765,941.00 | 756,712.00 | 714,814.00 | 754,692.00 | 678,722.00 | 653,091.00 |
| Total District Expenses | \$ 30,438,967.31 | \$ 27,387,314.27 | \$ 29,563,419.00 | \$ 32,406,059.00 | \$ 26,460,126.00 | \$ 26,968,933.00 | \$ 26,175,011.00 | \$ 23,639,084.00 | \$ 24,294,398.00 | \$ 23,336,197.00 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Operating Grants and Contributions | \$ 8,956,109.83 | \$ 5,742,384.72 | \$ 6,349,007.00 | \$ 9,353,972.00 | \$ 4,352,068.00 | \$ 6,667,295.00 | \$ 5,835,066.00 | \$ 3,490,926.00 | \$ 3,637,019.00 | \$ 1,817,188.00 |
| Charges for Services | 1,374,705.20 | 1,373,213.26 | | | | | | | | |
| Total Governmental Activities Program Revenues | 10,330,815.03 | 7,115,597.98 | 6,349,007.00 | 9,353,972.00 | 4,352,068.00 | 6,667,295.00 | 5,835,066.00 | 3,490,926.00 | 3,637,019.00 | 1,817,188.00 |
| Business-type activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 900.00 | 23,655.85 | 27,245.00 | 32,690.00 | 37,214.00 | 29,850.00 | 24,624.00 | 62,328.00 | 71,973.00 | 71,266.00 |
| Operating Grants and Contributions: | | | | | | | | | | |
| Food Service | 441,982.79 | 707,889.68 | 761,040.00 | 750,368.00 | 766,104.00 | 758,942.00 | 768,689.00 | 584,698.00 | 535,391.00 | 527,353.00 |
| Total Business-type Activities Program Revenues | 442,882.79 | 731,545.53 | 788,285.00 | 783,058.00 | 803,318.00 | 788,792.00 | 793,313.00 | 647,026.00 | 607,364.00 | 598,619.00 |
| Total District Program Revenues | \$ 10,773,697.82 | \$ 7,847,143.51 | \$ 7,137,292.00 | \$ 10,137,030.00 | \$ 5,155,386.00 | \$ 7,456,087.00 | \$ 6,628,379.00 | \$ 4,137,952.00 | \$ 4,244,383.00 | \$ 2,415,807.00 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (19,672,331.55) | \$ (19,548,693.60) | \$ (22,463,310.00) | \$ (22,168,583.00) | \$ (21,342,117.00) | \$ (19,544,926.00) | \$ (19,625,131.00) | \$ (19,393,466.00) | \$ (19,978,657.00) | \$ (20,865,918.00) |
| Business-type Activities | 7,062.06 | 8,522.84 | 37,183.00 | (100,446.00) | 37,377.00 | 32,080.00 | 78,499.00 | (107,666.00) | (71,358.00) | (54,472.00) |
| Total District-wide Net Expense | \$ (19,665,269.49) | \$ (19,540,170.76) | \$ (22,426,127.00) | \$ (22,269,029.00) | \$ (21,304,740.00) | \$ (19,512,846.00) | \$ (19,546,632.00) | \$ (19,501,132.00) | \$ (20,050,015.00) | \$ (20,920,390.00) |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Total Governmental Activities | \$ 22,769,876.24 | \$ 21,483,959.13 | \$ 23,536,371.00 | \$ 21,409,950.00 | \$ 20,826,353.00 | \$ 21,197,457.00 | \$ 19,913,478.00 | \$ 19,609,394.00 | \$ 19,253,362.00 | \$ 20,916,699.00 |
| Total Business-type Activities | | | | | | | | | 70,000.00 | |
| Total District-wide | \$ 22,769,876.24 | \$ 21,483,959.13 | \$ 23,536,371.00 | \$ 21,409,950.00 | \$ 20,826,353.00 | \$ 21,197,457.00 | \$ 19,913,478.00 | \$ 19,609,394.00 | \$ 19,323,362.00 | \$ 20,916,699.00 |

(Continued)

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--------------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|----------------------|
| | <u>2021*</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 3,097,544.69 | \$ 1,935,265.53 | \$ 1,073,061.00 | \$ (758,633.00) | \$ (515,764.00) | \$ 1,652,531.00 | \$ 288,347.00 | \$ 215,928.00 | \$ (725,295.00) | \$ 50,781.00 |
| Business-type Activities | <u>7,062.06</u> | <u>8,522.84</u> | <u>37,183.00</u> | <u>(100,446.00)</u> | <u>37,377.00</u> | <u>32,080.00</u> | <u>78,499.00</u> | <u>(107,666.00)</u> | <u>(1,358.00)</u> | <u>(54,472.00)</u> |
| Total District | <u>\$ 3,104,606.75</u> | <u>\$ 1,943,788.37</u> | <u>\$ 1,110,244.00</u> | <u>\$ (859,079.00)</u> | <u>\$ (478,387.00)</u> | <u>\$ 1,684,611.00</u> | <u>\$ 366,846.00</u> | <u>\$ 108,262.00</u> | <u>\$ (726,653.00)</u> | <u>\$ (3,691.00)</u> |

* For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

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

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

Source: Exhibit A-2

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2021*</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 4,247,777.41 | \$ 3,625,797.33 | \$ 963,657.00 | \$ - | \$ 254,599.00 | \$ 272,979.00 | \$ 121,823.00 | \$ 176,509.00 | \$ 173,066.00 | \$ 100,000.00 |
| Assigned | 1,053,818.08 | 225,267.61 | 272,523.00 | 406,587.00 | 1,842,073.00 | 1,752,539.00 | 1,649,640.00 | 1,335,222.00 # | 1,257,387.48 | 1,590,172.00 |
| Unassigned (Deficit) | <u>(477,285.13)</u> | <u>(765,808.90)</u> | <u>(4,526.11)</u> | <u>(1,019,217.00)</u> | <u>(986,695.00)</u> | | | | <u>15,181.00</u> | |
| Total General Fund | <u>\$ 4,824,310.36</u> | <u>\$ 3,085,256.04</u> | <u>\$ 1,231,653.89</u> | <u>\$ (612,630.00)</u> | <u>\$ 1,109,977.00</u> | <u>\$ 2,025,518.00</u> | <u>\$ 1,771,463.00</u> | <u>\$ 1,511,731.00</u> | <u>\$ 1,445,634.48</u> | <u>\$ 1,690,172.00</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | \$ 1,291,500.36 | \$ 1,078,027.01 | \$ 1,100,273.09 | \$ 1,848,782.00 | \$ 2,182,995.00 | \$ 2,511,467.00 | \$ 3,092,671.00 | \$ 16,894.00 | \$ 13,399.00 | \$ 20,382.00 |
| Unassigned (Deficit), Reported in: Special Revenue Fund | | <u>(106,381.10)</u> | <u>(69,272.50)</u> | | | | | | | |
| Total All Other Governmental Funds | <u>\$ 1,291,500.36</u> | <u>\$ 971,645.91</u> | <u>\$ 1,031,000.59</u> | <u>\$ 1,848,782.00</u> | <u>\$ 2,182,995.00</u> | <u>\$ 2,511,467.00</u> | <u>\$ 3,092,671.00</u> | <u>\$ 16,894.00</u> | <u>\$ 13,399.00</u> | <u>\$ 20,382.00</u> |

* For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

Source: Exhibit B-1

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|------------------------|------------------------|--------------------------|--------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|
| | 2021* | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| REVENUES: | | | | | | | | | | |
| Local Tax Levy | \$ 6,739,513.00 | \$ 6,503,786.00 | \$ 6,308,478.00 | \$ 6,020,338.00 | \$ 5,908,377.00 | \$ 5,790,151.00 | \$ 5,602,592.00 | \$ 5,519,831.00 | \$ 5,285,708.00 | \$ 4,956,902.00 |
| Tuition Charges | 1,351,981.85 | 1,373,213.26 | 1,523,090.00 | 1,215,109.00 | 1,326,895.00 | 1,562,693.00 | 1,496,167.00 | 1,566,297.00 | 1,613,147.00 | 1,762,911.00 |
| Miscellaneous | 100,834.34 | 114,184.82 | 400,571.00 | 507,917.00 | 270,497.00 | 768,046.00 | 501,712.00 | 371,979.00 | 259,446.00 | 349,509.00 |
| Local Sources | 71,843.53 | | | | | | | | | |
| State Sources | 19,893,742.47 | 18,069,863.57 | 17,090,825.00 | 16,627,971.00 | 15,938,942.00 | 15,987,493.00 | 14,544,749.00 | 14,215,136.00 | 14,357,076.00 | 13,873,198.00 |
| Federal Sources | 2,109,481.08 | 1,472,055.46 | 1,998,293.00 | 1,491,452.00 | 1,733,710.00 | 1,829,312.00 | 1,378,426.00 | 1,334,795.00 | 1,445,004.00 | 1,884,895.00 |
| Total Revenues | 30,267,396.27 | 27,533,103.11 | 27,321,257.00 | 25,862,787.00 | 25,178,421.00 | 25,937,695.00 | 23,523,646.00 | 23,008,038.00 | 22,960,381.00 | 22,827,415.00 |
| EXPENDITURES: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 5,477,859.67 | 5,282,751.91 | 5,387,277.00 | 5,858,718.00 | 5,648,527.00 | 6,058,930.00 | 5,864,909.00 | 5,348,121.00 | 5,034,386.00 | 5,205,071.00 |
| Special Education Instruction | 3,992,292.69 | 3,059,456.68 | 3,478,543.00 | 2,911,933.00 | 3,247,102.00 | 3,159,325.00 | 3,049,687.00 | 3,143,366.00 | 2,868,367.00 | 3,063,340.00 |
| School Sponsored Activities | 425,038.85 | 466,959.46 | | | | | | | | |
| Other Instruction | 49,341.15 | 49,366.63 | 407,557.00 | 490,712.00 | 565,651.00 | 548,956.00 | 615,464.00 | 1,065,131.00 | 1,054,958.00 | 1,037,756.00 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,010,744.29 | 2,348,774.41 | 3,409,709.00 | 3,282,778.00 | 2,717,272.00 | 1,843,059.00 | 1,525,656.00 | 1,669,618.00 | 1,834,598.00 | 1,727,154.00 |
| Student and Instruction Related Services | 2,428,466.96 | 2,553,737.23 | 1,674,788.00 | 1,963,307.00 | 2,211,805.00 | 1,898,373.00 | 1,978,961.00 | 2,064,512.00 | 2,029,477.00 | 11,188,942.00 |
| General Administration | 560,604.84 | 472,847.74 | 556,070.00 | 577,922.00 | 409,890.00 | 451,708.00 | 437,673.00 | 380,548.00 | 402,263.00 | |
| School Administrative Services | 873,278.33 | 789,819.19 | 680,649.00 | 751,436.00 | 953,041.00 | 925,178.00 | 912,215.00 | 868,322.00 | 864,657.00 | |
| Central Services | 348,055.82 | 257,664.76 | 266,463.00 | 239,446.00 | 262,821.00 | 247,573.00 | 236,181.00 | 232,388.00 | 239,882.00 | |
| Administrative Information Technology | 237,418.47 | 156,163.83 | 132,167.00 | 144,582.00 | 68,743.00 | 73,473.00 | 102,135.00 | 105,689.00 | 96,763.00 | |
| Plant Operations and Maintenance | 1,697,579.06 | 2,064,436.24 | 1,512,572.00 | 1,565,345.00 | 1,393,830.00 | 1,609,360.00 | 1,545,376.00 | 1,447,747.00 | 1,514,629.00 | |
| Pupil Transportation | 917,225.40 | 925,843.80 | 1,202,479.00 | 930,714.00 | 849,518.00 | 678,201.00 | 743,131.00 | 602,489.00 | 557,207.00 | |
| Unallocated Benefits | 3,989,696.96 | 3,931,880.82 | 3,785,773.00 | 6,952,370.00 | 6,434,487.00 | 6,127,742.00 | 5,819,504.00 | 5,590,178.00 | 6,089,312.00 | |
| Reimbursed TPAF Pension and Social Security | 3,621,782.82 | 2,979,538.36 | 3,071,422.00 | | | | | | | |
| Transfer to Charter School | 198,976.00 | 117,117.00 | 66,276.00 | 137,545.00 | | | | | 18,365.00 | 16,382.00 |
| Capital Outlay | 1,407,609.94 | 73,452.58 | 204,462.00 | 1,906,429.00 | 1,951,677.00 | 2,552,899.00 | 249,545.00 | 204,417.00 | 250,090.00 | 306,171.00 |
| Debt Service: | | | | | | | | | | |
| Principal | 125,000.00 | 125,000.00 | 115,000.00 | 329,744.00 | 265,631.00 | 110,000.00 | 235,000.00 | 275,370.00 | 280,370.00 | 280,370.00 |
| Interest and Other Charges | 80,295.00 | 84,045.00 | 87,495.00 | 109,022.00 | 104,576.00 | 86,165.00 | 4,700.00 | 14,528.00 | 24,884.00 | 35,339.00 |
| Total Expenditures | 28,441,266.25 | 25,738,855.64 | 26,038,702.00 | 28,152,003.00 | 27,084,571.00 | 26,370,942.00 | 23,320,137.00 | 23,012,424.00 | 23,160,208.00 | 22,860,525.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,826,130.02 | 1,794,247.47 | 1,282,555.00 | (2,289,216.00) | (1,906,150.00) | (433,247.00) | 203,509.00 | (4,386.00) | (199,827.00) | (33,110.00) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | |
| Cancellation of Prior Year Receivables | | | | | | | | | | (151,815.00) |
| Bond Proceeds | | | | | | | 3,132,000.00 | | | |
| Insurance Recovery Related to Impaired Capital Asset | | | | | | | | 92,282.00 | | |
| Capital Lease | | | | 232,396.00 | 662,137.00 | 106,098.00 | | | | |
| Interest on Capital Note | | | (67,312.00) | | | | | | | |
| Transfers In | 17,239.00 | 111,129.00 | | | | | | | | |
| Transfers Out | (17,239.00) | (111,129.00) | | | | | | | (70,000.00) | |
| Total Other Financing Sources (Uses) | - | - | (67,312.00) | 232,396.00 | 662,137.00 | 106,098.00 | 3,132,000.00 | 92,282.00 | (70,000.00) | (151,815.00) |
| Net Change in Fund Balances | \$ 1,826,130.02 | \$ 1,794,247.47 | \$ 1,215,243.00 | \$ (2,056,820.00) | \$ (1,244,013.00) | \$ (327,149.00) | \$ 3,335,509.00 | \$ 87,896.00 | \$ (269,827.00) | \$ (184,925.00) |
| Debt Service as a Percentage of Noncapital Expenditures | 0.76% | 0.81% | 0.78% | 1.67% | 1.47% | 0.82% | 1.04% | 1.27% | 1.33% | 1.40% |

* For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

Source: Exhibit B-2

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Interest on Investments | \$ 7,572.46 | \$ 8,265.99 | \$ 4,031.00 | \$ 4,867.00 | \$ 4,867.00 | \$ 6,951.00 | \$ 10,753.00 | \$ 9,441.00 | \$ 13,538.00 | \$ 30,262.00 |
| Claims and Settlement | 5,911.00 | 95,627.08 | | | | | | | | |
| Prior Year Refunds | 74,532.53 | | 43,166.00 | 1,587.00 | 1,587.00 | 18,764.00 | 57,503.00 | 34,864.00 | 12,756.00 | |
| Sale of Assets | | 881.00 | | | | | | | | |
| Admissions | 878.32 | | | | | | | | | |
| Student Activity | | | 9,647.00 | 27,827.00 | 27,827.00 | 27,345.00 | 32,524.00 | 15,267.00 | 28,058.00 | |
| Transportation | | 385.00 | 5,355.00 | | | | | | 3,330.00 | |
| Miscellaneous | 11,171.03 | 7,573.08 | 315,541.00 | 416,615.00 | 152,884.00 | 224,288.00 | 46,257.00 | 31,893.00 | 2,589.00 | 111,157.00 |
| Total Miscellaneous Revenues | <u>\$ 100,065.34</u> | <u>\$ 112,732.15</u> | <u>\$ 377,740.00</u> | <u>\$ 450,896.00</u> | <u>\$ 187,165.00</u> | <u>\$ 277,348.00</u> | <u>\$ 147,037.00</u> | <u>\$ 91,465.00</u> | <u>\$ 60,271.00</u> | <u>\$ 141,419.00</u> |

Source: District Records

Revenue Capacity Information

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

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

| Year Ended <u>Dec. 31</u> | <u>Vacant Land</u> | <u>Residential</u> | <u>Farm</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Apartment</u> | Total Assessed Value | Public Utilities (1) | Net Valuation Taxable | Tax Exempt Property | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate (2) |
|---------------------------------|--------------------|--------------------|--------------|-------------------|-------------------|------------------|----------------------------|-------------------------|--------------------------|------------------------|---|--|
| 2021 | \$ 4,389,300.00 | \$ 202,937,300.00 | \$ 25,700.00 | \$ 26,717,600.00 | \$ 96,640,300.00 | \$ 8,819,700.00 | \$ 339,529,900.00 | | \$ 339,529,900.00 | \$ 65,433,600.00 | \$ 322,563,082.00 | \$ 1.986 |
| 2020 | 3,792,600.00 | 202,557,500.00 | 26,400.00 | 27,249,800.00 | 96,965,300.00 | 8,819,700.00 | 339,411,300.00 | | 339,411,300.00 | 37,385,100.00 | 339,111,585.00 | 1.951 |
| 2019 | 3,835,000.00 | 202,918,600.00 | 14,500.00 | 27,560,300.00 | 96,965,300.00 | 8,446,600.00 | 339,740,300.00 | | 339,740,300.00 | 67,892,500.00 | 334,445,341.00 | 1.885 |
| 2018 | 4,072,900.00 | 204,644,100.00 | 14,500.00 | 27,603,200.00 | 113,205,300.00 | 8,469,400.00 | 358,009,400.00 | | 358,009,400.00 | 60,375,300.00 | 372,165,290.00 | 1.722 |
| 2017 | 5,042,500.00 | 205,022,200.00 | 14,500.00 | 27,239,100.00 | 113,205,300.00 | 8,404,400.00 | 358,928,000.00 | | 358,928,000.00 | 59,395,500.00 | 372,326,549.00 | 1.705 |
| 2016 | 4,921,000.00 | 205,603,800.00 | 14,100.00 | 27,709,800.00 | 113,205,300.00 | 8,404,400.00 | 359,858,400.00 | \$ 1,438,112.00 | 361,296,512.00 | 59,162,400.00 | 361,296,512.00 | 1.576 |
| 2015 | 3,988,500.00 | 205,881,500.00 | 19,300.00 | 27,467,300.00 | 115,355,300.00 | 8,404,400.00 | 361,116,300.00 | 1,465,264.00 | 362,581,564.00 | 58,175,600.00 | 387,272,513.00 | 1.571 |
| 2014 | 4,329,400.00 | 223,713,100.00 | 19,300.00 | 30,984,100.00 | 127,402,300.00 | 4,367,700.00 | 390,815,900.00 | 1,417,859.00 | 392,233,759.00 | 68,627,300.00 | 409,133,443.00 | 1.294 |
| 2013 * | 4,774,900.00 | 225,189,900.00 | 18,800.00 | 31,971,100.00 | 128,484,600.00 | 8,453,500.00 | 398,892,800.00 | 1,622,710.00 | 400,515,510.00 | 67,611,000.00 | 446,122,607.00 | 1.310 |
| 2012 | 3,183,800.00 | 141,684,900.00 | 19,000.00 | 49,472,600.00 | 47,463,800.00 | 5,894,500.00 | 247,718,600.00 | 1,140,017.00 | 248,858,617.00 | 32,357,100.00 | 450,989,485.00 | 2.120 |

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

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

* Reassessment

Source: Municipal Tax Assessor

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

| Year Ended Dec. 31 | District Direct Rate | | | Overlapping Rates | | | | Total Direct and Overlapping Tax Rate |
|--------------------------|----------------------|--|---|-------------------------------------|--------------------------|------------------------------|----------------------------------|---|
| | <u>Basic Rate</u> | <u>General Obligation Debt Service</u> | <u>Total Direct School Tax Rate</u> | <u>Borough of Paulsboro</u> | <u>Local Library</u> | <u>Gloucester County</u> | <u>County Open Space</u> | |
| 2021 | \$ 1.926 | \$ 0.060 | \$ 1.986 | \$ 1.556 | \$ 0.032 | \$ 0.620 | \$ 0.038 | \$ 4.232 |
| 2020 | 1.895 | 0.056 | 1.951 | 1.524 | 0.034 | 0.657 | 0.040 | 4.206 |
| 2019 | 1.825 | 0.060 | 1.885 | 1.494 | 0.034 | 0.622 | 0.039 | 4.074 |
| 2018 | 1.665 | 0.057 | 1.722 | 1.375 | 0.035 | 0.667 | 0.042 | 3.841 |
| 2017 | 1.663 | 0.059 | 1.722 | 1.383 | 0.034 | 0.661 | 0.042 | 3.842 |
| 2016 | 1.647 | 0.058 | 1.705 | 1.354 | 0.034 | 0.638 | 0.042 | 3.773 |
| 2015 | 1.543 | 0.033 | 1.576 | 1.315 | 0.035 | 0.657 | 0.045 | 3.628 |
| 2014 | 1.530 | 0.041 | 1.571 | 1.294 | 0.030 | 0.594 | 0.042 | 3.531 |
| 2013 | 1.257 | 0.037 | 1.294 | 1.272 | 0.040 | 0.628 | 0.046 | 3.280 |
| 2012 | 1.269 | 0.041 | 1.310 | 1.970 | 0.000 | 0.920 | 0.070 | 4.270 |

Source: Municipal Tax Collector

PAULSBORO SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

| <u>Taxpayer</u> | <u>2021</u> | | | <u>2012</u> | | |
|-------------------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> |
| PBF Logistics Products Terminals | \$ 38,333,400.00 | 1 | 11.29% | | | |
| Mobil Oil Corporation | 30,612,600.00 | 2 | 9.02% | \$ 17,199,500.00 | 3 | 6.91% |
| CPI Operations LLC | 22,500,000.00 | 3 | 6.63% | | | |
| Paulsboro Gardens | 4,500,000.00 | 4 | 1.33% | 2,634,700.00 | 5 | 1.06% |
| ESP Group LLC | 2,075,700.00 | 5 | 0.61% | | | |
| Sunoco Inc. | 1,880,100.00 | 6 | 0.55% | | | |
| Dependable Management | 1,500,000.00 | 7 | 0.44% | 1,175,000.00 | 8 | 0.47% |
| Rite Aid #10457 | 1,400,000.00 | 8 | 0.41% | | | |
| Paulsboro Equities LLC | 1,400,000.00 | 9 | 0.41% | | | |
| JK Enterprise T/A McDonalds | 1,211,700.00 | 10 | 0.36% | | | |
| NuStar Asphalt Refining LLC | | | | 28,800,000.00 | 1 | 11.57% |
| Pacific Alt Term c/o Re McElroy LLC | | | | 25,510,200.00 | 2 | 10.25% |
| Paulsboro Acquisition Group | | | | 3,225,600.00 | 4 | 1.30% |
| J&A Properties of NJ, LLC | | | | 1,299,000.00 | 6 | 0.52% |
| PD Mgt. AV Paulsboro LLC | | | | 1,293,100.00 | 7 | 0.52% |
| Verizon - Tax Department | | | | 1,140,017.00 | 9 | 0.46% |
| Wawa Senior Book | | | | 916,000.00 | 10 | 0.37% |
| Total | <u>\$ 105,413,500.00</u> | | <u>31.05%</u> | <u>\$ 83,193,117.00</u> | | <u>33.43%</u> |

Source: Municipal Tax Assessor

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

| Fiscal Year Ended June 30, | School District Taxes Levied for the Fiscal Year | | <u>Collected within the Fiscal Year of the Levy (1)</u> | | Collections in Subsequent Years |
|-------------------------------|---|--------------|---|-------------------------------|------------------------------------|
| | | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2021 | \$ | 6,739,513.00 | \$ 6,739,513.00 | 100.00% | |
| 2020 | | 6,503,786.00 | 6,503,786.00 | 100.00% | - |
| 2019 | | 6,308,478.00 | 6,308,478.00 | 100.00% | - |
| 2018 | | 6,020,338.00 | 6,020,338.00 | 100.00% | - |
| 2017 | | 5,908,377.00 | 5,908,377.00 | 100.00% | - |
| 2016 | | 5,790,151.00 | 5,790,151.00 | 100.00% | - |
| 2015 | | 5,602,592.00 | 5,602,592.00 | 100.00% | - |
| 2014 | | 5,519,831.00 | 5,519,831.00 | 100.00% | - |
| 2013 | | 5,285,708.00 | 5,285,708.00 | 100.00% | - |
| 2012 | | 4,956,902.00 | 4,956,902.00 | 100.00% | - |

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

Source: District Records

Debt Capacity Information

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

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

| Fiscal Year Ended <u>June 30,</u> | <u>Governmental Activities (1)</u> | | | District <u>Total</u> | Percentage of Personal <u>Income (2)</u> | <u>Per Capita (3)</u> |
|---|---|--------------------------|---------------------------|--------------------------|--|-----------------------|
| | <u>General Obligation Bonds</u> | <u>Loans Payable</u> | <u>Capital Leases</u> | | | |
| 2021 | \$ 2,432,000.00 | | \$ 149,201.81 | \$ 2,581,201.81 | Unavailable | Unavailable |
| 2020 | 2,557,000.00 | | 274,460.25 | 2,831,460.25 | Unavailable | \$ 482.69 |
| 2019 | 2,682,000.00 | | 536,129.29 | 3,218,129.29 | 0.97% | 549.36 |
| 2018 | 2,797,000.00 | | 613,756.00 | 3,410,756.00 | 1.07% | 579.57 |
| 2017 | 2,912,000.00 | | 596,104.00 | 3,508,104.00 | 1.13% | 595.00 |
| 2016 | 3,022,000.00 | | 89,598.00 | 3,111,598.00 | 1.03% | 524.99 |
| 2015 | 3,132,000.00 | | | 3,132,000.00 | 1.06% | 524.89 |
| 2014 | 235,000.00 | | | 235,000.00 | 0.08% | 39.21 |
| 2013 | 480,000.00 | \$ 30,370.00 | | 510,370.00 | 0.19% | 84.96 |
| 2012 | 790,740.00 | | | 790,740.00 | 0.29% | 131.03 |

Sources:

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

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

| <u>Fiscal Year Ended June 30,</u> | <u>General Bonded Debt Outstanding</u> | | | <u>Percentage of Net Assessed Valuation Taxable (2)</u> | <u>Per Capita (3)</u> |
|---------------------------------------|---|-------------------|--|---|-----------------------|
| | <u>General Obligation Bonds</u> | <u>Deductions</u> | <u>Net General Bonded Debt Outstanding (1)</u> | | |
| 2021 | \$ 2,432,000.00 | - | \$ 2,432,000.00 | 0.72% | Unavailable |
| 2020 | 2,557,000.00 | - | 2,557,000.00 | 0.75% | \$ 435.90 |
| 2019 | 2,682,000.00 | - | 2,682,000.00 | 0.79% | 457.84 |
| 2018 | 2,797,000.00 | - | 2,797,000.00 | 0.78% | 475.28 |
| 2017 | 2,912,000.00 | - | 2,912,000.00 | 0.81% | 493.89 |
| 2016 | 3,022,000.00 | - | 3,022,000.00 | 0.84% | 509.87 |
| 2015 | 3,132,000.00 | - | 3,132,000.00 | 0.86% | 524.89 |
| 2014 | 235,000.00 | - | 235,000.00 | 0.06% | 39.21 |
| 2013 | 480,000.00 | - | 480,000.00 | 0.12% | 79.91 |
| 2012 | 790,740.00 | - | 790,740.00 | 0.32% | 131.03 |

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

PAULSBORO 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 Paulsboro Borough</u> |
|---|--------------------------|---------------------------|---|--|
| Municipal Debt (1): | | | | |
| Paulsboro School District | \$ 2,557,000.00 | \$ 2,557,000.00 | | |
| Self Liquidating Debt | 19,893,113.94 | 19,893,113.94 | | |
| Paulsboro Borough | <u>9,417,700.00</u> | <u>1,185,800.00</u> | <u>\$ 8,231,900.00</u> | <u>\$ 8,231,900.00</u> |
| | <u>31,867,813.94</u> | <u>23,635,913.94</u> | <u>8,231,900.00</u> | <u>8,231,900.00</u> |
| Overlapping Debt Apportioned to the Municipality: | | | | |
| County of Gloucester (2): | | | | |
| General: | | | | |
| Bonds | 258,227,000.00 | 19,156,621.00 | 239,070,379.00 | 2,940,565.66 (4) |
| Bonds Issued by Other Public Bodies | | | | |
| Guaranteed by the County | <u>182,249,993.00</u> | <u>182,249,993.00</u> (3) | | |
| | <u>440,476,993.00</u> | <u>201,406,614.00</u> | <u>239,070,379.00</u> | <u>2,940,565.66</u> |
| | <u>\$ 472,344,806.94</u> | <u>\$ 225,042,527.94</u> | <u>\$ 247,302,279.00</u> | <u>\$ 11,172,465.66</u> |

Sources:

- (1) 2020 Annual Debt Statement
- (2) County's 2020 Audit Report
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's share of the total 2020 Equalized Value, which is 1.23%
The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2021:

Equalized valuation basis (1):

| | |
|------|--------------------|
| 2020 | \$ 322,450,409 |
| 2019 | 336,509,806 |
| 2018 | <u>348,971,050</u> |

\$ 1,007,931,265 **[A]**

Average equalized valuation of taxable property \$ 335,977,088 **[A/3]**

Debt limit (4% of average equalization value) (2) 13,439,084 **[B]**

Total Net Debt Applicable to Limit (3) 2,432,000 **[C]**

Legal Debt Margin \$ 11,007,084 **[B-C]**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Debt Limit | \$ 13,439,083.53 | \$ 14,070,413.00 | \$ 14,550,605.00 | \$ 14,812,309.00 | \$ 14,983,610.00 | \$ 15,453,720.00 | \$ 16,409,873.00 | \$ 17,282,194.00 | \$ 18,083,203.00 | \$ 18,377,158.00 |
| Total Net Debt Applicable to Limit (3) | <u>2,432,000.00</u> | <u>2,557,000.00</u> | <u>2,682,000.00</u> | <u>2,797,000.00</u> | <u>2,912,000.00</u> | <u>3,022,000.00</u> | <u>3,132,000.00</u> | <u>235,000.00</u> | <u>480,000.00</u> | <u>790,740.00</u> |
| Legal Debt Margin | <u>\$ 11,007,083.53</u> | <u>\$ 11,513,413.00</u> | <u>\$ 11,868,605.00</u> | <u>\$ 12,015,309.00</u> | <u>\$ 12,071,610.00</u> | <u>\$ 12,431,720.00</u> | <u>\$ 13,277,873.00</u> | <u>\$ 17,047,194.00</u> | <u>\$ 17,603,203.00</u> | <u>\$ 17,586,418.00</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 18.10% | 18.17% | 18.43% | 18.88% | 19.43% | 19.56% | 19.09% | 1.36% | 2.65% | 4.30% |

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 NJSA 18A:24-19 for a K through 12 district.
(3) District Records

Demographic and Economic Information

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

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

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (3)</u> | <u>Unemployment Rate (4)</u> |
|-------------|-----------------------|--------------------------------|---|----------------------------------|
| 2020 | 5,866 | Unavailable | Unavailable | 14.3% |
| 2019 | 5,858 | \$ 330,971,142.00 | \$ 56,499.00 | 6.8% |
| 2018 | 5,885 | 319,814,440.00 | 54,344.00 | 3.7% |
| 2017 | 5,896 | 309,516,416.00 | 52,496.00 | 4.1% |
| 2016 | 5,927 | 301,115,308.00 | 50,804.00 | 4.9% |
| 2015 | 5,967 | 296,064,639.00 | 49,617.00 | 7.8% |
| 2014 | 5,993 | 283,858,445.00 | 47,365.00 | 8.8% |
| 2013 | 6,007 | 275,589,146.00 | 45,878.00 | 8.6% |
| 2012 | 6,035 | 271,043,920.00 | 44,912.00 | 8.8% |
| 2011 | 6,064 | 265,360,640.00 | 43,760.00 | 8.6% |

Sources:

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

PAULSBORO SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

| <u>Employer</u> | <u>2021</u> | | | <u>2022</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> |
| INFORMATION NOT AVAILABLE | | | | | | |
| | <u>-</u> | | <u>-</u> | <u>-</u> | | <u>-</u> |

Operating Information

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

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

| <u>Function/Program</u> | <u>Fiscal Year Ended June 30,</u> | | | | | | | | | |
|--|-----------------------------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Instruction | 156.5 | 154 | 154 | 153 | 167 | 160 | 156 | 161 | 166 | 159 |
| Support Services: | | | | | | | | | | |
| Administrative Information Technology | 4 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 3 |
| School Administrative Services | 10 | 14 | 14 | 14 | 18 | 18 | 20 | 20 | 18 | 19 |
| General & Business Administrative Services | 4.5 | 3.5 | 3.5 | 3.5 | 3.6 | 3 | 3 | 3 | 3 | 2 |
| Plant Operations and Maintenance | 18 | 19.5 | 19.5 | 18 | 18 | 17 | 17 | 16 | 19 | 19 |
| Pupil Transportation | 6 | 9.5 | 9.5 | 6.5 | 6 | 6 | 4 | 5 | 5 | 6 |
| Business and Other Support Services | 10 | 4 | 4 | 4 | 4 | 4 | 4 | 9 | 11 | 12 |
| Total | <u>209</u> | <u>206.5</u> | <u>206.5</u> | <u>202</u> | <u>219.6</u> | <u>211</u> | <u>206</u> | <u>216</u> | <u>224</u> | <u>220</u> |

Source: District Personnel Records

PAULSBORO SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | 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 High School | High School | | | | |
| 2021 | 1,178 | \$ 26,828,361.31 | \$ 22,774.50 | 6.19% | 119 | 12.1 | 8.6 | 9.3 | 1,150 | 984 | -1.03% | 85.57% |
| 2020 | 1,187 | 25,456,358.06 | 21,445.96 | -6.12% | 120 | 13.0 | 6.0 | 9.0 | 1,162 | 1,083 | 0.26% | 93.20% |
| 2019 | 1,122 | 25,631,745.00 | 22,844.69 | -1.56% | 106 | 13.0 | 14.0 | 9.0 | 1,159 | 1,076 | 3.76% | 92.84% |
| 2018 | 1,112 | 25,806,808.00 | 23,207.56 | 5.81% | 107 | 11.0 | 13.0 | 9.0 | 1,117 | 1,029 | -1.06% | 92.12% |
| 2017 | 1,129 | 24,762,687.00 | 21,933.29 | 7.52% | 117 | 12.0 | 7.0 | 9.0 | 1,129 | 1,045 | -1.31% | 92.56% |
| 2016 | 1,158 | 23,621,878.00 | 20,398.86 | 3.64% | 117 | 12.0 | 7.0 | 9.0 | 1,144 | 1,067 | -1.55% | 93.27% |
| 2015 | 1,160 | 22,830,892.00 | 19,681.80 | 10.52% | 116 | 12.0 | 15.0 | 8.0 | 1,162 | 1,078 | 13.04% | 92.77% |
| 2014 | 1,166 | 20,764,310.00 | 17,808.00 | -1.63% | 116 | 12.0 | 15.0 | 8.0 | 1,028 | 954 | -11.53% | 92.80% |
| 2013 | 1,158 | 20,964,294.00 | 18,104.00 | 7.93% | 116 | 12.0 | 15.0 | 8.0 | 1,162 | 1,072 | -3.49% | 92.25% |
| 2012 | 1,216 | 20,396,880.00 | 16,774.00 | 8.35% | 116 | 12.0 | 15.0 | 8.0 | 1,204 | 1,162 | -1.55% | 96.51% |

Sources: District Records

PAULSBORO SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--------------------------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| District Building: | | | | | | | | | | |
| <u>Elementary:</u> | | | | | | | | | | |
| Billingsport (1923): | | | | | | | | | | |
| Square Feet | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 | 39,863 |
| Capacity (students) | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 |
| Enrollment | 302 | 360 | 370 | 343 | 343 | 369 | 330 | 333 | 334 | 347 |
| Loudenslager (1926): | | | | | | | | | | |
| Square Feet | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 | 39,244 |
| Capacity (students) | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 |
| Enrollment | 351 | 322 | 325 | 270 | 270 | 282 | 305 | 315 | 315 | 322 |
| <u>Middle School:</u> | | | | | | | | | | |
| Junior High School: | | | | | | | | | | |
| Square Feet | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | 127 | 143 | 162 | 180 | 180 | 149 | 150 | N/A | N/A | N/A |
| <u>High School:</u> | | | | | | | | | | |
| Paulsboro High School (1916): | | | | | | | | | | |
| Square Feet | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 | 140,863 |
| Capacity (students) | 717 | 717 | 717 | 717 | 717 | 717 | 717 | 717 | 717 | 717 |
| Enrollment | 348 | 259 | 317 | 319 | 336 | 323 | 366 | 510 | 509 | 547 |
| Other Buildings: | | | | | | | | | | |
| Central Administration (1920): | | | | | | | | | | |
| Square Feet | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 | 7,551 |

Number of Schools at June 30, 2021:

Elementary = 2

Junior High School = 1

High School = 1

Other = 1

Source: District Records

PAULSBORO SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

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

| <u>School Facilities*</u> : | <u>Project # (s)</u> | Fiscal Year Ended June 30, | | | | | | | | | |
|-----------------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| High School | n/a | \$ 214,197.08 | \$ 265,193.00 | \$ 186,915.00 | \$ 198,114.00 | \$ 159,793.00 | \$ 153,631.00 | \$ 173,753.00 | \$ 145,462.00 | \$ 143,733.00 | \$ 193,144.00 |
| Billingsport | n/a | 52,134.06 | 40,067.67 | 26,733.00 | 45,500.00 | 35,021.00 | 41,714.00 | 41,484.00 | 36,712.00 | 87,883.00 | 50,610.00 |
| Loudenslager | n/a | 54,515.54 | 64,120.37 | 30,757.00 | 51,830.00 | 39,636.00 | 82,998.00 | 68,345.00 | 40,266.00 | 61,277.00 | 55,626.00 |
| Total School Facilities | | <u>\$ 320,846.68</u> | <u>\$ 369,381.04</u> | <u>\$ 244,405.00</u> | <u>\$ 295,444.00</u> | <u>\$ 234,450.00</u> | <u>\$ 278,343.00</u> | <u>\$ 283,582.00</u> | <u>\$ 222,440.00</u> | <u>\$ 292,893.00</u> | <u>\$ 299,380.00</u> |

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

Source: District Records

PAULSBORO SCHOOL DISTRICT

Insurance Schedule

June 30, 2021

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy (1): | | |
| General and Automobile Liability | \$ 5,000,000 | |
| Property and Automobile Physical Damage | 500,000,000 | \$ 2,500 |
| Boiler and Machinery | 100,000,000 | 2,500 |
| Environmental Impairment Liability | 1,000,000 | 5,000 |
| Excess Liability | 15,000,000 | 10,000 |
| School Leaders Professional Liability | 5,000,000 | 10,000 |
| Employer's Liability | 5,000,000 | |
| Workers' Compensation | Statutory | |
| Student Accident Liability (2) | 6,000,000 | |
| Surety Bonds (3): | | |
| Treasurer | 215,000 | |
| Board Secretary | 222,000 | |

(1) School Alliance Insurance Fund

(2) Zurich American Insurance Company

(3) Selective Insurance Company of America

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Paulsboro School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Paulsboro School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with New Jersey Circular 15-08-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as Findings No. 2021-004, 2021-005, 2021-006 and 2021-007. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

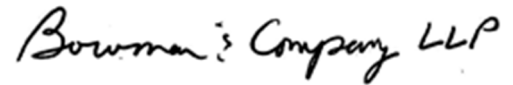
Management of the Paulsboro School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in cursive script that reads "Robert S. Marrone".

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

Voorhees, New Jersey
February 14, 2022

PAULSBORO SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2021

| Federal Grantor/ Pass-through Grantor / Program Title | Federal Assistance Listing Number | Additional Award Identification | Federal FAIN Number | Pass-Through Entity Identifying Number | Program or Award Amount | Grant Period | |
|--|--|---------------------------------------|---------------------------|---|-------------------------------|--------------|----------|
| | | | | | | From | To |
| General Fund: | | | | | | | |
| U.S. Department of Health and Human Services: | | | | | | | |
| Passed-through the State Department of Education: | | | | | | | |
| Special Education Medicaid Initiative Cluster | 93.778 | N/A | 2005NJ5MAP | Unavailable | \$ 70,112.99 | 07-01-20 | 06-30-21 |
| Total General Fund | | | | | | | |
| Special Revenue Fund: | | | | | | | |
| U.S. Department of Education: | | | | | | | |
| Passed-through State Department of Education: | | | | | | | |
| E.S.S.A.: | | | | | | | |
| Title I - Grants to Local Educational Agencies | 84.010 | N/A | S010A190030 | ESEA402020 | 847,132.00 | 07-01-19 | 09-30-20 |
| Title I - Grants to Local Educational Agencies | 84.010 | N/A | S010A200030 | ESEA402021 | 844,505.00 | 07-01-20 | 09-30-21 |
| Total Title I Grants to Local Educational Agencies | | | | | | | |
| Title I - Grants to Local Educational Agencies - Reallocated | 84.010 | N/A | S010A190030 | ESEA402021 | 31,955.00 | 07-01-20 | 09-30-21 |
| Title IA - SIA - School Improvement | 84.010 | N/A | S010A190030 | ESEA402020 | 28,400.00 | 07-01-19 | 09-30-20 |
| Title IA - SIA - School Improvement | 84.010 | N/A | S010A200030 | ESEA402011 | 41,100.00 | 07-01-20 | 09-30-21 |
| Total Title IA - School Improvement | | | | | | | |
| Title II - Supporting Effective Instruction State Grants | 84.367 | N/A | S367A190029 | ESEA402020 | 69,968.00 | 07-01-19 | 09-30-20 |
| Title II - Supporting Effective Instruction State Grants | 84.367 | N/A | S367A200029 | ESEA402021 | 56,455.00 | 07-01-20 | 09-30-21 |
| Total Supporting Effective Instruction State Grants | | | | | | | |
| Title III - English Language Acquisition | 84.365 | N/A | S365A190030 | ESEA402020 | 2,383.00 | 07-01-19 | 09-30-20 |
| Title IV - Student Support and Academic Enrichment | 84.424 | N/A | S424A190031 | ESEA402020 | 51,878.00 | 07-01-19 | 09-30-20 |
| Title IV - Student Support and Academic Enrichment | 84.424 | N/A | S424A200031 | ESEA402021 | 62,302.00 | 07-01-20 | 09-30-21 |
| Total Title IV - Student Support and Academic Enrichment | | | | | | | |
| Education Stabilization Fund: | | | | | | | |
| Elementary and Secondary School Emergency Relief (ESSER) Fund: | | | | | | | |
| CARES Act - ESSER I | 84.425 | 84.425D, COVID-19 | S425D200027 | Unavailable | 780,755.00 | 03-13-20 | 09-30-22 |
| Digital Divide | 84.425 | 84.425D, COVID-19 | S425D200027 | Unavailable | 160,375.00 | 07-16-20 | 10-31-20 |
| CRRSA Act - ESSER II | 84.425 | 84.425D, COVID-19 | S425D210027 | Unavailable | 2,779,113.00 | 03-13-20 | 09-30-23 |
| Learning Acceleration Grant | 84.425 | 84.425D, COVID-19 | S425D210027 | Unavailable | 178,349.00 | 03-13-20 | 09-30-23 |
| Mental Health | 84.425 | 84.425D, COVID-19 | S425D210027 | Unavailable | 45,000.00 | 03-13-20 | 09-30-23 |
| Total Education Stabilization Fund | | | | | | | |
| Coronavirus Relief Fund: | | | | | | | |
| Coronavirus Relief Fund | 21.019 | COVID-19 | SLT0228 | Unavailable | 138,681.00 | 08-26-20 | 12-30-20 |
| Nonpublic Digital Divide | 21.019 | COVID-19 | SLT0228 | Unavailable | 5,046.00 | 07-16-20 | 10-31-20 |
| Total Coronavirus Relief Fund | | | | | | | |
| Individuals with Disabilities Act (IDEA): | | | | | | | |
| Special Education Cluster: | | | | | | | |
| Special Education Grants to States | 84.027 | N/A | H027A190100 | FT402020 | 375,308.00 | 07-01-19 | 09-30-20 |
| Special Education Grants to States | 84.027 | N/A | H027A200100 | FT402021 | 397,330.00 | 07-01-20 | 09-30-21 |
| Special Education Preschool Grants | 84.173 | N/A | H173A190114 | PS402020 | 14,011.00 | 07-01-19 | 09-30-20 |
| Special Education Preschool Grants | 84.173 | N/A | H173A200114 | PS402021 | 14,066.00 | 07-01-20 | 09-30-21 |
| Total Special Education Cluster (IDEA) | | | | | | | |
| Total Special Revenue Fund | | | | | | | |
| Enterprise Fund: | | | | | | | |
| U.S. Department of Agriculture: | | | | | | | |
| Passed-through the State Department of Education: | | | | | | | |
| P-EBT Administrative Cost | 10.649 | COVID-19 | 202121S900941 | Unavailable | 3,063.00 | 07-01-20 | 06-30-21 |
| Child Nutrition Cluster: | | | | | | | |
| Food Distribution Program (Non-Cash Assistance) | 10.555 | N/A | 201NJ304N1099 | Unavailable | 40,920.67 | 07-01-20 | 06-30-21 |
| National School Lunch Program | 10.555 | N/A | 201NJ304N1099 | Unavailable | 435,407.00 | 07-01-19 | 06-30-20 |
| Emergency Operational Cost Program | 10.555 | COVID-19 | 202121H170341 | Unavailable | 55,794.44 | 07-01-20 | 06-30-21 |
| Summer Food Service Program (SFSP) | 10.559 | N/A | 211NJ304N1099 | Unavailable | 342,204.68 | 07-01-20 | 06-30-21 |
| School Breakfast Program | 10.553 | N/A | 201NJ304N1099 | Unavailable | 192,332.80 | 07-01-19 | 06-30-20 |
| Total Child Nutrition Cluster | | | | | | | |
| Total Enterprise Fund | | | | | | | |
| Total Federal Financial Assistance | | | | | | | |

(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.

| Balance June 30, 2020 | Carryover / (Walkover) Amount | Cash Received | Adjustments (A) | Budgetary Expenditures | | | Passed Through to Subrecipients | Repayment of Prior Years' Balances | Balance at June 30, 2021 | | |
|--------------------------|-------------------------------------|--------------------------|-----------------|--------------------------|-----------------|------------------------------------|---------------------------------------|--|---|---|-------------------|
| | | | | Pass-Through Funds | Direct Funds | Total Budgetary Expenditures | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor |
| | | \$ 70,112.99 | | \$ 70,112.99 | | \$ 70,112.99 | | | | | |
| - | - | 70,112.99 | - | 70,112.99 | - | 70,112.99 | - | - | - | - | - |
| \$ (78,482.00) | \$ (52,899.00) 52,899.00 | 131,381.00 385,093.00 | | 529,871.49 | | 529,871.49 | | | \$ (459,412.00) | \$ 367,532.51 | |
| (78,482.00) | - | 516,474.00 | - | 529,871.49 | - | 529,871.49 | - | - | (459,412.00) | 367,532.51 | - |
| | | 8,416.00 | | 7,328.53 | | 7,328.53 | | | (23,539.00) | 24,626.47 | |
| (10,491.00) | (51,705.00) 51,705.00 | 62,196.00 14,752.00 | | 75,456.96 | | 75,456.96 | | | (26,348.00) | 17,348.04 | |
| (10,491.00) | - | 76,948.00 | - | 75,456.96 | - | 75,456.96 | - | - | (26,348.00) | 17,348.04 | - |
| (4,692.00) | (10,156.00) 10,156.00 | 14,848.00 44,912.00 | | 60,396.89 | | 60,396.89 | | | (11,543.00) | 6,214.11 | |
| (4,692.00) | - | 59,760.00 | - | 60,396.89 | - | 60,396.89 | - | - | (11,543.00) | 6,214.11 | - |
| (2,383.00) | | \$ 2,383.00 | | | | | | | | | |
| (4,006.00) | | 3,795.00 28,549.00 | 211.00 | 45,294.12 | | 45,294.12 | | | (88,273.00) | 71,527.88 | |
| (4,006.00) | - | 32,344.00 | 211.00 | 45,294.12 | - | 45,294.12 | - | - | (88,273.00) | 71,527.88 | - |
| | | 576,040.00 159,937.00 | 438.00 | 677,132.44 160,375.00 | | 677,132.44 160,375.00 | | | (204,715.00) | 103,622.56 | |
| | | | | | | | | | (2,779,113.00) (178,349.00) (45,000.00) | 2,779,113.00 178,349.00 45,000.00 | |
| - | - | 735,977.00 | 438.00 | 837,507.44 | - | 837,507.44 | - | - | (3,207,177.00) | 3,106,084.56 | - |
| | | 138,681.00 4,746.00 | (37.21) | 108,734.40 5,008.79 | | 108,734.40 5,008.79 | | | (300.00) | | \$ 29,946.60 |
| - | - | 143,427.00 | (37.21) | 113,743.19 | - | 113,743.19 | - | - | (300.00) | - | 29,946.60 |
| 5,329.00 | (5,329.00) 5,329.00 | 11,336.00 | | 397,143.00 | | 397,143.00 | | | (388,351.00) | 7,873.00 | |
| 6,093.00 | (6,093.00) 6,093.00 | 7,973.00 | | 14,066.00 | | 14,066.00 | | | (6,320.00) | 6,320.00 | |
| 11,422.00 | - | 19,309.00 | - | 411,209.00 | - | 411,209.00 | - | - | (394,671.00) | 14,193.00 | - |
| (88,632.00) | - | 1,592,655.00 | 2,994.79 | 2,080,807.62 | - | 2,080,807.62 | - | - | (4,211,263.00) | 3,607,526.57 | 29,946.60 |
| | | | | 3,063.00 | | 3,063.00 | | | (3,063.00) | | |
| (16,849.00) | | 40,920.67 16,849.00 | | 40,920.67 | | 40,920.67 | | | | | |
| (10,590.80) | | 171,394.71 10,590.80 | | 55,794.44 342,204.68 | | 55,794.44 342,204.68 | | | (55,794.44) (170,809.97) | | |
| (27,439.80) | - | 239,755.18 | - | 438,919.79 | - | 438,919.79 | - | - | (226,604.41) | - | - |
| (27,439.80) | - | 239,755.18 | - | 441,982.79 | - | 441,982.79 | - | - | (229,667.41) | - | - |
| \$ (116,071.80) | \$ - | \$ 1,902,523.17 | \$ 2,994.79 | \$ 2,592,903.40 | \$ - | \$ 2,592,903.40 | \$ - | \$ - | \$ (4,440,930.41) | \$ 3,607,526.57 | \$ 29,946.60 |

PAULSBORO SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2021

| State Grantor/ Program or Cluster Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2020 | | |
|--|-------------------------------------|-------------------------------|--------------|----------|--|-------------------|--|
| | | | From | To | Unearned Revenue/ (Accounts Receivable) | Due to Grantor | |
| | | | | | | | |
| General Fund: | | | | | | | |
| New Jersey State Department of Education: | | | | | | | |
| Current Expense: | | | | | | | |
| State Aid - Public: | | | | | | | |
| Equalization Aid | 495-034-5120-078 | \$ 12,267,901.00 | 07-01-19 | 06-30-20 | \$ (1,156,916.14) | | |
| Equalization Aid | 495-034-5120-078 | 12,601,912.00 | 07-01-20 | 06-30-21 | | | |
| Categorical Aid Special Education Aid | 495-034-5120-089 | 715,226.00 | 07-01-19 | 06-30-20 | (67,448.91) | | |
| Categorical Aid Special Education Aid | 495-034-5120-089 | 715,226.00 | 07-01-20 | 06-30-21 | | | |
| Categorical Aid Security Aid | 495-034-5120-084 | 498,216.00 | 07-01-19 | 06-30-20 | (46,983.92) | | |
| Categorical Aid Security Aid | 495-034-5120-084 | 498,216.00 | 07-01-20 | 06-30-21 | | | |
| School Choice Aid | 495-034-5120-068 | 72,675.00 | 07-01-19 | 06-30-20 | (6,853.57) | | |
| School Choice Aid | 495-034-5120-068 | 36,670.00 | 07-01-20 | 06-30-21 | | | |
| Total State Aid - Public Cluster | | | | | (1,278,202.54) | - | |
| Transportation Aid: | | | | | | | |
| Categorical Transportation Aid | 495-034-5120-014 | 179,476.00 | 07-01-19 | 06-30-20 | (16,925.36) | | |
| Categorical Transportation Aid | 495-034-5120-014 | 179,476.00 | 07-01-20 | 06-30-21 | | | |
| Total Transportation Aid | | | | | (16,925.36) | - | |
| Extraordinary Aid | | | | | | | |
| Extraordinary Aid | 495-034-5120-044 | 277,929.00 | 07-01-19 | 06-30-20 | (277,929.00) | | |
| Extraordinary Aid | 495-034-5120-044 | 260,195.00 | 07-01-20 | 06-30-21 | | | |
| Total Extraordinary Aid | | | | | (277,929.00) | - | |
| Reimbursed TPAF Social Security Contributions | | | | | | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5094-003 | 553,140.36 | 07-01-19 | 06-30-20 | (30,074.48) | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5094-003 | 621,828.82 | 07-01-20 | 06-30-21 | | | |
| Total Reimbursed TPAF Social Security Contributions | | | | | (30,074.48) | - | |
| On-Behalf T.P.A.F. Pension Contributions - Post-Retirement | | | | | | | |
| Medical (non-budgeted) | 495-034-5094-001 | 715,537.00 | 07-01-20 | 06-30-21 | | | |
| On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted) | 495-034-5094-002 | 2,240,625.00 | 07-01-20 | 06-30-21 | | | |
| On-Behalf T.P.A.F. Non-contributory Insurance | 495-034-5094-004 | 42,631.00 | 07-01-20 | 06-30-21 | | | |
| On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted) | 495-034-5094-004 | 1,161.00 | 07-01-20 | 06-30-21 | | | |
| Total On-Behalf TPAF Pension Contributions (non-budgeted) | | | | | - | - | |
| Homeless Tuition Reimbursement Aid | | | | | | | |
| Homeless Tuition Reimbursement Aid | 495-034-5120-005 | 92,709.00 | 07-01-19 | 06-30-20 | (92,709.00) | | |
| Homeless Tuition Reimbursement Aid | 495-034-5120-005 | 37,390.00 | 07-01-20 | 06-30-21 | | | |
| Total Homeless Tuition Reimbursement Aid | | | | | (92,709.00) | - | |
| Total General Fund | | | | | (1,695,840.38) | - | |
| Special Revenue Fund: | | | | | | | |
| New Jersey Department of Education: | | | | | | | |
| Nonpublic Aid: | | | | | | | |
| Nursing Services | 100-034-5120-070 | 11,832.00 | 07-01-20 | 06-30-21 | | | |
| Textbook Aid (Ch. 194, L. 1977) | 100-034-5120-064 | 6,167.00 | 07-01-19 | 06-30-20 | \$ | 80.00 | |
| Textbook Aid (Ch. 194, L. 1977) | 100-034-5120-064 | 7,086.00 | 07-01-20 | 06-30-21 | | | |
| Total Textbook Aid (Ch. 194, L. 1977) | | | | | - | 80.00 | |
| Technology Initiative Aid | 100-034-5120-373 | 4,212.00 | 07-01-19 | 06-30-20 | | 12.00 | |
| Security | 100-034-5120-509 | 17,550.00 | 07-01-19 | 06-30-20 | | 17,550.00 | |
| Security | 100-034-5120-509 | 20,300.00 | 07-01-20 | 06-30-21 | | | |
| Total Security | | | | | - | 17,550.00 | |
| Auxiliary Services (Ch. 192, L. 1977) | | | | | | | |
| Home Instruction | 100-034-5120-067 | 1,449.00 | 07-01-20 | 06-30-21 | | | |
| Compensatory Education | 100-034-5120-067 | 36,504.00 | 07-01-19 | 06-30-20 | (2,420.00) | 4,705.00 | |
| Compensatory Education | 100-034-5120-067 | 45,287.00 | 07-01-20 | 06-30-21 | | | |
| English as a Second Language | 100-034-5120-067 | 4,963.00 | 07-01-19 | 06-30-20 | (1,763.00) | 331.00 | |
| English as a Second Language | 100-034-5120-067 | 4,441.00 | 07-01-20 | 06-30-21 | | | |
| Transportation | 100-034-5120-067 | 4,361.00 | 07-01-19 | 06-30-20 | (436.00) | 2,537.00 | |
| Transportation | 100-034-5120-067 | 5,329.00 | 07-01-20 | 06-30-21 | | | |
| Total Auxiliary Services (Ch. 192, L. 1977) | | | | | (4,619.00) | 7,573.00 | |
| Handicapped Services (Ch. 193, L. 1977) | | | | | | | |
| Corrective Speech | 100-034-5120-066 | 8,203.00 | 07-01-19 | 06-30-20 | (3,542.00) | 183.00 | |
| Corrective Speech | 100-034-5120-066 | 9,023.00 | 07-01-20 | 06-30-21 | | | |
| Examination and Classification | 100-034-5120-066 | 28,432.00 | 07-01-19 | 06-30-20 | (47.00) | 14,136.00 | |
| Examination and Classification | 100-034-5120-066 | 22,861.00 | 07-01-20 | 06-30-21 | | | |
| Supplementary Instruction | 100-034-5120-066 | 17,970.00 | 07-01-19 | 06-30-20 | (3,277.00) | 1,699.00 | |
| Supplementary Instruction | 100-034-5120-066 | 19,428.00 | 07-01-20 | 06-30-21 | | | |
| Total Handicapped Services (Ch. 193, L. 1977) | | | | | (6,866.00) | 16,018.00 | |
| Preschool Education Aid | | | | | | | |
| Preschool Education Aid | 495-034-5120-086 | 1,063,811.00 | 07-01-19 | 06-30-20 | 67,714.66 | | |
| Preschool Education Aid | 495-034-5120-086 | 692,725.00 | 07-01-18 | 06-30-19 | 147,288.00 | | |
| Preschool Education Aid | 495-034-5120-086 | 1,042,800.00 | 07-01-20 | 06-30-21 | | | |
| | | | | | 215,002.66 | - | |

| Carryover/ Walkover Amount | Cash Received | Adjustments (A) | Budgetary Expenditures | Passed Through to Subrecipients | Repayment of Prior Years' Balances | Balance at June 30, 2021 | | | Memo Only | |
|----------------------------------|------------------|-----------------|---------------------------|---------------------------------------|--|--------------------------|---------------------|-------------------|--|-------------------------------------|
| | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable June 30, 2021 | Cumulative Total Expenditures |
| | \$ 1,156,916.14 | | | | | | | | | |
| | 11,395,351.78 | | \$ 12,601,912.00 | | | \$ (1,206,560.22) | | | \$ (1,206,560.22) | \$ 12,601,912.00 |
| | 67,448.91 | | | | | | | | | |
| | 646,747.25 | | 715,226.00 | | | (68,478.75) | | | (68,478.75) | 715,226.00 |
| | 46,983.92 | | | | | | | | | |
| | 450,514.70 | | 498,216.00 | | | (47,701.30) | | | (47,701.30) | 498,216.00 |
| | 6,853.57 | | | | | | | | | |
| | 33,159.06 | | 36,670.00 | | | (3,510.94) | | | (3,510.94) | 36,670.00 |
| - | 13,803,975.33 | - | 13,852,024.00 | - | - | (1,326,251.21) | - | - | (1,326,251.21) | 13,852,024.00 |
| | 16,925.36 | | | | | | | | | |
| | 162,292.21 | | 179,476.00 | | | (17,183.79) | | | (17,183.79) | 179,476.00 |
| - | 179,217.57 | - | 179,476.00 | - | - | (17,183.79) | - | - | (17,183.79) | 179,476.00 |
| | 277,929.00 | | | | | | | | | |
| | | | 260,195.00 | | | (260,195.00) | | | | 260,195.00 |
| - | 277,929.00 | - | 260,195.00 | - | - | (260,195.00) | - | - | - | 260,195.00 |
| | 30,074.48 | | | | | | | | | |
| | 619,007.83 | | 621,828.82 | | | (2,820.99) | | | | 621,828.82 |
| - | 649,082.31 | - | 621,828.82 | - | - | (2,820.99) | - | - | - | 621,828.82 |
| | 715,537.00 | | 715,537.00 | | | | | | | 715,537.00 |
| | 2,240,625.00 | | 2,240,625.00 | | | | | | | 2,240,625.00 |
| | 42,631.00 | | 42,631.00 | | | | | | | 42,631.00 |
| | 1,161.00 | | 1,161.00 | | | | | | | 1,161.00 |
| - | 2,999,954.00 | - | 2,999,954.00 | - | - | - | - | - | - | 2,999,954.00 |
| | 92,709.00 | | | | | | | | | |
| | | | 37,390.00 | | | (37,390.00) | | | | 37,390.00 |
| - | 92,709.00 | - | 37,390.00 | - | - | (37,390.00) | - | - | - | 37,390.00 |
| - | 18,002,867.21 | - | 17,950,867.82 | - | - | (1,643,840.99) | - | - | (1,343,435.00) | 17,950,867.82 |
| | 11,832.00 | | 11,832.00 | | | | | | | 11,832.00 |
| | | | | | \$ 80.00 | | | | | |
| | 7,086.00 | | 7,064.00 | | | | \$ 22.00 | | | 7,064.00 |
| - | 7,086.00 | - | 7,064.00 | - | 80.00 | - | - | 22.00 | - | 7,064.00 |
| | | | | | 12.00 | | | | | |
| | | | | | 17,550.00 | | | | | |
| | 20,300.00 | | 3,972.00 | | | | 16,328.00 | | | 3,972.00 |
| - | 20,300.00 | - | 3,972.00 | - | 17,550.00 | - | - | 16,328.00 | - | 3,972.00 |
| | 2,420.00 | | 1,449.00 | | 4,705.00 | (1,449.00) | | | | 1,449.00 |
| | 45,287.00 | | 26,911.00 | | | | | 18,376.00 | | 26,911.00 |
| | 1,763.00 | | | | 331.00 | | | | | |
| | 4,441.00 | | 2,664.00 | | | | | 1,777.00 | | 2,664.00 |
| | 436.00 | | | | 2,537.00 | | | | | |
| | 5,329.00 | | 1,691.00 | | | | | 3,638.00 | | 1,691.00 |
| - | 59,676.00 | - | 32,715.00 | - | 7,573.00 | (1,449.00) | - | 23,791.00 | - | 32,715.00 |
| | 3,542.00 | | | | 183.00 | | | | | |
| | 9,023.00 | | 8,111.00 | | | | | 912.00 | | 8,111.00 |
| | 47.00 | | | | 14,136.00 | | | | | |
| | 22,861.00 | | 17,838.00 | | | | | 5,023.00 | | 17,838.00 |
| | 3,277.00 | | | | 1,699.00 | | | | | |
| | 19,428.00 | | 12,871.00 | | | | | 6,557.00 | | 12,871.00 |
| - | 58,178.00 | - | 38,820.00 | - | 16,018.00 | - | - | 12,492.00 | - | 38,820.00 |
| | 106,381.10 | | | | | | \$ 174,095.76 | | | |
| | 938,520.00 | | 975,282.25 | | | (104,280.00) | 147,288.00 | | (104,280.00) | 975,282.25 |
| - | 1,044,901.10 | - | 975,282.25 | - | - | (104,280.00) | 388,901.51 | - | (104,280.00) | 975,282.25 |

(Continued)

PAULSBORO SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2021

| State Grantor/ Program or Cluster Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2020 | |
|---|-------------------------------------|-------------------------------|--------------|------------|--|-------------------|
| | | | From | To | Unearned Revenue/ (Accounts Receivable) | Due to Grantor |
| Special Revenue Fund (Continued): | | | | | | |
| Improving Literacy Achievement | Unavailable | \$ 20,000.00 | 07-01-13 | 06-30-14 | \$ (14,241.65) | |
| School Security Grant | 20E00386 | 62,581.00 | 07-01-20 | 06-30-22 | | |
| Total Special Revenue Fund | | | | | 189,276.01 | \$ 41,233.00 |
| Capital Projects Fund: | | | | | | |
| New Jersey Economic Development Authority: | | | | | | |
| School Development Authority | 4020-050-14-1001 | 2,689,435.00 | 06-02-15 | Completion | (273,710.19) | |
| School Development Authority | 4020-050-14-1002 | 520,153.00 | 06-02-15 | Completion | (24,411.45) | |
| School Development Authority | 4020-050-14-1003 | 1,781,882.00 | 06-02-15 | Completion | (166,786.94) | |
| Total Capital Projects Fund | | | | | (464,908.58) | - |
| Enterprise Fund: | | | | | | |
| State School Lunch Aid | 100-010-3350-023 | 8,990.40 | 07-01-19 | 06-30-20 | (2,413.04) | |
| Total Enterprise Fund | | | | | (2,413.04) | - |
| Total State Financial Assistance | | | | | (1,973,885.99) | 41,233.00 |
| Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit: | | | | | | |
| General Fund (Non-Cash Assistance): | | | | | | |
| New Jersey Department of Education: | | | | | | |
| On-Behalf Contributions: | | | | | | |
| On-Behalf T.P.A.F. Pension Contributions - Post-Retirement | | | | | | |
| Medical (non-budgeted) | 495-034-5094-001 | 715,537.00 | 07-01-20 | 06-30-21 | | |
| On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted) | 495-034-5094-002 | 2,240,625.00 | 07-01-20 | 06-30-21 | | |
| On-Behalf T.P.A.F. Non-contributory Insurance | 495-034-5094-004 | 42,631.00 | 07-01-20 | 06-30-21 | | |
| On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability | | | | | | |
| Insurance (non-budgeted) | 495-034-5094-004 | 1,161.00 | 07-01-20 | 06-30-21 | | |
| Total On-Behalf TPAF Pension Contributions (non-budgeted) | | | | | - | - |
| Total State Financial Assistance | | | | | \$ (1,973,885.99) | \$ 41,233.00 |

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

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

| Carryover/ Walkover Amount | Cash Received | Adjustments (A) | Budgetary Expenditures | Passed Through to Subrecipients | Repayment of Prior Years' Balances | Balance at June 30, 2021 | | | Memo Only | |
|----------------------------------|------------------|-----------------|---------------------------|---------------------------------------|--|--------------------------|---------------------|-------------------|--|-------------------------------------|
| | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable June 30, 2021 | Cumulative Total Expenditures |
| | | | | | | \$ (14,241.65) | | | | |
| | | | | | | (62,581.00) | \$ 62,581.00 | | | |
| - | \$ 1,201,973.10 | - | \$ 1,069,685.25 | - | \$ 41,233.00 | (182,551.65) | 451,482.51 | \$ 52,633.00 | \$ (104,280.00) | \$ 1,069,685.25 |
| | | | 444,491.75 | | | (718,201.94) | | | | 1,793,975.94 |
| | | | 240,315.00 | | | (264,726.45) | | | | 472,787.65 |
| | | | 145,955.43 | | | (312,742.37) | | | | 1,025,495.17 |
| - | - | - | 830,762.18 | - | - | (1,295,670.76) | - | - | - | 3,292,258.76 |
| | 2,413.04 | | | | | | | | | |
| - | 2,413.04 | - | - | - | - | - | - | - | - | - |
| - | 19,207,253.35 | - | 19,851,315.25 | - | 41,233.00 | (3,122,063.40) | 451,482.51 | 52,633.00 | (1,447,715.00) | 22,312,811.83 |
| | 715,537.00 | | 715,537.00 | | | | | | | 715,537.00 |
| | 2,240,625.00 | | 2,240,625.00 | | | | | | | 2,240,625.00 |
| | 42,631.00 | | 42,631.00 | | | | | | | 42,631.00 |
| | 1,161.00 | | 1,161.00 | | | | | | | 1,161.00 |
| - | 2,999,954.00 | - | 2,999,954.00 | - | - | - | - | - | - | 2,999,954.00 |
| \$ - | \$ 16,207,299.35 | \$ - | \$ 16,851,361.25 | \$ - | \$ 41,233.00 | \$ (3,122,063.40) | \$ 451,482.51 | \$ 52,633.00 | \$ (1,447,715.00) | \$ 19,312,857.83 |

PAULSBORO SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$48,307.10 for the general fund and \$54,985.21 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|------------------------|-------------------------|-------------------------|
| General | \$ 70,112.99 | \$ 17,902,560.72 | \$ 17,972,673.71 |
| Special Revenue | 2,039,368.09 | 1,160,419.57 | 3,199,787.66 |
| Capital Projects | | 830,762.18 | 830,762.18 |
| Food Service | 441,982.79 | | 441,982.79 |
| | <u>2,551,463.87</u> | <u>19,893,742.47</u> | <u>22,445,206.34</u> |
| GAAP Basis Revenues | | | |
| GAAP Adjustments: | | | |
| State Aid Payments | | (58,074.00) | (58,074.00) |
| Encumbrances | 41,439.53 | 15,646.78 | 57,086.31 |
| | <u>41,439.53</u> | <u>(42,427.22)</u> | <u>(987.69)</u> |
| Net GAAP Adjustments | | | |
| | <u>41,439.53</u> | <u>(42,427.22)</u> | <u>(987.69)</u> |
| Total Awards and Financial Assistance Expended | <u>\$ 2,592,903.40</u> | <u>\$ 19,851,315.25</u> | <u>\$ 22,444,218.65</u> |

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

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

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2021, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

PAULSBORO SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2021

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified? _____ yes x none reported

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

Any audit findings disclosed that are required to be reported in
 accordance with New Jersey Circular 15-08-OMB? _____ x _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

495-034-5120-078

State Aid - Public:

Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

495-034-5120-068

School Choice Aid

495-034-5094-003

Reimbursed TPAF Social Security Contributions

4020-050-14-1001/1002/1003

School Development Authority

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

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2021-001

Criteria or Specific Requirement

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

Condition

The School District's general ledger was not properly maintained. Material adjustments were required to properly reflect the School District's financial position as of June 30, 2021.

Context

Our review of the accounting records revealed the following:

1. The general ledger was not reconciled to subsidiary records for various accounts.
2. The capital projects budget report is not detailed by project and related expenditure detail per the audit.
3. Various accounts payable could not be substantiated. As a result, the accounts payable required an adjustment to cancel the items without substantiation.

Effect or Potential Effect

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

Cause

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

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Finding No. 2021-002

Criteria or Specific Requirement

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

Condition

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

Context

Formal bank reconciliations were not prepared by fiscal year-end for the warrant, current, capital projects and payroll agency accounts and balances did not agree to the general ledger.

Effect or Potential Effect

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

Cause

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

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Finding No. 2021-003

Criteria or Specific Requirement

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

Condition

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

Context

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

1. Task specific documentation for split salaries charged to required maintenance was not available.
2. Several administrators' salaries were not fully charged to administration functions with no supporting documentation for split salaries.
3. An analysis of payroll deductions payable was not maintained.

Effect or Potential Effect

Inaccurate reporting of payroll activity could occur.

Cause

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

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

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

Finding No. 2021-004

Information on the State Program

State Aid Public:

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

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

None.

Context

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

Effect or Potential Effect

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

Cause

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

Identification as a Repeat Finding

Prior Year Finding No. 2020-007

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Finding No. 2021-005

Information on the State Program

State Aid Public:

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

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

None.

Context

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

1. Written procedures related to the Application were not available.
2. The reported numbers for on-roll students do not agree to School District work-papers (net difference of 4).
3. Choice student applications and notice of intent to enroll forms could not be located for five of five students tested.

Effect or Potential Effect

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

Cause

There was a change in personnel in the business office and as a result, information used to prepare the ASSA report was not readily available.

Identification as a Repeat Finding

Prior Year Finding No. 2020-009

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Finding No. 2021-006

Information on the State Program

State Aid Public:

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

Criteria or Specific Requirement

Special Tests and Provisions - The Board Secretary and Treasurer of School Moneys of a school district must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 and N.J.S.A. 18A:17-36.

Condition

Not all required Board Secretary and Treasurer reports were prepared, reconciled and submitted by applicable due dates.

Questioned Costs

None.

Context

1. The Board Secretary and Treasurer reports were not prepared within 60 days after December.
2. The Board Secretary and Treasurer reports were not in agreement and did not agree with the financial records of the School District.
3. The Treasurer reports were not prepared in the statutory prescribed method.

Effect or Potential Effect

The School District did not fully comply with applicable statutes and regulations.

Cause

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

Identification as a Repeat Finding

Not applicable.

Recommendation

That the Board Secretary and Treasurer reports be in agreement and filed by the applicable due dates.

View of Responsible Officials and Planned Corrective Action

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

PAULSBORO SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Finding No. 2021-007

Information on the State Program

State Aid Public:

Equalization Aid (GMIS No. 495-034-5120-078)

Special Education Categorical Aid (GMIS No. 495-034-5120-089)

Security Aid (GMIS No. 495-034-5120-084)

School Choice Aid (GMIS No. 495-034-5120-068)

Criteria or Specific Requirement

Special Tests and Provisions – A school district board of education shall not incur any obligation or approve any payment in excess of the amount appropriated by the district board of education in an applicable line item account in accordance with N.J.A.C. 6A:23A-16.10.

Condition

The Board of Education did not approve the Board Secretary's certification that there were no overexpenditures and the Board did not approve transfer of applicable line items in the current fund budget for three months during the fiscal year.

Questioned Costs

None.

Context

Although no applicable line items in the current fund budget were overexpended for the year ended June 30, 2021, the Board of Education may not have been aware of any overexpended budgetary line items as the certification by the Board Secretary to the Board of Education was omitted from the monthly minutes.

In addition, three months of applicable line items in the current fund budget appropriations were omitted from the monthly minutes.

Effect or Potential Effect

The School District did not fully comply with applicable statutes and regulations.

Cause

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

Identification as a Repeat Finding

Not applicable.

Recommendation

That the minutes of the Board of Education reflect the required Board Secretary certifications and include all transfers of applicable line items in the current fund budget appropriations.

View of Responsible Officials and Planned Corrective Action

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

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

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

FINANCIAL STATEMENT FINDINGS**Finding No. 2020-001****Condition**

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

Current Status

This condition still exists. See Finding 2021-001.

Planned Corrective Action

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

Finding No. 2020-002**Condition**

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

Current Status

This condition still exists. See Finding 2021-002.

Planned Corrective Action

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

Finding No. 2020-003**Condition**

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

Current Status

This condition has been resolved.

Planned Corrective Action

Not applicable.

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

FINANCIAL STATEMENT FINDINGS (CONT'D)**Finding No. 2020-004****Condition**

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

Current Status

This condition has been partially resolved. See Finding 2021-003.

Planned Corrective Action

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

FEDERAL AWARDS**Finding No. 2020-005****Program**

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

Condition

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

Current Status

This condition has been resolved.

Planned Corrective Action

Not applicable.

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

STATE FINANCIAL ASSISTANCE PROGRAMS**Finding No. 2020-006****Program**

State Aid Public:

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

Condition

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

Current Status

This condition has been resolved.

Planned Corrective Action

Not applicable.

Finding No. 2020-007**Program**

State Aid Public:

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

Condition

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

Current Status

This condition still exists. See Finding 2021-004.

Planned Corrective Action

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

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

STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)**Finding No. 2020-008****Program**

State Aid Public:

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

Condition

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

Current Status

This condition has been resolved.

Planned Corrective Action

Not applicable.

Finding No. 2020-009**Program**

State Aid Public:

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

Condition

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

Current Status

This condition still exists. See Finding 2021-005.

Planned Corrective Action

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