

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Penns Grove, New Jersey
County of Salem

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

PENNS GROVE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Penns Grove-Carneys Point Regional School District
Finance Department**

OUTLINE OF CAFR - GASB #34

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	9
Roster of Officials	11
Consultants and Advisors	13
FINANCIAL SECTION	
Independent Auditors' Report	17
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	23
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	35
A-2 Statement of Activities	36
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	43
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	44
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	45
Proprietary Funds:	
B-4 Statement of Net Position	49
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	50
B-6 Statement of Cash Flows	51
Notes to Financial Statements	55
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	97
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	104
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	107

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	113
L-2 Schedule of District Contributions - PERS	114
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	115
L-4 Schedule of School District Contributions	116
M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75):	
M-1 Schedule of Change in the Net OPEB Liability and Related Ratios - OPEB	119
Notes to the Required Supplementary Information - Part III	120
D. School Based Budget Schedules Fund:	
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 & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	127
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	130
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	133
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	134
F-2a-b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	135-136
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	141
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	142
G-3 Combining Statement of Cash Flows	143
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	147
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	148
I-4 Debt Service Fund Schedule of Compensated Absences	149

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	153
J-2 Changes in Net Position	154
J-3 Fund Balances - Governmental Funds	157
J-4 Changes in Fund Balance - Governmental Funds	158
J-5 Other Local Revenue by Source - General Fund	160
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	161
J-7 Direct & Overlapping Property Tax Rates	162
J-8 Principal Property Taxpayers	163
J-9 Property Tax Levies & Collections	164
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	165
J-11 Ratios of General Bonded Debt Outstanding	166
J-12 Direct & Overlapping Governmental Activities Debt	167
J-13 Legal Debt Margin Information	168
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	169
J-15 Principal Employers	170
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	171
J-17 Operating Statistics	172
J-18 School Building Information	173
J-19 Schedule of Required Maintenance	174
J-20 Insurance Schedule	175

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	179
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	181
K-3 Schedule of Expenditures of Federal Awards, Schedule A	185
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	186
K-5 Notes to Schedules of Awards and Financial Assistance	187
K-6 Schedule of Findings & Questioned Costs	189
K-7 Summary Schedule of Prior Audit Findings	196

This page intentionally left blank

INTRODUCTORY SECTION

This page intentionally left blank.

Penns Grove – Carneys Point Regional School District

ADMINISTRATIVE OFFICES

100 IONA AVENUE

PENNS GROVE, NJ 08069-2057

ZENAIDA COBIAN, ED.D.
SUPERINTENDENT OF SCHOOLS
(856) 299-4250, EXT. 1120
zcobian@pgcpschools.org
FAX: (856) 299-7921

CHRISTOPHER DESTRATIS
SCHOOL BUSINESS ADMINISTRATOR
(856) 299-4250, EXT. 1111
cdestratis@pgcpschools.org
FAX: (856) 299-5226

May 16, 2022

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Penns Grove-Carneys Point Regional School 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 Penns Grove-Carneys Point Regional School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Our Mission – Building a School Community of Leaders and Achievers

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

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

General

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

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

Facilities

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

Staff

The faculty and staff for the School District consists of a superintendent, a business administrator, six directors, five principals, three assistant principals and a staff of 191 teachers/professional positions serving a total enrollment of 2,188 students, as of June, 2021. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 46 instructional and non-instructional aides, 23 cafeteria workers, 20 full-time secretaries, 24 maintenance/custodial staff, and 4 technology staff.

Our Mission – Building a School Community of Leaders and Achievers

ECONOMIC CONDITION AND OUTLOOK

Within the District are several large industries which provide tax ratable properties and jobs to the municipalities. We are not aware of any major changes at this time that would significantly impact School District enrollment.

MAJOR INITIATIVES

1. District Statement of Priorities

- Maintaining Our School System

(11-190-100-610, \$344k) Replacement of Chromebooks with Google Chrome Management Centers district wide. Replacement of Promethean Boards and computer parts district wide.

(11-190-100-500, \$283k) Cover the Internet connectivity, district-wide licensing, repair and replacement of major appliances and servers in the district to serve the computers used in district for assessment and instruction. DW licenses on curricular programs and student data software.

- Raising Standards and Expanding Opportunities

(11-000-266-100, \$340k) Four new teaching staff members in the areas of special education, bilingual and world languages. Expanding the technology department including a Chief Informational Office and two computer technicians. (11-000-266-100, \$150k) Three new security guards at the elementary schools. KDNF Security Services to oversee the hallways and facilities in the high school. Adding three facilities crew members and one night shift foreman.

(20-231-200-103, \$86k) Continuation of the ACHIEVE BEYOND Program for at-risk High School students to complete the NJDOE mandated requirements for graduation.

- Building Professionalism

(11-000-223-590 and 11-000-223-320, \$13k) Contracted services providers to provide professional development to teachers in the areas of data analysis, NJ Learning Standards, assessment, and best practices in classroom instruction.

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

During the 2021-2022 fiscal year, Penns Grove - Carneys Point Regional School District will complete several facility renovations, which will provide students and stakeholders with a safe, secure and clean learning environment. Some of the accounts and descriptions of the items included in the budget are as follows: 12-000-261-730 - includes items for the maintenance department to efficiently and effectively maintain the building, such as the purchase of a new 15-foot lawn mower and various grounds maintenance equipment to replace aging items.

Also, included in the budget is a replacement score board and the high school marquee, which will support PG CPRSD athletic program and community. 12-000-400-450 - includes the cost of facility upgrades to address safety and indoor air quality issues within the district schools. Some of the construction projects planned for FY 21-22 include carpet and floors replacement throughout the district school buildings, security vestibules for the high school and the middle school, replacement of deteriorated

parking lots and sidewalks and the replacement of exterior bleachers at the middle school.

- CARES Act - Response to Pandemic and Reopening Schools

The CARES Act monies received from the Department were used to support student technology at the home including Chromebooks and hotspots for internet access. Additionally, monies were used for PPE such as facemasks, gloves and other supplies for custodial and professional staff. Dividers, signage, and other social distancing measures were supported with purchases during the FY21. FY22 monies continue to support the same, plus HVAC, plumbing, and other improvements to facilitate a safer and cleaner education environment.

- Planning for the Future

Continuation of the early College Program for the incoming Ninth Grade students. The program will offer students the opportunity to take college coursework that will allow the student to graduate with a high school diploma and a Associates degree in the School of Studies area. Students will have the choice of five (5) School of Studies: School of Medicine, School of Criminal Justice, School of Music and Performing Arts, School of Computer Science, and School of Liberal Arts. Expanding the Environmental Center at the Penns Grove High School with the creation of an Aquaponics Laboratory.

2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the New Jersey Student Learning Standards in the 2020-2021 school year.

Content Standards

New Programs/Enhancements

Math

(11-190-100-640, \$34k) Third payment of a three year deferred option to McGraw Hill for the Reveal for Middle School and High School. Math learning thrives on exploration, conversation, and reflection. Reveal Math is a complete K-12 core math program built on contemporary academic research and designed so all students can succeed in mathematics.

Science

(11-190-100-640, \$2500) Use of online text for LabAids at the Penns Grove Middle School. LabAids is the school adopted science program for teaching and learning.

Language Arts Literacy

(11-190-100-640, \$285k) Kindergarten to Grade 5 - Implementation of the selected program will take place for the 2021-2022 school year and will be implemented in phases, depending on the approved, TBD.

Social Studies

A new Financial Literacy Program is being utilized to enhance student engagement in Financial Literacy standards.

21st Century Life and Careers

The Early College High School Program through the Carver Foundation continues to expand access for all students at the Penns Grove High School, with first steps established at the middle school, to create a pathway to college.

Visual and Performing Arts

As a component of the Early College High School program, more students will be engaged in electives in the arts.

Comprehensive Health and Physical Education

To promote Health and Wellness, technology enhancements have been added to middle school Physical education to provide 21st century skills into health.

World Languages

Students at the elementary and middle school level have access to Spanish instruction. In 2020-2021 high school students were introduced to Latin, along with Spanish and French. Latin will be expanded as students can take additional years of the language.

Technological Literacy

Technology literacy is integrated throughout the curriculum. As a result of the pandemic, the school district is at a student to device ratio of 1:1. With this added technology, priority goals per grade level continue to shift with the New Jersey Student Learning standards.

INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the district also 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. This internal control structure is also subject to periodic evaluations by the district management.

As part of the 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 and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

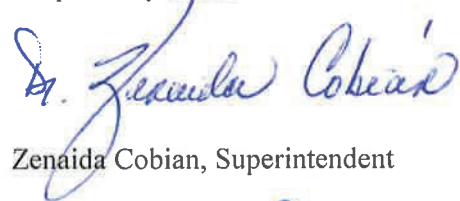
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



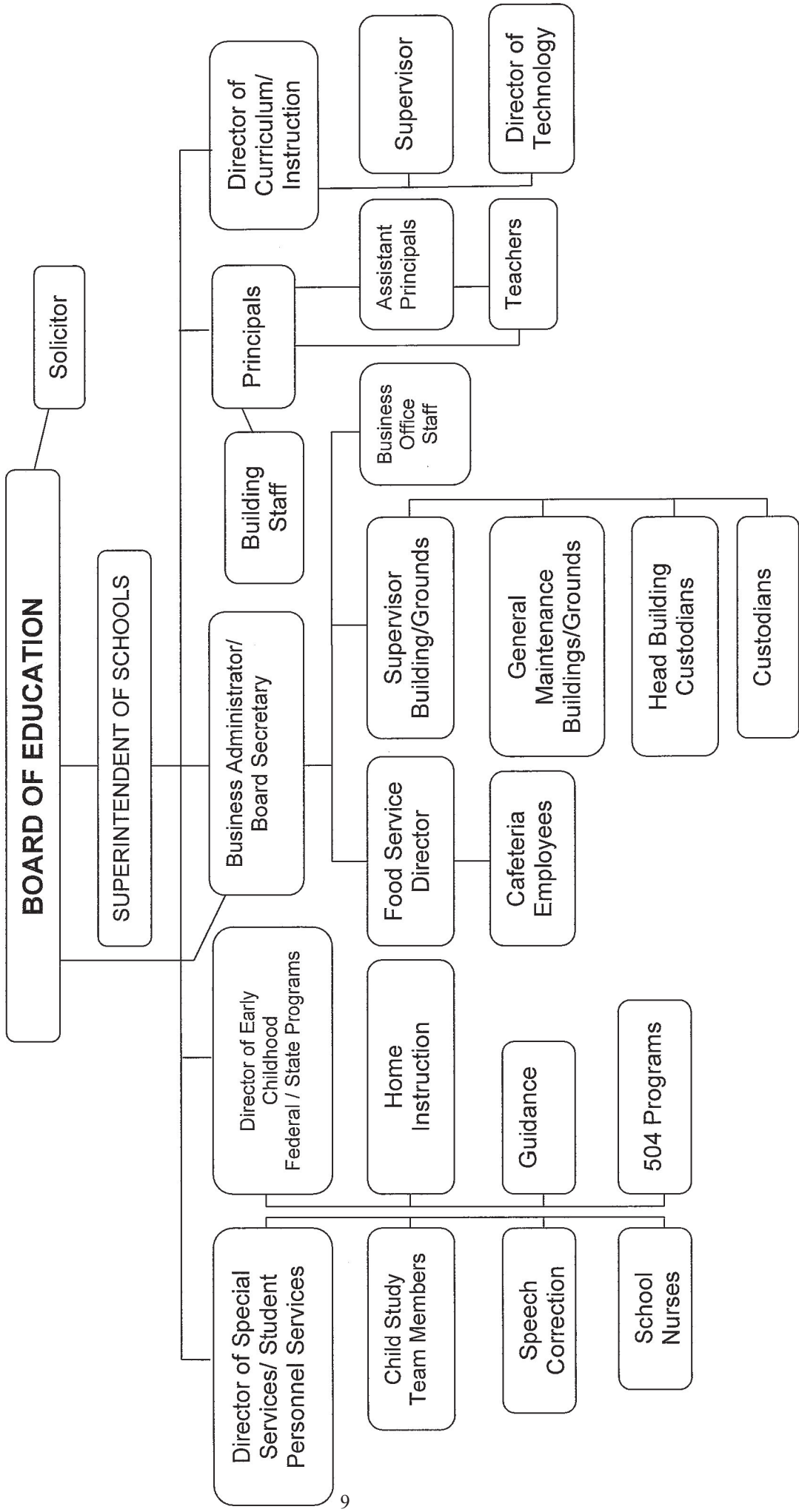
Zenaida Cobian, Superintendent



Christopher DeStratis, School Business Administrator/Board Secretary

This page intentionally left blank

Penns Grove – Carneys Point Regional School District



This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Vicki Smith, President	2022
Teresa Walker, Vice President	2023
Jeanette Harbeson	2021
John L. Ashcraft	2023
Stephan Jones	2022
Ginger Sackes	2021
Shamek Turner	2022
Marcia Smith	2021
Fred Tomarchio	2021

OTHER OFFICIALS

- Dr. Zenaida Cobian - Superintendent
- Christopher DeStratis - Business Administrator
- Mark G. Toscano, Esq. - Solicitor

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PENNS GROVE, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
14000F Commerce Parkway
Mount Laurel, New Jersey 08054

AUDIT FIRM

Michael Holt, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

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

BOND COUNSEL

McManimon & Scotland and Baumann, LLC
One Riverfront Plaza, 4th Floor
Newark, New Jersey 07102

FISCAL AGENT

Depository Trust
Chase Manhattan Bank N.A.
55 Water Street
New York, New York 10041

OFFICIAL DEPOSITORY

Pennsville National Bank
PO Box 345
Pennsville, New Jersey 08070

Fulton Bank of New Jersey
221 Shell Road
Carneys Point, New Jersey 08069

FINANCIAL ADVISORS

Phoenix Advisors, LLC
4 West Park Street
Bordentown, New Jersey 08505

This page intentionally left blank

FINANCIAL SECTION

This page intentionally left blank.



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District, County of Salem, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements 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 District'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 District'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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Opinions

Basis for Qualified Opinion

As discussed in Note 5 to the financial statement, audit evidence could not be obtained for capital asset balances other than machinery and equipment. Due to the material nature of capital assets to the district-wide financial statements, the final balances may be materially misstated.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified 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, each major fund and the aggregate remaining fund information of the Penns Grove-Carney's Point Regional School District, County of Salem, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

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

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a correction for GASB Statement No. 68, fund balance as of July 1, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a revaluation of machinery and equipment capital assets, fund balance as of July 1, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 21 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, and the schedules related to accounting and reporting for pensions & other post-employment benefits, 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 Penns Grove-Carneys Point Regional School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the 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 combining and individual fund statements and long-term debt schedules and the 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2022 on our consideration of the 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 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 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

A handwritten signature in black ink that reads "Michael Holt". The signature is written in a cursive, flowing style.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
May 18, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

This page intentionally left blank.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Penns Grove Carneys Point Regional School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, and Debt Service Fun. Business-type activities reflect the Food Service Fund and Academy Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains three individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The fund financial statements of the enterprise funds provide the same information as the government-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and Academy Program) are listed individually and are considered to be major funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The School District also has a restatement of deferred inflows/outflows related to pension (GASB 68) and a restatement of capital assets. These resulted in a restatement of the School District's opening net position as of July 1, 2020 in the amount of \$888,985, as indicated in Note 21 to the Financial Statements.

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 16,880,978	\$ 14,148,453	\$ 2,732,525	19.3%
Capital Assets, Net	<u>35,598,095</u>	<u>34,662,209</u>	935,886	2.7%
Total Assets	<u>52,479,073</u>	<u>48,810,662</u>	3,668,411	7.5%
Deferred Outflow of Resources	<u>1,408,868</u>	<u>1,884,553</u>	(475,685)	-25.2%
Current and other Liabilities	3,044,256	9,240,232	(6,195,976)	-67.1%
Noncurrent Liabilities	<u>21,506,131</u>	<u>16,288,911</u>	5,217,220	32.0%
Total Liabilities	<u>24,550,387</u>	<u>25,529,143</u>	(978,756)	-3.8%
Deferred Inflow of Resources	<u>5,027,651</u>	<u>4,888,353</u>	139,298	2.8%
Net Position:				
Net Investment in Capital Assets	30,678,095	29,382,209	1,295,886	4.4%
Restricted	6,190,665	5,573,915	616,750	11.1%
Unrestricted (Deficit)	<u>(12,558,857)</u>	<u>(14,678,405)</u>	2,119,548	-14.4%
Total Net Position	<u>\$ 24,309,903</u>	<u>\$ 20,277,719</u>	<u>\$ 4,032,184</u>	19.9%

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 313,260	\$ 1,569,025	\$ (1,255,765)	-80.0%
Operating Grants & Contributions	16,450,546	6,878,595	9,571,951	139.2%
General Revenues:				
Property Taxes	11,243,445	11,427,627	(184,182)	-1.6%
Federal & State Aid	25,365,722	30,484,343	(5,118,621)	-16.8%
Tuition	369,487	-	369,487	
Other General Revenues	49,960	(50,512)	100,472	-198.9%
Total Revenues	<u>53,792,420</u>	<u>50,309,078</u>	<u>3,483,342</u>	6.9%
Function/Program Expenditures:				
Regular Instruction	9,191,472	11,824,389	(2,632,917)	-22.3%
Special Education Instruction	5,913,171	3,481,695	2,431,476	69.8%
Other Instruction	1,275,747	1,297,473	(21,726)	-1.7%
Tuition	2,734,279	2,616,056	118,223	4.5%
Student & Instruction Related Services	3,205,138	3,045,212	159,926	5.3%
Other Administrative Services	1,568,029	2,082,263	(514,234)	-24.7%
School Administrative Services	1,420,608	1,581,367	(160,759)	-10.2%
Central Services	649,502	-	649,502	
Administrative Info. Technology	281,628	-	281,628	
Plant Operations & Maintenance	3,080,913	3,190,033	(109,120)	-3.4%
Pupil Transportation	1,761,403	2,186,392	(424,989)	-19.4%
Unallocated Benefits	17,636,477	14,575,393	3,061,084	21.0%
Transfer to Charter Schools	77,002	-	77,002	
Interest & Other Charges	212,491	205,485	7,006	3.4%
Unallocated Depreciation	679,916	-	679,916	
Food Service	922,223	1,216,763	(294,540)	-24.2%
Academy Program	39,222	25,815	13,407	100.0%
Total Expenditures	<u>50,649,221</u>	<u>47,328,336</u>	<u>3,320,885</u>	7.0%
Change In Net Position	3,143,199	2,980,742	162,457	5.5%
Net Position - Beginning (restated)	<u>21,166,704</u>	<u>17,296,977</u>	<u>3,869,727</u>	
Net Position - Ending	<u>\$ 24,309,903</u>	<u>\$ 20,277,719</u>	<u>\$ 4,032,184</u>	19.9%

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$3,039,609 or 15.5%. The primary reason for the increase was an increase in grant revenue.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$22,649,102, with an unrestricted deficit balance of \$(13,998,377). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(13,998,377)
Add back: PERS Pension Liability		8,638,125
Less: Deferred Outflows related to pensions		(1,408,868)
Add back: Deferred Inflows related to pensions		5,027,651
Unrestricted Net Position (Without GASB 68)	\$	(1,741,469)

Business-type Activities

During the fiscal year 2021, the net position of business-type activities increased by \$103,590.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$1,660,801.

General Fund Budgeting Highlights

Final budgeted revenues were \$36,969,355, which was a decrease of \$1,297,798 from the original budget. Excluding non-budgeted revenues, the School District’s budgeted revenues exceeded actual revenues by \$403,154.

Final budgeted appropriations were \$39,361,310, which was a decrease of \$705,843 from the original budget. Excluding non-budgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$4,809,313.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$7,934,054 at June 30, 2021, an increase of \$2,014,123 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$5,889,982, an increase of \$1,966,560 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$1,953,186 to \$5,593,186 at June 30, 2021, compared to an increase of \$1,846,842 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund were as follows:

- Unspent budget appropriations

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund increased by \$13,374 to \$1,431 at June 30, 2021, compared to an increase of \$7,542 in the prior year

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Capital projects fund – There was no change in the fund balance for the capital projects fund balance of \$295,365.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund decreased by \$156,631 to \$679,319 at June 30, 2021, compared to a increase of \$175,175 in fund balance in the prior fiscal year.

Academy program fund - During the current fiscal year, the net position of the School District’s academy program fund increased by \$260,221 to \$981,482 at June 30, 2021, compared to an increase of \$346,000 in fund balance in the prior fiscal year.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$35,598,095 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$935,886. This increase is primarily due to the current year additions in Equipment. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 1,280,600	\$ 1,280,600	\$ -	0.0%
Construction in Progress	14,643,240	14,643,240	-	0.0%
Land Improvements	119,076	121,917	(2,841)	-2.3%
Building and Improvements	17,547,383	18,184,560	(637,177)	-3.5%
Equipment	2,007,796	431,892	1,575,904	364.9%
	<u>\$ 35,598,095</u>	<u>\$ 34,662,209</u>	<u>\$ 935,886</u>	<u>2.7%</u>

Net depreciation expense for the year was \$710,380. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$4,920,000.00, which is a decrease of \$360,000 from the prior year.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

PENNS GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Factors on the School District's Future

For the 2020-21 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 25% of total revenue is from local tax levy and 74% of the District's revenue is from federal and state aid. One of the most important factors affecting the Penns Grove-Carneys Point Regional School District's budget is its enrollment. The 2021-22 budget was adopted in March of 2021 based in part on the state education aid the School District anticipated receiving. The aid was based on the States projected enrollment for the District on October 15, 2020. The Penns Grove-Carneys Point Regional School District anticipates a slight increase in enrollment for the 2021-22 fiscal year.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Christopher DeStratis, Business Administrator at the address below or visit our website at www.pgcpschools.org

Penns Grove - Carneys Point Regional School District
100 Iona Ave
Penns Grove NJ, 08069
856-299-4250

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

A. District-Wide Financial Statements

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,727,803	\$ 3,272	\$ 3,731,075
Receivables, Net (Note 4)	10,210,745	47,944	10,258,689
Internal Balances	(1,379,239)	1,379,239	-
Inventory	-	16,957	16,957
Restricted Cash & Cash Equivalents	2,874,257	-	2,874,257
Capital Assets, Net (Note 5):			
Non-Depreciable	15,923,840	-	15,923,840
Depreciable	19,452,974	221,281	19,674,255
Total Assets	50,810,380	1,668,693	52,479,073
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 9)	1,408,868	-	1,408,868
Total Deferred Outflow of Resources	1,408,868	-	1,408,868
Total Assets and Deferred Outflow of Resources	52,219,248	1,668,693	53,887,941
LIABILITIES			
Accounts Payable	487,368	-	487,368
Grant Anticipation Note	7,158,000	-	7,158,000
Premium on Grant Anticipation Note	91,440	-	91,440
Accrued Interest Payable	50,875	-	50,875
Due to Other Governments	600,033	-	600,033
Unearned Revenue	1,297,352	5,344	1,302,696
Payroll Deductions and Withholdings Payable	509,296	-	509,296
Noncurrent Liabilities (Note 7):			
Due Within One Year	360,000	-	360,000
Due Beyond One Year	13,988,131	2,548	13,990,679
Total Liabilities	24,542,495	7,892	24,550,387
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 9)	5,027,651	-	5,027,651
Total Deferred Inflow of Resources	5,027,651	-	5,027,651
Total Liabilities and Deferred Inflow of Resources	29,570,146	7,892	29,578,038
NET POSITION			
Net Investment in Capital Assets	30,456,814	221,281	30,678,095
Restricted For:			
Capital Projects	2,569,253	-	2,569,253
Excess Surplus	2,948,596	-	2,948,596
Maintenance Reserve	318,877	-	318,877
Unemployment Reserve	281,492	-	281,492
Student Activities	72,447	-	72,447
Unrestricted	(13,998,377)	1,439,520	(12,558,857)
Total Net Position	\$ 22,649,102	\$ 1,660,801	\$ 24,309,903

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES			
Governmental Activities:								
Instruction:								
Regular	\$ 9,191,472	\$ -	\$ -	\$ (9,191,472)	\$ -	\$ -	\$ (9,191,472)	
Special Education	5,913,171	-	2,440,290	(3,472,881)	-	-	(3,472,881)	
Other Instruction	1,275,747	-	-	(1,275,747)	-	-	(1,275,747)	
Support Services:								
Tuition	2,734,279	-	-	(2,734,279)	-	-	(2,734,279)	
Student & Instruction Related Services	3,205,138	-	1,107,197	(2,097,941)	-	-	(2,097,941)	
Health Services	305,471	-	-	(305,471)	-	-	(305,471)	
Educational Media Services/School Library	270,531	-	-	(270,531)	-	-	(270,531)	
School Administrative Services	1,420,608	-	-	(1,420,608)	-	-	(1,420,608)	
General Administration	992,027	-	-	(992,027)	-	-	(992,027)	
Central Services	649,502	-	-	(649,502)	-	-	(649,502)	
Administrative Information Technology	281,628	-	-	(281,628)	-	-	(281,628)	
Plant Operations & Maintenance	3,080,913	-	-	(3,080,913)	-	-	(3,080,913)	
Pupil Transportation	1,761,403	-	-	(1,761,403)	-	-	(1,761,403)	
Unallocated Benefits	17,636,477	-	12,151,290	(5,485,187)	-	-	(5,485,187)	
Transfer to Charter Schools	77,002	-	-	(77,002)	-	-	(77,002)	
Interest and Charges on Long-Term Debt	212,491	-	-	(212,491)	-	-	(212,491)	
Unallocated Depreciation	679,916	-	-	(679,916)	-	-	(679,916)	
Total Governmental Activities	49,687,776	-	15,698,777	(33,988,999)	-	-	(33,988,999)	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	922,223	13,817	751,769	-	(156,637)
Academy Program	39,222	299,443	-	-	260,221
Total Business-Type Activities	961,445	313,260	751,769	-	103,584
Total Primary Government	\$ 50,649,221	\$ 313,260	\$ 16,450,546	(33,988,999)	\$ (33,885,415)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				11,243,445	11,243,445
Property Taxes, Levied for Debt Service				523,425	523,425
Federal & State Aid Not Restricted				24,842,297	24,842,297
Tuition Charges				369,487	369,487
Investment Earnings				-	6
Miscellaneous Income				49,954	49,954
Total General Revenues, Special Items, Extraordinary Items & Transfers				37,028,608	37,028,614
Change In Net Position				3,039,609	3,143,199
Net Position - Beginning, as restated				19,609,493	21,166,704
Net Position - Ending				\$ 22,649,102	\$ 24,309,903

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

This page intentionally left blank

B. Fund Financial Statements

This page intentionally left blank

Governmental Funds

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL
Cash & Cash Equivalents	\$ 3,534,713	\$ 72,447	\$ 120,643	\$ 3,727,803
Receivables from Other Governments	1,144,773	1,314,040	7,751,932	10,210,745
Interfund Accounts Receivable	1,294,407	-	-	1,294,407
Restricted Cash & Cash Equivalents	2,874,257	-	-	2,874,257
	<hr/>			
Total Assets	\$ 8,848,150	\$ 1,386,487	\$ 7,872,575	\$ 18,107,212
	<hr/>			
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 162,130	\$ 325,238	\$ -	\$ 487,368
Grant Anticipation Note	-	-	7,158,000	7,158,000
Premium on Grant Anticipation Note	-	-	91,440	91,440
Intergovernmental Payable:				
Federal	-	128	-	128
Payroll Deductions and Withholdings Payable	509,296	-	-	509,296
Interfund Accounts Payable	1,379,239	966,637	327,770	2,673,646
Unearned Revenue	1,204,299	93,053	-	1,297,352
	<hr/>			
Total Liabilities	3,254,964	1,385,056	7,577,210	12,217,230
	<hr/>			
Fund Balances:				
Restricted for:				
Maintenance Reserve	318,877	-	-	318,877
Capital Reserve Account	2,273,888	-	-	2,273,888
Unemployment Compensation	281,492	-	-	281,492
Excess Surplus - Designated for Subsequent Year's Expenditures	1,765,350	-	-	1,765,350
Excess Surplus	1,183,246	-	-	1,183,246
Capital Projects Fund	-	-	295,365	295,365
Student Activities	-	72,447	-	72,447
Assigned to:				
Other Purposes	710,493	-	-	710,493
Unassigned:				
General Fund	(940,160)	-	-	(940,160)
Special Revenue Fund	-	(71,016)	-	(71,016)
	<hr/>			
Total Fund Balances	5,593,186	1,431	295,365	5,889,982
	<hr/>			
Total Liabilities & Fund Balances	\$ 8,848,150	\$ 1,386,487	\$ 7,872,575	
	<hr/>			

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 \$55,471,549 and the accumulated depreciation is \$20,094,735. \$ 35,376,814

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (50,875)

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.

Deferred Outflows related to pensions	1,408,868
Deferred Inflows related to pensions	(5,027,651)

Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (599,905)

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (14,348,131)

Net position of Governmental Activities \$ 22,649,102

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 11,243,445	\$ -	\$ -	\$ 523,425	\$ 11,766,870
Tuition	369,487	-	-	-	369,487
Miscellaneous	49,954	98,600	-	-	148,554
Total Local Sources	11,662,886	98,600	-	523,425	12,284,911
State Sources	31,422,367	688,705	-	-	32,111,072
Federal Sources	83,384	2,760,182	-	-	2,843,566
Total Revenues	43,168,637	3,547,487	-	523,425	47,239,549
Expenditures:					
Current Expense:					
Regular Instruction	9,191,472	-	-	-	9,191,472
Special Education Instruction	3,504,243	2,408,928	-	-	5,913,171
Other Instruction	1,275,747	-	-	-	1,275,747
Support Services:					
Tuition	2,734,279	-	-	-	2,734,279
Student & Instruction Related Services	2,097,941	1,107,197	-	-	3,205,138
Health Services	305,471	-	-	-	305,471
Educational Media Services/					
School Library	270,531	-	-	-	270,531
Instructional Staff Training	17,172	-	-	-	17,172
General Administrative	974,855	-	-	-	974,855
School Administrative Services	1,420,608	-	-	-	1,420,608
Central Services	649,502	-	-	-	649,502
Administrative Information Technology	281,628	-	-	-	281,628
Plant Operations & Maintenance	3,080,913	-	-	-	3,080,913
Pupil Transportation	1,761,403	-	-	-	1,761,403
Employee Benefits	6,368,732	-	-	-	6,368,732
On Behalf TPAF Pension and Social					
Security Contributions	6,663,454	-	-	-	6,663,454
Debt Service:					
Principal	-	-	-	360,000	360,000
Interest & Other Charges	52,666	-	-	163,425	216,091
Capital Outlay	487,832	17,988	-	-	505,820
Total Expenditures	41,138,449	3,534,113	-	523,425	45,195,987
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	2,030,188	13,374	-	-	2,043,562
Other Financing Sources/(Uses):					
Transfers to Charter Schools	(77,002)	-	-	-	(77,002)
Total Other Financing Sources & Uses	(77,002)	-	-	-	(77,002)
Net Change in Fund Balances	1,953,186	13,374	-	-	1,966,560
Fund Balances July 1, as restated	3,640,000	(11,943)	295,365	-	3,923,422
Fund Balances June 30,	\$ 5,593,186	\$ 1,431	\$ 295,365	\$ -	\$ 5,889,982

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	1,966,560
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (679,916)	
Capital Outlays	<u>505,820</u>	(174,096)
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		
		360,000
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 (+).		
		3,600
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		707,463
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 (+).		
		<u>176,082</u>
Change in Net Position of Governmental Activities	\$	<u><u>3,039,609</u></u>

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

This page intentionally left blank

Proprietary Funds

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	FOOD SERVICE FUND	ACADEMY PROGRAM	TOTAL
		\$	\$
Current Assets:			
Cash & Cash Equivalents	3,272	-	3,272
Receivables from Other Governments	47,944	-	47,944
Interfund Receivable	406,872	972,367	1,379,239
Inventories	16,957	-	16,957
Total Current Assets	<u>475,045</u>	<u>972,367</u>	<u>1,447,412</u>
Fixed Assets:			
Equipment	925,177	55,395	980,572
Accumulated Depreciation	<u>(713,011)</u>	<u>(46,280)</u>	<u>(759,291)</u>
Total Fixed Assets	<u>212,166</u>	<u>9,115</u>	<u>221,281</u>
Total Assets	<u>687,211</u>	<u>981,482</u>	<u>1,668,693</u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	<u>5,344</u>	-	<u>5,344</u>
Total Current Liabilities	<u>5,344</u>	-	<u>5,344</u>
Noncurrent Liabilities:			
Compensated Absences	<u>2,548</u>	-	<u>2,548</u>
Total Noncurrent Liabilities	<u>2,548</u>	-	<u>2,548</u>
Total Liabilities	<u>7,892</u>	-	<u>7,892</u>
NET POSITION			
Investment in Capital Assets	212,166	9,115	221,281
Unrestricted	<u>467,153</u>	<u>972,367</u>	<u>1,439,520</u>
Total Net Position	<u>\$ 679,319</u>	<u>\$ 981,482</u>	<u>\$ 1,660,801</u>

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES		TOTAL
	FOOD SERVICE FUND	ACADEMY PROGRAM	
<u>ENTERPRISE FUND</u>			
Operating Revenue:			
Daily Sales - Reimbursable Programs	\$ -	\$ -	\$ -
Daily Sales - Nonreimbursable Programs	13,817	-	13,817
Miscellaneous Income	-	299,443	299,443
Total Operating Revenues	<u>13,817</u>	<u>299,443</u>	<u>313,260</u>
Operating Expenses:			
Salaries	488,165	-	488,165
Supplies and Materials	24,204	-	24,204
Other Purchased Services	-	13,850	13,850
Cleaning, Repair & Maintenance Services	3,772	-	3,772
Depreciation	23,402	7,062	30,464
Miscellaneous Other Expenses	46,701	18,310	65,011
Cost of Sales - Reimbursable Programs	335,979	-	335,979
Total Operating Expenses	<u>922,223</u>	<u>39,222</u>	<u>961,445</u>
Operating (Loss)/Gain	<u>(908,406)</u>	<u>260,221</u>	<u>(648,185)</u>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	17,135	-	17,135
Federal Sources:			
National School Lunch Program	363,768	-	363,768
Healthy Hunger-Free Kids Act	6,896	-	6,896
Food Distribution Program	109,656	-	109,656
National Breakfast Program	212,504	-	212,504
National School Snack Program	5,841	-	5,841
Fresh Fruit and Vegetables	35,969	-	35,969
Interest Revenue	6	-	6
Total Nonoperating Revenues	<u>751,775</u>	<u>-</u>	<u>751,775</u>
Change in Net Position	(156,631)	260,221	103,590
Net Position - Beginning of Year	835,950	721,261	1,557,211
Total Net Position - End of Year	<u>\$ 679,319</u>	<u>\$ 981,482</u>	<u>\$ 1,660,801</u>

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUND		
	FOOD SERVICE FUND	ACADEMY PROGRAM	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 32,160	\$ 32,160
Payments to Employees	(350,461)	-	(350,461)
Payments for Employee Benefits	-	-	-
Payments to Suppliers	(426,810)	(32,160)	(458,970)
Net Cash Provided/(Used) by Operating Activities	(777,271)	-	(777,271)
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(16,989)	-	(16,989)
Net Cash Used by Capital Financing Activities	(16,989)	-	(16,989)
Cash Flows From Noncapital Financing Activities:			
Cash Received From State & Federal Reimbursements	792,107	-	792,107
Net Cash Provided by Noncapital Financing Activities	792,107	-	792,107
Cash Flows From Investing Activities:			
Interest & Dividends	6	-	6
Net Cash Provided by Investing Activities	6	-	6
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,147)	-	(2,147)
Cash & Cash Equivalents, July 1	5,419	-	5,419
Cash & Cash Equivalents, June 30	\$ 3,272	\$ -	\$ 3,272

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING A

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (908,406)	\$ 260,221	\$ (648,185)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	23,402	7,062	30,464
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	-	28,484	28,484
(Increase)/Decrease in Inventory	2,136	-	2,136
(Increase)/Decrease in Interfund Receivable	160,411	(295,767)	(135,356)
Increase/(Decrease) in Unearned Revenue	(13,817)	-	(13,817)
Increase/(Decrease) in Accounts Payable	(18,290)	-	(18,290)
Increase/(Decrease) in Compensated Absences	(22,707)	-	(22,707)
Total Adjustments	131,135	(260,221)	(129,086)
Net Cash Provided/(Used) by Operating Activities	\$ (777,271)	\$ -	\$ (777,271)

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

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through twelfth at its five schools. The School District has an approximate enrollment at June 30, 2021 of 2,188 students.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they 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 60 days of the end of the current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

The School District reports the following major governmental funds:

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

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

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

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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

The School District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the School District’s cafeteria operations.

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

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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:23-2-2(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:23-2-11.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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

The 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 accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances 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 special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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 and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Site improvements	20 Years
Buildings & improvements	20 – 50 Years
Machinery & equipment	5 – 20 Years

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific 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 entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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 measureable and the School District is eligible to realize the revenue.

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, government 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.

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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District’s financial statements for year end June 30, 2021 with a prior period restatement to beginning net position. See Note 21 for further details.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District’s financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$7,548,286 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	6,677,196
Uninsured and Uncollateralized		871,090
		\$ 7,548,286

Investments

The School District had no investments at June 30, 2021.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A-23-2.13(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	\$	773,888
Increased by:		
Deposits approved by Board (approved June 7, 2021 and amended March 21, 2022)		2,100,000
		2,873,888
Decreased by:		
Withdrawals from Original Budget		(600,000)
Ending Balance, June 30, 2021	\$	2,273,888

Maintenance Reserve

The School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2020	\$	18,877
Increased by:		
Deposits approved by Board (approved June 7, 2021 and amended March 21, 2022)		300,000
Ending Balance, June 30, 2021	\$	318,877

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>	<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Food Service Fund</u>	
Federal Awards	\$ -	\$ 1,314,040	\$ -	\$ 1,314,040	\$ 44,358	\$ 44,358
State Awards	629,199	-	7,751,932	8,381,131	3,586	3,586
Other	515,574	-	-	515,574	-	-
Total	\$ 1,144,773	\$ 1,314,040	\$ 7,751,932	\$ 10,210,745	\$ 47,944	\$ 47,944

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,280,600	\$ -	\$ -	\$ 1,280,600
Construction in Progress	14,643,240	-	-	14,643,240
Total Capital Assets not being depreciated	15,923,840	-	-	15,923,840
Capital Assets being depreciated:				
Land Improvements	1,511,394	-	-	1,511,394
Buildings and Improvements	33,581,901	-	-	33,581,901
Furniture and Equipment	3,948,594	505,820	-	4,454,414
Total Capital Assets being depreciated	39,041,889	505,820	-	39,547,709
Less: Accumulated Depreciation:				
Land Improvements	(1,389,477)	(2,841)	-	(1,392,318)
Buildings and Improvements	(15,397,341)	(637,177)	-	(16,034,518)
Furniture and Equipment	(2,628,001)	(39,898)	-	(2,667,899)
Total Accumulated Depreciation	(19,414,819)	(679,916)	-	(20,094,735)
Total Capital Assets being depreciated, net	19,627,070	(174,096)	-	19,452,974
Total Governmental Activities Capital Assets, net	\$ 35,550,910	\$ (174,096)	\$ -	\$ 35,376,814

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 5. Capital Assets (continued):

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Business-Type Activities:				
Equipment	\$ 963,583	\$ 16,989	\$ -	\$ 980,572
	<u>963,583</u>	<u>16,989</u>	<u>-</u>	<u>980,572</u>
Less: Accumulated Depreciation:				
Equipment	(728,827)	(30,464)	-	(759,291)
	<u>(728,827)</u>	<u>(30,464)</u>	<u>-</u>	<u>(759,291)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 234,756</u>	<u>\$ (13,475)</u>	<u>\$ -</u>	<u>\$ 221,281</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

The balance of capital assets as of June 30, 2020 could not be supported by corroborating evidence for all balances other than machinery and equipment. No detail listing could be provided for any other category of capital assets and as such we were unable to audit these balances. The amounts reported above are estimates based off of the prior year audit report.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,294,407	\$ 1,379,239
Special Revenue Fund	-	966,637
Capital Projects Fund	-	327,770
Food Service Fund	406,872	-
Academy Program	<u>972,367</u>	<u>-</u>
	<u>\$ 2,673,646</u>	<u>\$ 2,673,646</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 7. Long-Term Obligations

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

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 5,280,000	\$ -	\$ 360,000	\$ 4,920,000	\$ 360,000
Compensated Absences	966,088	-	176,082	790,006	-
Net Pension Liability	10,017,568	-	1,379,443	8,638,125	-
	<u>\$ 16,263,656</u>	<u>\$ -</u>	<u>\$ 1,915,525</u>	<u>\$ 14,348,131</u>	<u>\$ 360,000</u>
Business-Type Activities:					
Compensated Absences	\$ 25,255	\$ -	\$ 22,707	\$ 2,548	\$ -
	<u>\$ 25,255</u>	<u>\$ -</u>	<u>\$ 22,707</u>	<u>\$ 2,548</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Capital leases, compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds. At June 30, 2021, bonds payable consisted of the following individual issues:

On February 18, 2016, the School District issued \$6,000,000 refunding school bonds at interest rates varying from 2.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid. The balance in this bond issue as of June 30, 2021 is \$4,920,000.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 360,000	\$ 152,624	\$ 512,624.00
2023	360,000	141,824	501,824.00
2024	360,000	131,024	491,024.00
2025	360,000	120,224	480,224.00
2026	360,000	109,424	469,424.00
2027-2031	1,800,000	385,120	2,185,120.00
2032-2035	1,320,000	110,548	1,430,548.00
	<u>\$ 4,920,000</u>	<u>\$ 1,150,788</u>	<u>\$ 6,070,788</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 7. Long-Term Obligations (continued)

Grant Anticipation Note Payable

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

Bonds Authorized But Not Issued:

As of June 30, 2021, the School District had no authorized but not issued bonds.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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 ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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 before age 62 with 25 or more years of service credit 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.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$8,638,125 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.05297%, which was a decrease of 0.00263% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of (\$127,992) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 157,286	\$ 30,548
Changes of Assumptions	280,231	3,616,865
Net Difference between Projected and Actual Earnings on Pension Plan Investments	295,258	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	76,188	1,380,238
School District Contributions Subsequent to Measurement Date	599,905	
	<u>\$ 1,408,868</u>	<u>\$ 5,027,651</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$599,905 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2021	\$ (1,582,612)
2022	(1,510,721)
2023	(969,659)
2024	(391,727)
2025	<u>236,031</u>
	<u>\$ (4,218,688)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
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, 2014	-	5.00
June 30, 2015	-	5.00
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 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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of 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. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the 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-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 10,959,464</u>	<u>\$ 8,638,125</u>	<u>\$ 6,793,966</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Collective Deferred Inflows of Resources	6,885,723,332	6,618,184,855
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.05297%	0.05560%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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 before age 62 with 25 or more

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and tier 5 before age 65 with 30 or more years 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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$95,456,351. The School District's proportionate share was \$-0-.

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, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.14496%, which was a decrease of 0.00094% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$5,935,882 in on-behalf 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 plans June 30, 2020 measurement date.

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

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.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
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	112,124,649	95,456,351	81,616,115
	<u>\$ 112,124,649</u>	<u>\$ 95,456,351</u>	<u>\$ 81,616,115</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.14496%	0.14590%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$26,805 and the School District recognized pension expense of \$15,169.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued):

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.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$120,983,129. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.17841%, which was a decrease of 0.00345% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$5,093,228 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

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%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 145,851,407	\$ 120,983,129	\$ 101,538,531
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 97,661,662	\$ 120,983,129	\$ 148,753,813
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued):

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,081,045
Total OPEB Liability (Ending)	\$ 67,809,962,608
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$4,219,080, \$1,119,677, \$1,322,194 and \$2,503, 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.

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

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

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 28,806	\$ 47,915	\$ 617	\$ 53,812	\$ 281,492
2019-2020	8,600	49,288	2,160	5,273	257,966
2018-2019	61,248	49,616	1,362	72,718	203,191

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

Joint Insurance Pool – The School District also participates in the Gloucester County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler and Machinery	Workers’ Compensation
School Board Legal Liability	Pollution Legal Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 12. Contingencies (continued):

relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

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

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

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences in the governmental and proprietary fund types was \$790,006 and \$2,548 respectively.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 16. Operating Leases

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Total lease payments made during the year ended June 30, 2021, amounted to \$127,632. Future minimum lease payments are as follows:

Fiscal Year Ending	
<u>June 30,</u>	
2022	\$ 127,632
2023	127,632
2024	<u>28,838</u>
Total Minimum Lease Payments	<u><u>\$ 284,102</u></u>

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2021 was \$1,183,246.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 18. Fund Balances

General Fund – Of the \$5,593,186 General Fund balance at June 30, 2021, \$2,273,888 has been restricted for the Capital Reserve Account; \$318,877 has been restricted for the Maintenance Reserve Account; \$281,492 has been restricted for Unemployment Compensation, \$1,183,246 is restricted for current year excess surplus; \$1,765,350 is restricted for prior year excess surplus – designated for subsequent year’s expenditures, \$710,493 has been assigned for other purposes and (\$940,160) is unassigned.

Special Revenue Fund – Of the \$1,431 Special Revenue Fund balance at June 30, 2021, \$72,447 is restricted for student activities; and (\$71,016) is unassigned.

Capital Projects Fund – Of the \$295,365 Capital Projects Fund balance at June 30, 2021, \$295,365 is restricted for future capital projects approved by the School District.

Note 19. Deficit in Fund Balances

The School District has a deficit fund balance of (\$940,160) in the General Fund and (\$71,016) in the Special Revenue 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, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires 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 payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District’s general fund deficit is less than the June state aid payments received in July 2021 and the School District deficit in the special revenue fund statements (modified accrual basis) of \$71,016 is equal to the last state aid payment received in July 2021.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$13,998,377 at June 30, 2021. The deficit the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 21. Prior Period Adjustment/Restatement of Net Position and Fund Balance

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Prior Period Adjustment to Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund and Student Activities. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 and balance of Capital Assets required restatement. The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position (Exhibit A-2)

Balance, July 1, 2020 prior to Adjustment	\$ 18,720,508
Add:	
Restatement of Deferred Inflows/Outflows related to Pension (GASB 68)	(542,908)
Restatement of Capital Assets	1,123,457
New Jersey Unemployment Trust	257,966
Student Activities	<u>50,470</u>
Balance, July 1, 2020 Restated	<u><u>\$ 19,609,493</u></u>

Prior Period Adjustment to Fund Balance (Exhibit B-2) (General Fund)

Balance, July 1, 2020 prior to Adjustment	\$ 3,382,034
Add:	
New Jersey Unemployment Trust	<u>257,966</u>
Balance, July 1, 2020 Restated	<u><u>\$ 3,640,000</u></u>

Prior Period Adjustment to Fund Balance (Exhibit B-2) (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$ (62,413)
Add:	
Student Activities	<u>50,470</u>
Balance, July 1, 2020 Restated	<u><u>\$ (11,943)</u></u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 22. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and May 18, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure other than the following.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

Grant Anticipation Note

The District entered into a short-term Grant Anticipation Note on July 8, 2021 in the amount of \$7,158,000. The interest rate on the note is 1.25% and there is a note premium of \$67,070.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Tax Levy	10-1210	\$ 11,243,445	\$ -	\$ 11,243,445	\$ 11,243,445	\$ -
Tuition from Other LEA's Within the State	10-1320	752,990	-	752,990	369,487	(383,503)
Interest on Capital Reserve Funds	10-1511	100	-	100	-	(100)
Interest on Maintenance Reserve Funds	10-1512	10	-	10	-	(10)
Miscellaneous Revenues	10-1990	100,000	-	100,000	49,954	(50,046)
Total Local Sources		12,096,545	-	12,096,545	11,662,886	(433,659)
State Sources:						
Equalization Aid	10-3176	22,967,994	(1,297,798)	21,670,196	21,670,196	-
Categorical Security Aid	10-3177	785,483	-	785,483	785,483	-
Categorical Transportation Aid	10-3121	761,052	-	761,052	761,052	-
Categorical Special Education Aid	10-3132	1,222,614	-	1,222,614	1,222,614	-
Extraordinary Aid	10-3131	350,000	-	350,000	362,248	12,248
Non-Public Transportation Aid	10-3190	-	-	-	6,380	6,380
Family Crisis Transportation Aid		-	-	-	11,877	11,877
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	4,219,080	4,219,080
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,322,194	1,322,194
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	2,503	2,503
Reimbursed TPAF Social Security Contribution		-	-	-	1,119,677	1,119,677
Total State Sources		26,087,143	(1,297,798)	24,789,345	31,483,304	6,693,959
Federal Sources:						
Medicaid Reimbursement		83,465	-	83,465	83,384	(81)
Total Federal Sources		83,465	-	83,465	83,384	(81)
Total Revenues		38,267,153	(1,297,798)	36,969,355	43,229,574	6,260,219
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	2,500	(2,500)	-	-	-
Kindergarten	11-110-100-101	853,747	(50,335)	803,412	710,127	93,285
Grades 1 - 5	11-120-100-101	3,326,979	(183,501)	3,143,478	2,891,675	251,803
Grades 6 - 8	11-130-100-101	1,831,168	10,600	1,841,768	1,764,105	77,663
Grades 9 - 12	11-140-100-101	2,560,398	(114,673)	2,445,725	2,354,191	91,534
Home Instruction:						
Salaries of Teachers	11-150-100-101	4,800	(862)	3,938	3,938	-
Purchased Professional/Education Services	11-150-100-320	12,500	(11,969)	531	-	531
Other Purchased Services	11-150-100-500	1,300	(1,300)	-	-	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	62,359	24,618	86,977	82,858	4,119
Purchased Professional/Education Services	11-190-100-320	708,284	58,678	766,962	759,700	7,262
Other Purchased Services	11-190-100-500	297,491	(50,187)	247,304	174,646	72,658
General Supplies	11-190-100-610	718,677	(160,823)	557,854	395,467	162,387
Textbooks	11-190-100-640	113,158	243,914	357,072	44,826	312,246
Other Objects	11-190-100-800	12,811	2,865	15,676	9,939	5,737
Total Regular Programs		10,506,172	(235,475)	10,270,697	9,191,472	1,079,225

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,325,398	1,200	1,326,598	1,180,576	146,022
Other Salaries for Instruction	11-204-100-106	137,380	(1,200)	136,180	55,789	80,391
General Supplies	11-204-100-610	2,500	(2,000)	500	-	500
Total Learning and/or Language Disabilities		1,465,278	(2,000)	1,463,278	1,236,365	226,913
Behavior Disabilities:						
Salaries of Teachers	11-209-100-101	64,466	-	64,466	-	64,466
Other Salaries for Instruction	11-209-100-106	20,895	-	20,895	-	20,895
Total Behavioral Disabilities		85,361	-	85,361	-	85,361
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	1,369,971	5,442	1,375,413	1,185,151	190,262
Other Salaries for Instruction	11-212-100-106	395,957	267	396,224	301,850	94,374
Purchased Professional/Education Services	11-212-100-320	5,000	3,683	8,683	8,635	48
General Supplies	11-212-100-610	10,750	(5,231)	5,519	3,313	2,206
Total Multiple Disabilities		1,781,678	4,161	1,785,839	1,498,949	286,890
Resource Room:						
Salaries of Teachers	11-213-100-101	580,348	-	580,348	567,177	13,171
General Supplies	11-213-100-610	14,745	313	15,058	2,279	12,779
Total Resource Room		595,093	313	595,406	569,456	25,950
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	166,137	8,606	174,743	174,743	-
Other Salaries for Instruction	11-215-100-106	23,765	-	23,765	2,932	20,833
General Supplies	11-215-100-610	7,850	(862)	6,988	3,345	3,643
Total Learning and/or Language Disabilities		197,752	7,744	205,496	181,020	24,476
Home Instruction:						
Salaries of Teachers	11-219-100-101	9,600	(9,600)	-	-	-
Purchased Professional/Education Services	11-219-100-320	43,800	6,200	50,000	18,453	31,547
Other Purchased Services	11-219-100-500	200	(200)	-	-	-
Total Home Instruction		53,600	(3,600)	50,000	18,453	31,547
Total Special Education		4,178,762	6,618	4,185,380	3,504,243	681,137
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	325,265	105	325,370	324,982	388
Total Basic Skills/Remedial - Instruction:		325,265	105	325,370	324,982	388
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	634,432	-	634,432	431,404	203,028
Other Salaries for Instruction	11-240-100-106	115,252	-	115,252	108,787	6,465
Total Bilingual Education - Instruction:		749,684	-	749,684	540,191	209,493
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	45,000	11,639	56,639	56,639	-
General Supplies	11-401-100-600	10,457	(8,037)	2,420	2,194	226
Other Objects	11-401-100-800	3,009	-	3,009	1,756	1,253
Total School Sponsored Co-Curricular Activities		58,466	3,602	62,068	60,589	1,479
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	222,568	-	222,568	217,133	5,435
Other Purchased Services	11-402-100-500	76,007	(3,000)	73,007	63,070	9,937
Supplies and Materials	11-402-100-600	39,350	6,719	46,069	33,800	12,269
Other Objects	11-402-100-800	20,000	-	20,000	17,347	2,653
Total School Sponsored Athletics Instruction		357,925	3,719	361,644	331,350	30,294
Total Other Instructional Programs		1,491,340	7,426	1,498,766	1,257,112	241,654
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	20,400	-	20,400	17,835	2,565
Purchased Professional & Technical Services	11-422-100-320	5,000	-	5,000	800	4,200
Total Summer School - Instruction		25,400	-	25,400	18,635	6,765

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Total Instruction	16,201,674	(221,431)	15,980,243	13,971,462	2,008,781	
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	112,067	(35,470)	76,597	74,192	2,405
Tuition to Other LEAs Within the State - Special	11-000-100-562	50,000	68,655	118,655	107,523	11,132
Tuition to County Vocational District/Regular Day Schools	11-000-100-563	520,425	-	520,425	520,425	-
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	1,194,373	(72,505)	1,121,868	1,109,068	12,800
Tuition to Private School for the Disabled - State	11-000-100-566	537,914	232,614	770,528	702,789	67,739
Tuition to Private School for the Disabled & Other LEAs	11-000-100-567	196,765	23,518	220,283	220,282	1
Total Undistributed Expenditures - Instruction		2,611,544	216,812	2,828,356	2,734,279	94,077
Attendance & Social Work Services:						
Salaries	11-000-211-100	27,705	-	27,705	180	27,525
Total Attendance & Social Work Services		27,705	-	27,705	180	27,525
Health Services:						
Salaries	11-000-213-100	335,042	(100,816)	234,226	106,393	127,833
Purchased Professional & Technical Services	11-000-213-300	248,765	23,452	272,217	190,070	82,147
Other Purchased Services	11-000-213-500	1,000	(413)	587	69	518
Supplies and Materials	11-000-213-600	10,265	1,938	12,203	8,939	3,264
Total Health Services		595,072	(75,839)	519,233	305,471	213,762
Other Support Services - Students - Related Services:						
Salaries of Teachers	11-000-216-100	132,643	-	132,643	101,101	31,542
Purchased Professional/Education Services	11-000-216-320	202,501	30,993	233,494	229,269	4,225
Supplies and Materials	11-000-216-600	350	-	350	-	350
Total Other Support Services - Students - Related Services		335,494	30,993	366,487	330,370	36,117
Other Support Services - Students - Extra Services:						
Purchased Professional/Education Services	11-000-217-320	43,659	(8,169)	35,490	35,490	-
Total Other Support Services - Students - Extra Services		43,659	(8,169)	35,490	35,490	-
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	555,597	330	555,927	542,084	13,843
Salaries of Secretarial & Clerical Assistants	11-000-218-105	91,172	1,565	92,737	92,736	1
Other Purchased Professional & Technical Services	11-000-218-390	29,750	(330)	29,420	27,408	2,012
Supplies and Materials	11-000-218-600	23,603	1,462	25,065	15,709	9,356
Total Other Support Services - Students - Regular		700,122	3,027	703,149	677,937	25,212
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	464,702	45,176	509,878	490,123	19,755
Salaries of Secretarial & Clerical Assistants	11-000-219-105	59,126	-	59,126	58,118	1,008
Purchased Professional/Education Services	11-000-219-320	102,500	7,067	109,567	101,895	7,672
Other Purchased Professional & Technical Services	11-000-219-390	7,300	-	7,300	3,802	3,498
Other Purchased Services	11-000-219-500	14,108	-	14,108	14,108	-
Miscellaneous Purchased Services	11-000-219-592	3,000	(500)	2,500	-	2,500
Supplies and Materials	11-000-219-600	5,000	-	5,000	2,835	2,165
Other Objects	11-000-219-800	5,000	(4,000)	1,000	700	300
Total Other Support Services - Students - Special Services		660,736	47,743	708,479	671,581	36,898

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021				ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	288,709	11,218	299,927	299,927	-
Salaries of Other Professional Staff	11-000-221-104	34,440	-	34,440	27,135	7,305
Salaries of Secretarial & Clerical Assistants	11-000-221-105	53,045	-	53,045	52,704	341
Supplies and Materials	11-000-221-600	33,000	(21,948)	11,052	366	10,686
Other Objects	11-000-221-800	3,000	-	3,000	2,251	749
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		412,194	(10,730)	401,464	382,383	19,081
Educational Media Services/School Library:						
Salaries	11-000-222-100	237,134	712	237,846	232,514	5,332
Purchased Professional/Education Services	11-000-222-320	2,181	-	2,181	1,492	689
Other Purchased Services	11-000-222-500	30,017	(19)	29,998	27,123	2,875
Supplies and Materials	11-000-222-600	21,298	840	22,138	9,402	12,736
Total Educational Media Services/School Library		290,630	1,533	292,163	270,531	21,632
Support Services Instructional Staff Training Service:						
Purchased Professional/Education Services	11-000-223-320	26,500	500	27,000	8,672	18,328
Other Purchased Services	11-000-223-500	41,000	-	41,000	8,500	32,500
Total Support Services Instructional Staff Training Services		67,500	500	68,000	17,172	50,828
Support Services General Administration:						
Salaries	11-000-230-100	225,778	16,466	242,244	240,697	1,547
Legal Services	11-000-230-331	128,500	5,723	134,223	51,473	82,750
Audit Services	11-000-230-332	30,000	-	30,000	26,365	3,635
Architectural/Engineering Services	11-000-230-334	30,000	(8,170)	21,830	8,000	13,830
Other Purchased Professional Services	11-000-230-339	89,000	21,550	110,550	110,549	1
Purchased Technical Services	11-000-230-340	2,500	6,324	8,824	8,823	1
Communications/Telephone	11-000-230-530	129,850	(17,784)	112,066	107,371	4,695
BOE Other Purchased Professional Services	11-000-230-585	10,000	-	10,000	2,237	7,763
Other Purchased Services	11-000-230-590	463,856	(46,391)	417,465	395,612	21,853
Supplies & Materials	11-000-230-610	15,000	(2,162)	12,838	8,329	4,509
Miscellaneous Expenditures	11-000-230-890	3,000	11,710	14,710	1,709	13,001
BOE Membership Dues & Fees	11-000-230-895	15,000	-	15,000	13,690	1,310
Total Support Services General Administration		1,142,484	(12,734)	1,129,750	974,855	154,895
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	914,418	(43,440)	870,978	846,248	24,730
Salaries of Other Professional Staff	11-000-240-104	121,540	3,786	125,326	125,326	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	469,102	(41,303)	427,799	426,528	1,271
Purchased Professional & Technical Services	11-000-240-300	7,000	(1,343)	5,657	439	5,218
Other Purchased Services	11-000-240-500	2,000	-	2,000	103	1,897
Supplies and Materials	11-000-240-600	42,339	(6,863)	35,476	17,714	17,762
Other Objects	11-000-240-800	5,000	(750)	4,250	4,250	-
Total Support Services School Administration		1,561,399	(89,913)	1,471,486	1,420,608	50,878
Central Services:						
Salaries	11-000-251-100	392,044	26,867	418,911	409,582	9,329
Purchased Technical Services	11-000-251-340	203,000	4,322	207,322	150,021	57,301
Supplies & Materials	11-000-251-600	3,255	-	3,255	1,384	1,871
Interest on Current Loans	11-000-251-831	133,766	-	133,766	87,013	46,753
Other Objects	11-000-251-890	250	1,252	1,502	1,502	-
Total Central Services		732,315	32,441	764,756	649,502	115,254
Administrative Information Technology:						
Salaries	11-000-252-100	327,464	(27,765)	299,699	281,628	18,071
Total Administrative Information Technology		327,464	(27,765)	299,699	281,628	18,071
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	286,000	23,996	309,996	140,372	169,624
General Supplies	11-000-261-610	121,000	13,557	134,557	77,653	56,904
Total Allowance Maintenance for School Facilities		407,000	37,553	444,553	218,025	226,528

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,354,079	27,086	1,381,165	1,360,741	20,424
Salaries of Non-Instructional Aides	11-000-262-107	135,596	-	135,596	67,902	67,694
Cleaning, Repair & Maintenance Services	11-000-262-420	52,000	2,535	54,535	40,046	14,489
Other Purchased Property Services	11-000-262-490	79,000	1,140	80,140	66,151	13,989
Insurance	11-000-262-520	140,731	7,414	148,145	148,145	-
General Supplies	11-000-262-610	177,100	(49,546)	127,554	103,406	24,148
Energy (Natural Gas)	11-000-262-621	155,000	95,549	250,549	249,100	1,449
Energy (Electricity)	11-000-262-622	500,000	21,211	521,211	468,549	52,662
Energy (Gasoline)	11-000-262-626	13,000	-	13,000	6,839	6,161
Total Other Operation & Maintenance of Plant Services		2,606,506	105,389	2,711,895	2,510,879	201,016
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	189,400	-	189,400	153,720	35,680
Cleaning, Repair & Maintenance Services	11-000-263-420	86,000	(24,969)	61,031	35,645	25,386
General Supplies	11-000-263-610	20,000	103	20,103	16,014	4,089
Total Care & Upkeep of Grounds		295,400	(24,866)	270,534	205,379	65,155
Security:						
Salaries	11-000-266-100	174,289	(30,000)	144,289	136,343	7,946
Purchased Professional & Technical Services	11-000-266-300	150,000	(89,579)	60,421	90	60,331
Cleaning, Repair & Maintenance Services	11-000-266-420	10,000	-	10,000	7,200	2,800
General Supplies	11-000-266-610	-	3,244	3,244	2,997	247
Total Security		334,289	(116,335)	217,954	146,630	71,324
Total Operation & Maintenance of Plant Services		3,643,195	1,741	3,644,936	3,080,913	564,023
Student Transportation Services:						
Salaries for Pupil Transportation						
(Between Home & School) - Regular	11-000-270-160	48,517	341	48,858	48,858	-
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	500	188	688	69	619
Purchased Professional & Technical Services	11-000-270-390	-	4,100	4,100	4,100	-
Aid in Lieu of Payments - Nonpublic	11-000-270-503	70,000	3,004	73,004	17,800	55,204
Aid in Lieu of Payments - Choice Schools	11-000-270-505	25,000	668	25,668	13,592	12,076
Contracted Services						
Between Home & School - Vendors	11-000-270-511	804,763	-	804,763	765,841	38,922
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	112,476	(100)	112,376	33,530	78,846
Contracted Services (Other Than Between Home & School) - Joint Agreements	11-000-270-513	40,040	-	40,040	-	40,040
Contracted Services (Special Education Students) - Vendors	11-000-270-514	495,391	41,156	536,547	429,919	106,628
Contracted Services (Other Than Between Home & School) - ESC/CTSA	11-000-270-517	257,745	-	257,745	183,001	74,744
Contracted Services (Special Education Students) - ESC/CTSA	11-000-270-518	480,459	4,694	485,153	264,693	220,460
Transportation Supplies	11-000-270-615	3,000	-	3,000	-	3,000
Total Student Transportation Services		2,337,891	54,051	2,391,942	1,761,403	630,539

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	425,000	-	425,000	393,749	31,251
Other Retirement Benefits - PERS	11-000-291-241	572,500	22,143	594,643	594,642	1
Other Retirement Benefits - Regular	11-000-291-249	-	2,500	2,500	-	2,500
Unemployment Compensation	11-000-291-250	-	657	657	-	657
Worker's Compensation	11-000-291-260	342,278	18,025	360,303	360,303	-
Health Benefits	11-000-291-270	5,559,331	(560,659)	4,998,672	4,712,954	285,718
Tuition Reimbursement	11-000-291-280	100,000	11,565	111,565	100,052	11,513
Other Employee Benefits	11-000-291-290	80,861	120	80,981	75,774	5,207
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	21,767	125,492	147,259	131,258	16,001
Total Unallocated Benefits - Employee Benefits		7,101,737	(380,157)	6,721,580	6,368,732	352,848
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	4,219,080	(4,219,080)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,322,194	(1,322,194)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	2,503	(2,503)
Reimbursed TPAF Social Security Contribution		-	-	-	1,119,677	(1,119,677)
Total Nonbudgeted		-	-	-	6,663,454	(6,663,454)
Total Undistributed Expenditures		22,591,141	(216,466)	22,374,675	26,626,489	(4,251,814)
Total Expenditures - Current Expense		38,792,815	(437,897)	38,354,918	40,597,951	(2,243,033)
Capital Outlay:						
Equipment:						
Increase in Capital Reserve	10-604	100	-	100	-	100
Increase in Maintenance Reserve	10-606	10	-	10	-	10
Regular Programs - Instruction:						
Multiple Disabilities	12-212-100-730	2,000	-	2,000	-	2,000
School Sponsored & Other Instructional Programs	12-402-100-730	-	38,929	38,929	21,964	16,965
Undistributed Expenditures:						
Administration Information Technology	12-000-252-730	-	73,473	73,473	6,230	67,243
Required Maintenance for School Facilities	12-000-261-730	3,000	-	3,000	-	3,000
Care and Upkeep of Grounds	12-000-263-730	32,500	-	32,500	-	32,500
Non-Instructional Equipment	12-000-300-730	50,000	-	50,000	-	50,000
Total Equipment		87,610	112,402	200,012	28,194	171,818
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on						
Construction Services	12-000-400-450	1,075,000	(423,288)	651,712	459,638	192,074
Other Objects	12-000-400-800	25,000	-	25,000	-	25,000
SDA Funding	12-000-400-896	52,666	-	52,666	52,666	-
Total Facilities Acquisition & Construction Services		1,152,666	(423,288)	729,378	512,304	217,074
Total Capital Outlay		1,240,276	(310,886)	929,390	540,498	388,892
Total Expenditures		40,033,091	(748,783)	39,284,308	41,138,449	(1,854,141)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,765,938)	(549,015)	(2,314,953)	2,091,125	4,406,078

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Financing Sources/(Uses):						
Transfer of Fund to Charter Schools	10-000-100-560	(34,062)	(42,940)	(77,002)	(77,002)	-
Total Other Financing Sources/(Uses)		(34,062)	(42,940)	(77,002)	(77,002)	-
Excess/(Deficiency) of Revenues & Other Financing Sources						
Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,800,000)	(591,955)	(2,391,955)	2,014,123	4,406,078
Fund Balances, July 1, as restated		5,919,931	-	5,919,931	5,919,931	-
Fund Balances, June 30		<u>\$ 4,119,931</u>	<u>\$ (591,955)</u>	<u>\$ 3,527,976</u>	<u>\$ 7,934,054</u>	<u>\$ 4,406,078</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 596,259
Prior Year Encumbrances Cancelled	<u>(4,304)</u>
Total	<u>\$ 591,955</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	\$ 2,273,888
Maintenance Reserve	318,877
Unemployment Compensation	281,492
Excess Surplus	1,183,246
Excess Surplus Designated for Subsequent Year's Expenditures	1,765,350
Assigned to:	
Year-End Encumbrances	710,493
Unassigned Fund Balance	<u>1,400,708</u>
Subtotal	7,934,054
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(2,340,868)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 5,593,186</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 1,814,436	\$ 1,744,324	\$3,558,760	\$2,760,182	\$ (798,578)
State Sources	710,162	-	710,162	697,308	(12,854)
Local Sources	-	29,000	29,000	117,600	88,600
Total Revenues	2,524,598	1,773,324	4,297,922	3,575,090	(722,832)
Expenditures:					
Instruction:					
Salaries of Teachers	1,161,183	155,573	1,316,756	1,054,613	262,143
Other Salaries for Instruction	96,968	6,612	103,580	88,280	15,300
Purchased Professional Technical Services	-	26,650	26,650	10,311	16,339
Other Professional Services	-	2,000	2,000	-	2,000
Tuition	500,765	113,928	614,693	585,051	29,642
General Supplies	305,116	350,679	655,795	573,243	82,552
Other Objects	-	25,794	25,794	20,807	4,987
Student Activities	-	-	-	76,623	(76,623)
Total Instruction	2,064,032	681,236	2,745,268	2,408,928	336,340
Support Services:					
Salaries	-	29,660	29,660	4,320	25,340
Salaries of Principals, Assistant Principals, and Other	5,000	71,313	76,313	63,452	12,861
Salaries of Other Professional Staff	128,872	3,104	131,976	128,899	3,077
Salaries of Secretaries & Clerical Assistants	43,145	1,881	45,026	45,026	-
Other Salaries	50,772	4,835	55,607	55,607	-
Personal Services - Employee Benefits	141,448	484,260	625,708	395,670	230,038
Purchased Professional Services	-	259,451	259,451	167,578	91,873
Other Purchased Services	-	3,540	3,540	1,197	2,343
Supplies and Materials	91,329	187,942	279,271	259,660	19,611
Other Objects	-	28,112	28,112	4,788	23,324
Total Support Services	460,566	1,074,098	1,534,664	1,126,197	408,467
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	17,990	17,990	17,988	2
Total Facilities Acquisition & Construction Services	-	17,990	17,990	17,988	2
Total Expenditures	2,524,598	1,773,324	4,297,922	3,553,113	744,809
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	-	-	-	21,977	21,977
Fund Balance, July 1, as restated	50,470	-	50,470	50,470	-
Fund Balance, June 30	\$ 50,470	\$ -	\$ 50,470	\$ 72,447	\$ 21,977

Recapitulation of Fund Balance:

Restricted for:	
Student Activities	<u>\$ 72,447</u>
Total Fund Balance	<u><u>\$ 72,447</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 43,229,574	\$ 3,575,090
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Local Share	-	(19,000)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,279,931	62,413
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,340,868)	(71,016)
	<u> </u>	<u> </u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 43,168,637</u>	<u>\$ 3,547,487</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 41,138,449	\$ 3,553,113
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
General Supplies	-	(19,000)
	<u> </u>	<u> </u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 41,138,449</u>	<u>\$ 3,534,113</u>

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014	2013
School District's proportion of the net pension liability	0.05297%	0.05560%	0.06164%	0.06210%	0.06081%	0.06139%	0.05999%	0.06024%
School District's proportionate share of the net pension liability	\$ 8,638,125	\$ 10,017,568	\$ 12,136,434	\$ 14,455,581	\$ 18,008,632	\$ 13,780,972	\$ 11,232,180	\$ 11,512,069
District's covered-employee payroll	\$ 3,662,539	\$ 3,729,512	\$ 3,834,498	\$ 3,829,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
School District's proportionate share of the net pension liability as a percentage of its covered payroll	235.85%	268.60%	316.51%	377.47%	437.89%	324.37%	271.36%	276.98%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST EIGHT FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 579,472	\$ 542,908	\$ 616,005	\$ 585,030	\$ 543,474	\$ 527,795	\$ 494,567	453,857
Contributions in relation to the contractually required contribution	(579,472)	(542,908)	(616,005)	(585,030)	(543,474)	(527,795)	(494,567)	(453,857)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,662,539	\$ 3,729,512	\$ 3,834,498	\$ 3,829,626	\$ 4,112,593	\$ 4,248,578	\$ 4,139,246	\$ 4,156,246
Contributions as a percentage of covered-employee payroll	15.82%	14.56%	16.06%	15.28%	13.21%	12.42%	11.95%	10.92%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST EIGHT FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014	2013
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	95,456,351	89,541,295	95,061,013	105,142,931	123,420,739	97,781,586	87,929,793	84,422,895
District's covered-employee payroll	\$ 95,456,351	\$ 89,541,295	\$ 95,061,013	\$ 105,142,931	\$ 123,420,739	\$ 97,781,586	\$ 87,929,793	\$ 84,422,895
School District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 15,348,050	\$ 15,086,152	\$ 15,680,129	\$ 15,407,146	\$ 15,473,667	\$ 15,423,386	\$ 15,866,952	\$ 15,564,334
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	26.95%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2020	2019	2018	2017
Total OPEB Liability Associated with the District				
Service Cost	\$ 2,873,053	\$ 3,086,741	\$ 3,551,217	\$ 4,281,335
Interest Cost	2,721,329	3,390,138	3,663,424	3,169,028
Differences between Expected and Actual	19,440,067	(15,089,543)	(9,418,513)	-
Changes of Assumptions	22,099,460	1,131,550	(9,826,850)	(13,366,405)
Contributions: Member	63,839	69,057	79,139	85,182
Gross Benefit Payments	(2,106,217)	(2,329,646)	(2,289,804)	(2,313,310)
Net Change in Total OPEB Liability Associated with District	45,091,531	(9,741,703)	(14,241,387)	(8,144,170)
Total OPEB Liability Associated with District (Beginning)	75,891,598	85,633,301	99,874,688	108,018,858
Total OPEB Liability Associated with District (Ending)	<u>\$ 120,983,129</u>	<u>\$ 75,891,598</u>	<u>\$ 85,633,301</u>	<u>\$ 99,874,688</u>
District's Covered Employee Payroll	19,010,589	18,815,664	19,514,627	19,236,772
Net OPEB Liability Associated with District as a Percentage of Payroll	636.40%	403.34%	438.82%	519.19%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**PENNS GROVE-CARNEYS POINT REGIONAL 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 - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TITLE I PART A	TITLE I - PART A SIA	TITLE I REALLOCATED	TITLE II	TITLE III
Revenues:					
Federal Sources	\$ 1,067,913	\$ 176,214	\$ 13,149	\$ 54,887	\$ 40,191
Total Revenues	\$ 1,067,913	\$ 176,214	\$ 13,149	\$ 54,887	\$ 40,191
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 602,761	\$ 65,522	\$ 450	\$ -	\$ -
Other Salaries for Instruction	24,956	-	-	-	21,100
General Supplies	68,981	37,590	6,018	-	8,898
Other Objects	1,807	-	-	-	-
Total Instruction	698,505	103,112	6,468	-	29,998
Support Services:					
Salaries	1,920	-	-	-	-
Salaries of Principals	21,780	-	-	-	-
Salaries of Other Professional Staff	62,839	-	-	925	-
Employee Benefits	269,089	28,102	-	71	-
Purchased Professional Services	-	45,000	6,681	53,865	-
Other Purchased Services	-	-	-	-	1,197
Supplies & Materials	-	-	-	26	-
Other Objects	4,788	-	-	-	-
Total Support Services	360,416	73,102	6,681	54,887	1,197
Facilities Acquisition & Construction Services:					
Instructional Equipment	8,992	-	-	-	8,996
Total Facilities Acquisition & Construction Services	8,992	-	-	-	8,996
Total Expenditures	\$ 1,067,913	\$ 176,214	\$ 13,149	\$ 54,887	\$ 40,191

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. - PART B PRESCHOOL	TITLE IV	CARES	DIGITAL DIVIDE	COVID RELIEF FUNDS
Revenues:						
Federal Sources	\$ 585,051	\$ 22,121	\$ 35,746	\$ 449,370	\$ 63,799	\$ 251,741
Total Revenues	<u>\$ 585,051</u>	<u>\$ 22,121</u>	<u>\$ 35,746</u>	<u>\$ 449,370</u>	<u>\$ 63,799</u>	<u>\$ 251,741</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 13,320	\$ -	\$ -
Other Salaries	-	20,549	-	-	-	-
Purchased Professional/ Technical Services	-	-	-	10,311	-	-
Tuition	585,051	-	-	-	-	-
General Supplies	-	-	3,309	262,570	63,799	122,078
Total Instruction	<u>585,051</u>	<u>20,549</u>	<u>3,309</u>	<u>286,201</u>	<u>63,799</u>	<u>122,078</u>
Support Services:						
Salaries	-	-	2,400	-	-	-
Employee Benefits	-	1,572	184	1,019	-	-
Purchased Professional Services	-	-	29,853	20,955	-	11,224
Supplies & Materials	-	-	-	141,195	-	118,439
Total Support Services	<u>-</u>	<u>1,572</u>	<u>32,437</u>	<u>163,169</u>	<u>-</u>	<u>129,663</u>
Total Expenditures	<u>\$ 585,051</u>	<u>\$ 22,121</u>	<u>\$ 35,746</u>	<u>\$ 449,370</u>	<u>\$ 63,799</u>	<u>\$ 251,741</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRESCHOOL EDUCATION AID	STUDENT ACTIVITIES	OTHER LOCAL PROGRAMS	2021
Revenues:				
State Sources	\$ 697,308	\$ -	\$ -	\$ 697,308
Federal Sources	-	-	-	2,760,182
Local Sources	-	98,600	19,000	117,600
	<hr/>			
Total Revenues	\$ 697,308	\$ 98,600	\$ 19,000	\$ 3,575,090
	<hr/>			
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 372,560	\$ -	\$ -	\$ 1,054,613
Other Salaries for Instruction	21,675	-	-	88,280
Purchased Professional and Technical Services	-	-	-	10,311
Tuition	-	-	-	585,051
General Supplies	-	-	-	573,243
Other Objects	-	-	19,000	20,807
Student Activities	-	76,623	-	76,623
	<hr/>			
Total Instruction	394,235	76,623	19,000	2,408,928
	<hr/>			
Support Services:				
Salaries	-	-	-	4,320
Salaries of Principals, Assistant Principals, and Program Directors	41,672	-	-	63,452
Salaries - Other Professional Staff	65,135	-	-	128,899
Salaries - Secretarial & Clerical	45,026	-	-	45,026
Other Salaries	55,607	-	-	55,607
Employee Benefits	95,633	-	-	395,670
Purchased Professional-Educational Services	-	-	-	167,578
Other Purchased Services	-	-	-	1,197
Supplies & Materials	-	-	-	259,660
Other Objects	-	-	-	4,788
	<hr/>			
Total Support Services	303,073	-	-	1,126,197
	<hr/>			
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	17,988
	<hr/>			
Total Facilities Acquisition & Construction Services	-	-	-	17,988
	<hr/>			
Total Expenditures	697,308	76,623	19,000	3,553,113
	<hr/>			
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	21,977	-	21,977
	<hr/>			
Fund Balance, July 1 (Restated)	-	50,470	-	50,470
	<hr/>			
Fund Balance, June 30	\$ -	\$ 72,447	\$ -	\$ 72,447
	<hr/>			

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2021		VARIANCE
	BUDGETED	ACTUAL	
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 372,560	\$ 372,560	\$ -
Other Salaries for Instruction	34,528	21,675	12,853
Total Instruction	407,088	394,235	12,853
Support Services:			
Salaries of Principals	41,673	41,672	1
Salaries of Other Professional Staff	65,135	65,135	-
Salaries of Secretarial and Clerical Assistants	45,026	45,026	-
Other Salaries	55,607	55,607	-
Employee Benefits	95,633	95,633	-
Total Support Services	303,074	303,073	1
Total Expenditures	\$ 710,162	\$ 697,308	\$ 12,854

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2020-2021 Preschool Education Expansion Aid Allocation	\$ 710,162
Add: Budgeted Transfer from General Fund	-
Add: Actual Preschool Education Expansion Aid Carryover June 30, 2020	20,940
Total Preschool Education Expansion Aid Funds Available for 2020-2021 Budget	731,102
Less: 2020-2021 Budgeted Preschool Education Expansion Aid (Prior Year Budget Carryover)	(710,162)
Available & Unbudgeted Preschool Education Expansion Aid Funds June 30, 2021	20,940
Add: June 30, 2021 Unexpended Preschool Education Expansion Aid	12,854
Total Actual Preschool Education Expansion Aid Carryover	\$ 33,794
2020-2021 Preschool Education Expansion Aid Carryover Budgeted in 2021-2022	\$ -

F. Capital Projects Fund

This page intentionally left blank

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE JUNE 30, 2021
			PRIOR YEAR	CURRENT YEAR	
Parking Lot Improvements at the Lafayette- Pershing School	04/05/12	\$ 62,124	\$ 57,948	\$ -	\$ 4,176
Site Expansion at Lafayette-Pershing Elementary School	04/13/15	291,189	-	-	291,189
Penns Grove HS HVAC	04/13/15	2,799,962	2,799,962	-	-
Penns Grove HS Renovation	04/13/15	4,146,283	4,146,283	-	-
Paul W. Carleton ES Renovation	04/13/15	660,650	660,650	-	-
Paul W. Carleton HVAC	04/13/15	1,649,780	1,649,780	-	-
Field Street ES HVAC	04/13/15	1,673,388	1,673,388	-	-
Field Street ES Renovation	04/13/15	583,164	583,164	-	-
Lafayette-Pershing ES Roof; Ext Doors	04/13/15	512,523	512,523	-	-
Penns Grove MS Renovation	04/13/15	5,866,495	5,866,495	-	-
Penns Grove MS Roof	04/13/15	16,075	16,075	-	-
Penns Grove MS HVAC	04/13/15	69,970	69,970	-	-
Penns Grove MS HVAC - Admin Office	04/13/15	1,131	1,131	-	-
Total		\$18,332,734	\$ 18,037,369	\$ -	\$ 295,365

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources:	
Bond Proceeds and Transfers	\$ <u> -</u>
Total Revenues	<u> -</u>
Expenditures & Other Financing Uses:	
Other Financing Sources/(Uses):	
Construction Services	<u> -</u>
Total Expenditures & Other Financing Sources/(Uses)	<u> -</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	
Fund Balance - Beginning	<u> 295,365</u>
Fund Balance - Ending	<u><u> \$ 295,365</u></u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL
YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Maintenance Reserve	\$ 224	\$ -	\$ 224	\$ 224
Transferred from Other Projects	9,466	-	9,466	9,466
Transfer from Capital Reserve	775,000	-	775,000	775,000
State Sources - SDA Grant	2,008,082	-	2,008,082	2,008,082
Bond Proceeds & Transfers	8,000	-	8,000	8,000
Total Revenues	2,800,772	-	2,800,772	2,800,772
Expenditures & Other Financing Uses:				
Other Professional and Technical Services	203,789	-	203,789	203,789
Construction Services	2,549,808	-	2,549,808	2,553,984
General Supplies	7,009	-	7,009	7,009
Equipment Purchases	6,971	-	6,971	6,971
Other Costs	29,019	-	29,019	29,019
Total Expenditures	2,796,596	-	2,796,596	2,800,772
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 4,176	\$ -	\$ 4,176	\$ -

ADDITIONAL PROJECT INFORMATION

Project Numbers	4070-050-10-1004
Grant Date	4/5/2012
Original Authorized Cost	\$3,000,000
Additional Authorized Cost	(199,228)
Revised Authorized Cost	2,800,772
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	11/15/12
Revised Target Completion Date	N/A

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 291,189	\$ -	\$ 291,189	\$ 291,189
Total Revenues	291,189	-	291,189	291,189
Expenditures & Other Financing Uses:				
Construction Services	-	-	-	291,189
Total Expenditures	-	-	-	291,189
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 291,189	\$ -	\$ 291,189	\$ -

ADDITIONAL PROJECT INFORMATION

Original Authorized Cost	\$291,189
Additional Authorized Cost	-
Revised Authorized Cost	291,189
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	0.00%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2020

G. Proprietary Funds

This page intentionally left blank

Enterprise Funds

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021

ASSETS	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD SERVICE FUND	ACADEMY PROGRAM	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ 3,272	\$ -	\$ 3,272
Accounts Receivable:			
State	3,586	-	3,586
Federal	44,358	-	44,358
Interfund Receivable	406,872	972,367	1,379,239
Inventory	16,957	-	16,957
Total Current Assets	<u>475,045</u>	<u>972,367</u>	<u>1,447,412</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	925,177	55,395	980,572
Less: Accumulated Depreciation	<u>(713,011)</u>	<u>(46,280)</u>	<u>(759,291)</u>
Total Noncurrent Assets	<u>212,166</u>	<u>9,115</u>	<u>221,281</u>
Total Assets	<u>687,211</u>	<u>981,482</u>	<u>1,668,693</u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	<u>5,344</u>	-	<u>5,344</u>
Total Current Liabilities	<u>5,344</u>	-	<u>5,344</u>
Noncurrent Liabilities:			
Compensated Absences	<u>2,548</u>	-	<u>2,548</u>
Total Noncurrent Liabilities	<u>2,548</u>	-	<u>2,548</u>
Total Liabilities	<u>7,892</u>	-	<u>7,892</u>
NET POSITION			
Investment in Capital Assets	212,166	9,115	221,281
Unrestricted	<u>467,153</u>	<u>972,367</u>	<u>1,439,520</u>
Total Net Position	<u>\$ 679,319</u>	<u>\$ 981,482</u>	<u>\$ 1,660,801</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD SERVICE FUND	ACADEMY TUITION	TOTAL
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ -	\$ -
Daily Sales - Nonreimbursable Programs	13,817	-	13,817
Academy Tuition	-	299,443	299,443
	<hr/>		
Total Operating Revenue	13,817	299,443	313,260
	<hr/>		
Operating Expenses:			
Salaries	488,165	-	488,165
General Supplies	24,204	-	24,204
Employee Property Services	3,772	-	3,772
Tuition	-	13,850	13,850
Depreciation	23,402	7,062	30,464
Miscellaneous	46,701	18,310	65,011
Cost of Sales - Reimbursable Programs	335,979	-	335,979
	<hr/>		
Total Operating Expenses	922,223	39,222	961,445
	<hr/>		
Operating/(Loss)/Gain	(908,406)	260,221	(648,185)
	<hr/>		
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	17,135	-	17,135
Federal Sources:			
National School Lunch Program	363,768	-	363,768
Healthy Hunger-Free Kids Act	6,896	-	6,896
Food Distribution Program	109,656	-	109,656
National School Breakfast Program	212,504	-	212,504
National School Snack Program	5,841	-	5,841
Fresh Fruits and Vegetables	35,969	-	35,969
Interest & Investment Revenue	6	-	6
	<hr/>		
Total Nonoperating Revenues/ (Expenses)	751,775	-	751,775
	<hr/>		
Net Income/(Loss)	(156,631)	260,221	103,590
Net Position - Beginning,	835,950	721,261	1,557,211
	<hr/>		
Total Net Position - Ending	\$ 679,319	\$ 981,482	\$ 1,660,801
	<hr/>		

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD SERVICE FUND	ACADEMY PROGRAM	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ 32,160	\$ 32,160
Payments to Suppliers	(426,810)	(32,160)	(458,970)
Payments to Employees	(350,461)	-	(350,461)
Payments for Employee Benefits	-	-	-
Net Cash Provided/(Used) by Operating Activities	<u>(777,271)</u>	<u>-</u>	<u>(777,271)</u>
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(16,989)	-	(16,989)
Net Cash Used by Capital Financing Activities	<u>(16,989)</u>	<u>-</u>	<u>(16,989)</u>
Cash Flows From Non-Capital Financing Activities:			
Cash Received from State & Federal Reimbursements	792,107	-	792,107
Net Cash Provided by Non-Capital Financing Activities	<u>792,107</u>	<u>-</u>	<u>792,107</u>
Cash Flows From Investing Activities:			
Interest Income	6	-	6
Net Cash Provided by Investing Activities	<u>6</u>	<u>-</u>	<u>6</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,147)	-	(2,147)
Cash & Cash Equivalents, July 1	5,419	-	5,419
Cash & Cash Equivalents, June 30	<u>\$ 3,272</u>	<u>\$ -</u>	<u>\$ 3,272</u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Operating Income/(Loss)	\$ (908,406)	\$ 260,221	\$ (648,185)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	23,402	7,062	30,464
Federal Commodities Food Distribution			
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	-	28,484	28,484
(Increase)/Decrease in Inventory	2,136	-	2,136
(Increase)/Decrease in Interfund Receivable	160,411	(295,767)	(135,356)
Increase/(Decrease) in Deferred Revenue	(13,817)	-	(13,817)
Increase/(Decrease) in Accounts Payable	(18,290)	-	(18,290)
Increase/(Decrease) in Compensated Absences	(22,707)	-	(22,707)
Total Adjustments	<u>131,135</u>	<u>(260,221)</u>	<u>(129,086)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (777,271)</u>	<u>\$ -</u>	<u>\$ (777,271)</u>

This page intentionally left blank

I. Long-Term Debt

This page intentionally left blank

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	ANNUAL MATURITY AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2020	ISSUED	RETIRED	BALANCE JUNE 30, 2021
Improvements and Renovations to Penns Grove High School, Middle School, Paul Carlton Elementary School, Field Street Elementary School Lafayette-Pershing Elementary School Necessary Furniture, Equipment, Site Work and Land Acquisition	02/18/15	\$ 6,000,000	March 1, 2022	360,000	3.00%	\$ 5,280,000	\$ -	\$ 360,000	\$ 4,920,000
			2023	360,000	3.00%				
			2024	360,000	3.00%				
			2025	360,000	3.00%				
			2026	360,000	3.00%				
			2027	360,000	3.00%				
			2028	360,000	3.00%				
			2029	360,000	3.00%				
			2030	360,000	3.00%				
			2031	360,000	3.00%				
			2032	330,000	3.25%				
			2033	330,000	3.25%				
			2034	330,000	3.25%				
			2035	330,000	3.25%				
	Total						\$ 5,280,000	\$ -	\$ 360,000

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	JUNE 30, 2021				POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 523,425	\$ -	\$ 523,425	\$ 523,425	\$ -
Total Revenues	523,425	-	523,425	523,425	-
Expenditures:					
Regular Debt Service:					
Interest	163,425	-	163,425	163,425	-
Principal	360,000	-	360,000	360,000	-
Total Expenditures	523,425	-	523,425	523,425	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2021

	OUTSTANDING BALANCE			OUTSTANDING BALANCE	
	2020	ADDITIONS	DELETIONS	2021	
Governmental Compensated Absences	\$ 966,088	\$ -	\$ (176,082)	\$ 790,006	
Business-Type Compensated Absences	25,255	-	(22,707)	2,548	
Total Compensated Absences	<u>\$ 991,343</u>	<u>\$ -</u>	<u>\$ (198,789)</u>	<u>\$ 792,554</u>	

This page intentionally left blank

STATISTICAL SECTION (Unaudited)

This page intentionally left blank

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 30,456,814	\$ 29,147,453	\$ 28,201,359	\$ 27,448,315	\$ 23,408,192	\$ 15,627,700	\$ 9,195,641	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473
Restricted	6,190,665	4,251,460	3,075,157	2,766,199	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158
Unrestricted	(13,998,377)	(14,678,405)	(15,015,575)	(14,755,394)	(14,491,773)	(13,115,830)	(12,997,104)	(1,883,674)	(1,576,577)	(1,569,361)
Total Governmental Activities	\$ 22,649,102	\$ 18,720,508	\$ 16,260,941	\$ 15,459,120	\$ 8,619,453	\$ 7,049,093	\$ 3,844,878	\$ 13,819,000	\$ 13,478,824	\$ 13,451,270
Business-Type Activities:										
Net Investment in Capital Assets	\$ 221,281	\$ 234,756	\$ 172,759	\$ 165,552	\$ 156,084	\$ 125,765	\$ 104,005	\$ 104,128	\$ 119,590	\$ 135,615
Unrestricted	1,439,520	1,322,455	863,277	692,497	519,910	546,745	451,208	356,362	279,788	251,543
Total Business-Type Activities	\$ 1,660,801	\$ 1,557,211	\$ 1,036,036	\$ 858,049	\$ 675,994	\$ 672,510	\$ 555,213	\$ 460,490	\$ 399,378	\$ 387,158
District-Wide:										
Net Investment in Capital Assets	\$ 30,678,095	\$ 29,382,209	\$ 28,374,118	\$ 27,613,867	\$ 23,564,276	\$ 15,753,465	\$ 9,299,646	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088
Restricted	6,190,665	4,251,460	3,075,157	2,766,199	(296,966)	4,537,223	7,646,341	2,205,622	2,199,963	2,241,158
Unrestricted	(12,558,857)	(13,355,950)	(14,152,298)	(14,062,897)	(13,971,863)	(12,569,085)	(12,545,896)	(1,527,312)	(1,296,789)	(1,317,818)
Total District Net Position	\$ 24,309,903	\$ 20,277,719	\$ 17,296,977	\$ 16,317,169	\$ 9,295,447	\$ 7,721,603	\$ 4,400,091	\$ 14,279,490	\$ 13,878,202	\$ 13,838,428

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 9,191,472	\$ 11,824,389	\$ 11,840,452	\$ 11,079,309	\$ 11,153,402	\$ 11,090,323	\$ 11,790,222	\$ 11,848,422	\$ 11,559,741	\$ 11,826,681
Special Education	5,913,171	3,481,695	3,688,620	3,791,463	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834
Other Special Instruction	-	870,212	940,510	937,894	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432
Other Instruction	1,275,747	427,261	413,568	421,608	412,248	414,379	395,931	406,459	356,606	336,799
Support Services:										
Tuition	2,734,279	2,616,056	2,795,698	2,431,705	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220
Student & Instruction Related Services	3,205,138	3,045,212	3,150,476	3,141,671	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010
Health Services	305,471									
Educational Media Services/School Library	270,531									
School Administrative Services	1,420,608	1,581,367	1,557,054	1,513,250	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,549,345
General Administrative	992,027	1,052,227	961,271	991,215	1,035,182	965,674	949,095	838,268	993,548	-
Other Administrative Services		1,030,036	1,017,175	897,723	680,912	592,553	585,251	571,040	576,493	1,473,381
Central Services	649,502									
Administrative Information Technology	281,628									
Plant Operations & Maintenance	3,080,913	3,190,033	3,524,175	3,370,141	3,648,380	3,286,059	3,411,630	3,383,562	3,897,524	3,355,922
Pupil Transportation	1,761,403	2,186,392	2,008,657	2,064,094	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255
Employee Benefits	17,636,477	14,575,393	17,296,794	21,547,787	20,192,024	15,223,138	13,632,801	9,503,065	9,147,425	8,082,765
Interest on Long-Term Debt	212,491	196,235	215,202	286,142	299,776	311,090	334,042	298,628	298,791	259,043
Unallocated Depreciation	679,916	-	-	-	-	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-
Transfers to Charter Schools	77,002	-	-	-	-	-	-	-	-	71,109
Total Governmental Activities Expenses	\$49,687,776	\$46,076,508	\$49,409,652	\$52,474,002	\$50,975,399	\$45,426,277	\$44,233,372	\$39,881,608	\$39,593,752	\$38,583,796
Business-Type Activities:										
Food Service	922,223	1,216,763	1,353,109	1,229,307	1,264,743	1,257,062	1,218,000	1,152,487	1,206,552	1,169,776
Academy Program	39,222	25,815	29,899	149,904	183,041	258,933	135,854	199,081	173,333	201,065
Internal Service Fund	-	9,250	9,000	8,900	8,700	8,500	8,250	8,800	7,500	7,500
Total Business-Type Activities Expense	961,445	1,251,828	1,392,008	1,388,111	1,456,484	1,524,495	1,362,104	1,360,368	1,387,385	1,378,341
Total District Expenses	\$ 50,649,221	\$ 47,328,336	\$ 50,801,660	\$ 53,862,113	\$ 52,431,883	\$ 46,950,772	\$ 45,595,476	\$ 41,241,976	\$ 40,981,137	\$ 39,962,137

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues:										
Governmental Activities:										
Charges for Services & Operating Grants										
Instruction (Special Education)	\$ 2,440,290	\$ 5,626,846	\$ 6,102,700	\$ 5,545,390	\$ 5,719,957	\$ 6,044,797	\$ 6,105,854	\$ 6,491,654	\$ 6,689,485	\$ 6,238,796
Support Services:										
Student & Instruction & Related Services	1,107,197	1,048,765	395,560	619,403	688,950	807,675	833,369	1,153,930	1,318,458	1,252,643
Employee Benefits	(2,151,290)	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	15,698,777	6,675,611	6,498,260	6,164,793	6,408,907	6,852,472	6,939,223	7,645,584	8,007,943	7,491,439
Business-Type Activities:										
Charges for Services:										
Food Service	13,817	139,195	229,575	229,551	246,942	237,628	250,251	270,222	300,936	284,110
Academy Program	299,443	371,815	235,946	285,842	134,055	330,150	135,854	186,707	181,693	165,309
Internal Service Fund		9,250	9,000	8,900	8,700	8,250	8,250	8,800	7,500	7,500
Operating Grants & Contributions	751,769	1,251,749	1,094,919	1,045,794	1,070,189	1,065,415	1,062,384	955,653	909,382	835,864
Total Business Type Activities Program Revenues	1,065,029	1,772,009	1,569,440	1,570,087	1,459,886	1,641,693	1,456,739	1,421,382	1,399,511	1,292,783
Total District Program Revenues	\$ 16,763,806	\$ 8,447,620	\$ 8,067,700	\$ 7,734,880	\$ 7,868,793	\$ 8,494,165	\$ 8,395,962	\$ 9,066,966	\$ 9,407,454	\$ 8,784,222
Net/(Expense)/Revenue:										
Governmental Activities	\$ (33,988,999)	\$ (39,400,897)	\$ (42,911,392)	\$ (46,309,209)	\$ (44,566,492)	\$ (38,573,805)	\$ (37,294,149)	\$ (32,236,024)	\$ (31,585,809)	\$ (31,092,357)
Business-Type Activities	103,584	520,181	177,432	181,976	3,402	117,198	94,635	61,014	12,126	(85,558)
Total District-Wide Net Expense	\$ (33,885,415)	\$ (38,880,716)	\$ (42,733,960)	\$ (46,127,233)	\$ (44,563,090)	\$ (38,456,607)	\$ (37,199,514)	\$ (32,175,010)	\$ (31,573,683)	\$ (31,177,915)

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,243,445	\$ 11,427,627	\$ 11,187,209	\$ 18,299,088	\$ 20,674,154	\$ 17,228,024	\$ 10,818,459	\$ 10,368,642	\$ 10,002,588	\$ 9,491,035
Taxes Levied for Debt Service	523,425	753,508	767,734	771,387	775,635	690,923	549,929	550,349	551,884	552,912
Unrestricted Grants & Contributions	24,842,297	29,730,835	31,359,699	33,658,419	24,303,622	23,631,220	26,905,535	21,546,619	21,283,731	23,807,981
Restricted Grants Cancelled	-	-	-	-	-	-	-	-	-	(300,244)
Tuition Received	369,487	123,779	398,571	419,982	383,442	227,852	104,316	110,590	44,540	84,377
Miscellaneous Income	49,954	(175,285)	-	-	-	-	-	-	(199,228)	-
Other	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	37,028,608	41,860,464	43,713,213	53,148,876	46,136,853	41,778,019	38,378,239	32,576,200	31,683,515	33,636,061
Business-Type Activities:										
Investment Earnings	6	994	555	79	82	99	88	98	94	136
Total Business-Type Activities	6	994	555	79	82	99	88	98	94	136
Total District-Wide	\$ 37,028,614	\$ 41,861,458	\$ 43,713,768	\$ 53,148,955	\$ 46,136,935	\$ 41,778,118	\$ 38,378,327	\$ 32,576,298	\$ 31,683,609	\$ 33,636,197
Change in Net Position:										
Governmental Activities	\$ 3,039,609	\$ 2,459,567	\$ 801,821	\$ 6,839,667	\$ 1,570,361	\$ 3,204,214	\$ 1,084,090	\$ 340,176	\$ 97,706	\$ 2,543,704
Business-Type Activities	103,590	521,175	177,987	182,055	3,484	117,297	94,723	61,112	12,220	(85,422)
Total District	\$ 3,143,199	\$ 2,980,742	\$ 979,808	\$ 7,021,722	\$ 1,573,845	\$ 3,321,511	\$ 1,178,813	\$ 401,288	\$ 109,926	\$ 2,458,282

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 5,822,853	\$ 2,558,115	\$ 2,779,792	\$ 2,470,834	\$ 2,656,728	\$ 2,451,819	\$ 1,516,799	\$ 1,609,717	\$ 1,519,305	\$ -
Assigned	710,493	2,396,259	575,303	762,425	975,835	1,008,080	832,767	1,083,781	1,564,402	1,144,455
Unrestricted	(940,160)	(1,572,340)	(1,403,310)	(1,308,142)	(1,240,021)	(1,216,613)	(1,264,483)	(1,284,628)	(1,368,260)	281,783
Total General Fund:	\$ 5,593,186	\$ 3,382,034	\$ 1,951,785	\$ 1,925,117	\$ 2,392,542	\$ 2,243,286	\$ 1,085,083	\$ 1,408,870	\$ 1,715,447	\$ 1,426,238
All Other Governmental Funds:										
Restricted	\$ 367,812	\$ 295,365	\$ 295,365	\$ 295,365	\$ (3,406,455)	\$ 1,658,627	\$ 5,734,409	\$ 62,124	\$ 62,124	\$ 535,196
Unrestricted, Reported in:										
Special Revenue Fund	(71,016)	(62,413)	(69,955)	(67,802)	(76,693)	(72,248)	(86,697)	(86,697)	(79,059)	(78,660)
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds:	\$ 296,796	\$ 232,952	\$ 225,410	\$ 227,563	\$ (3,483,148)	\$ 1,586,379	\$ 5,647,712	\$ (24,573)	\$ (16,935)	\$ 456,536

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes Local	\$ 11,766,870	\$ 12,181,135	\$ 11,954,943	\$ 11,786,705	\$ 12,176,438	\$ 11,948,501	\$ 11,368,388	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947
Tuition Charges	369,487	1,048,765	395,560	619,403	688,950	807,675	833,369	1,153,930	1,318,458	1,252,643
Transportation	-	-	1,199	-	15,681	2,826	13,818	16,692	13,785	-
Miscellaneous	148,554	123,779	397,372	419,982	367,761	225,026	90,498	95,898	30,755	84,377
State Sources	32,111,072	30,622,139	29,797,161	34,920,045	29,673,373	28,609,071	26,689,945	25,854,384	25,936,114	27,024,603
Federal Sources	2,843,566	2,425,818	2,623,281	1,962,284	2,104,266	2,323,079	2,426,400	2,183,889	2,037,102	3,022,174
Total Revenue	47,239,549	46,401,636	45,169,516	49,708,419	45,026,469	43,916,178	41,422,418	40,221,784	39,890,686	41,427,744
Expenditures:										
Instruction:										
Regular Instruction	9,191,472	11,518,331	11,534,394	10,784,962	10,859,450	10,796,077	11,487,364	11,544,931	11,256,915	11,520,712
Special Education Instruction	5,913,171	3,481,695	3,688,620	3,791,463	3,596,789	3,533,262	3,514,081	3,520,467	3,447,917	3,428,834
Other Special Instruction	-	870,212	940,510	937,894	1,204,604	1,157,768	1,127,423	1,114,718	1,134,233	1,191,432
Other Instruction	1,275,747	427,261	413,568	421,608	412,248	414,379	395,931	406,459	356,606	336,799
Undistributed:										
Tuition	2,734,279	2,616,056	2,795,698	2,431,705	2,377,397	2,192,603	2,148,659	2,026,092	1,734,327	1,548,220
Student and Instruction Related Services	180	3,045,212	3,150,476	3,141,671	2,914,522	3,164,590	2,993,688	3,065,970	3,253,474	3,606,010
Attendance & Social Work Services	305,471	-	-	-	-	-	-	-	-	-
Health Services	1,437,567	-	-	-	-	-	-	-	-	-
Related Services	35,490	-	-	-	-	-	-	-	-	-
Extraordinary Services	-	-	-	-	-	-	-	-	-	-
Support Services - Students:										
Regular	677,937	-	-	-	-	-	-	-	-	-
Special	671,581	-	-	-	-	-	-	-	-	-
Improvement of Instruction	382,383	-	-	-	-	-	-	-	-	-
Educational Media Services	270,531	-	-	-	-	-	-	-	-	-
Instructional Staff Training	17,172	-	-	-	-	-	-	-	-	-
General Administration	974,855	1,052,227	961,271	934,214	978,181	908,242	892,094	781,045	934,781	-
School Administration	1,420,608	1,520,155	1,495,842	1,513,250	1,553,513	1,590,573	1,528,796	1,530,355	1,400,520	1,533,970
Other Administration	-	1,019,763	1,006,902	882,619	665,808	577,449	570,147	555,755	561,368	1,411,309
Central Administration	649,502	-	-	-	-	-	-	-	-	-

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures (continued):										
Administration Information Technology	281,628	-	-	-	-	-	-	-	-	-
Allowable Maintenance for School Facilities	218,025	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant Services	2,862,888	2,834,994	3,221,589	3,087,567	3,381,338	3,024,909	3,156,324	3,153,643	2,936,380	3,102,427
Student Transportation	1,761,403	2,186,392	2,008,657	2,064,094	1,906,650	1,904,265	1,821,753	1,774,562	1,793,153	1,854,255
Unallocated Benefits	6,368,732	12,355,261	12,292,976	11,512,246	11,398,858	10,201,871	9,696,957	9,507,464	9,275,689	8,094,578
On Behalf TPAF Pension and Social Security Contributions	6,663,454	-	-	-	-	-	-	-	-	-
Capital Outlay	505,820	733,676	483,173	3,806,815	7,536,257	6,157,657	1,717,805	498,068	730,941	2,826,394
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal	360,000	945,000	950,000	935,000	930,000	955,000	900,000	845,000	820,000	795,000
Interest	216,091	182,325	201,325	220,025	231,125	240,663	122,898	211,470	239,416	266,391
Total Expenditures	45,195,987	44,788,560	45,145,001	46,465,133	49,946,740	46,819,308	42,073,920	40,535,999	39,875,720	41,516,331
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,043,562	1,613,076	24,515	3,243,286	(4,920,271)	(2,903,130)	(651,502)	(314,215)	14,966	(88,587)
Other Financing Sources/(Uses):										
Refunding Bond Proceeds	-	-	-	-	-	-	6,000,000	-	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	-	-	-	-
Transfer to Charter School	(77,002)	(23,385)	-	-	-	-	-	-	-	-
Cancellation of State Aid	-	-	-	-	-	-	-	-	(199,228)	(300,244)
Cancellation of Prior Year Receivable	-	(151,900)	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(77,002)	(175,285)	-	-	-	-	6,000,000	-	(199,228)	(300,244)
Net Change in Fund Balances	\$1,966,560	\$1,437,791	\$24,515	\$3,243,286	(\$4,920,271)	(\$2,903,130)	\$5,348,498	(\$314,215)	(\$184,262)	(\$388,831)
Debt Service as a Percentage of Noncapital Expenditures	1.29%	2.56%	2.58%	2.71%	2.74%	2.94%	2.53%	2.64%	2.71%	2.74%

Source: District Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	FACILITY USE	BUILDING RENTALS	MISC	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	TRANSPORTATION FEES	TICKET SALES	HOMELESS TUITION	PRIOR YEAR TUITION	TUITION FROM LEAs WITHIN THE STATE	TOTAL
2021	\$ -	\$ -	\$ 49,954	\$ -	\$ -	\$ -	\$ -	\$ 204,917	\$ -	\$ 164,570	\$ 419,441
2020	-	4,000	32,227	69,775	-	-	16,586	573,979	-	474,786	1,171,353
2019	-	6,150	16,264	36,293	-	1,199	15,715	299,295	-	395,560	770,476
2018	-	8,550	26,490	6,785	-	-	13,726	339,434	-	-	394,985
2017	-	9,250	4,136	5,957	-	29,998	7,545	315,050	10,959	-	382,895
2016	-	7,400	478	8,193	13,855	2,826	7,482	185,784	-	-	226,018
2015	-	7,039	319	6,164	20,246	13,818	13,872	-	39,029	-	100,487
2014	1,200	7,120	41,020	5,105	23,021	16,692	15,445	-	-	-	109,603
2013	1,050	6,300	1,834	6,943	2,579	13,785	12,049	-	-	-	44,540
2012	-	36,850	25,356	9,573	839	1,495	10,264	-	-	-	84,377

Source: District records

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
Township of Carneys Point												
2021	33,813,600	377,415,900	11,125,500	1,786,200	106,949,600	100,467,300	27,291,100.00	658,849,200	-	658,849,200	1.474	648,665,157
2020	17,728,500	378,215,600	12,008,500	2,002,900	105,557,100	100,467,300	27,291,100	643,271,000	-	643,271,000	1.530	637,103,152
2019	19,527,300	368,134,600	12,086,000	2,027,200	108,764,300	100,467,300	27,291,100	638,297,800	-	638,297,800	1.555	644,128,818
2018	20,964,800	387,022,600	12,140,900	2,002,000	121,111,000	77,067,600	24,154,300	644,463,200	-	644,463,200	1.508	591,467,695
2020	20,609,500	385,625,700	12,772,800	2,010,400	118,757,000	103,067,600	24,154,300	666,997,300	764,120	667,761,420	1.457	543,999,103
2016	21,466,200	410,069,400	12,732,100	2,005,300	120,308,900	105,033,200	26,206,500	697,821,600	800,300	698,621,900	1.411	598,782,907
2015	26,041,800	433,158,000	12,856,900	1,919,200	125,204,100	105,509,500	26,206,500	730,896,000	809,372	731,705,372	1.300	704,755,689
2014	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	757,545,200	796,031	758,341,231	1.233	684,322,638
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	1.177	706,895,759
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	1.127	694,349,524
Borough of Penns Grove												
2021	2,857,500	102,809,100	-	-	25,738,700	-	3,063,200	134,468,500	-	134,468,500	1.467	138,842,024
2020	2,705,400	105,077,000	-	-	25,854,700	-	3,100,700	136,737,800	-	136,737,800	1.547	123,264,942
2019	3,126,200	105,256,700	-	-	26,891,600	-	3,100,700	138,375,200	-	138,375,200	1.550	138,809,684
2018	3,465,200	127,778,200	-	-	32,691,100	-	3,270,700	167,205,200	-	167,205,200	1.279	125,812,792
2020	3,661,500	130,289,000	-	-	32,825,200	-	3,599,400	170,375,100	-	170,375,100	1.324	132,887,528
2016	3,654,400	131,674,400	-	-	32,760,400	-	3,599,400	171,688,600	-	171,688,600	1.280	142,314,821
2015	3,656,300	133,711,300	-	-	34,805,100	-	3,682,500	175,855,200	-	175,855,200	1.212	153,129,299
2014	3,617,500	134,416,600	-	-	33,885,400	-	3,682,500	175,602,000	-	175,602,000	1.226	167,636,422
2013	3,497,900	135,369,000	-	-	34,908,200	-	3,682,500	177,457,600	-	177,457,600	1.213	173,865,114
2012	3,495,400	135,711,800	-	-	34,581,200	-	3,682,500	177,470,900	1,728,950	179,199,850	1.189	177,669,170

b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICES	TOTAL DIRECT SCHOOL TAX RATE	MUNICIPAL	MUNICIPAL OPEN SPACE	SALEM COUNTY	
Township of Carneys Point							
2021	1.379	0.095	1.474	0.6680	0.001	1.1750	3.318
2020	1.435	0.095	1.530	0.630	0.001	1.186	3.347
2019	1.458	0.097	1.555	0.602	0.001	1.217	3.375
2018	1.413	0.095	1.508	0.550	0.001	1.090	3.149
2020	1.364	0.093	1.457	0.529	0.001	0.949	2.936
2016	1.329	0.082	1.411	0.484	0.001	0.933	2.829
2015	1.237	0.063	1.300	0.435	0.001	0.961	2.697
2014	1.171	0.062	1.233	0.413	0.001	0.907	2.553
2013	1.115	0.062	1.177	0.392	0.001	0.936	2.506
2012	1.067	0.060	1.127	0.380		0.920	2.427
Borough of Penns Grove							
2021	1.371	0.096	1.467	2.363		1.114	4.944
2020	1.451	0.096	1.547	2.294		1.168	5.009
2019	1.450	0.100	1.550	2.272		1.208	5.030
2018	1.195	0.084	1.279	1.859		0.896	4.034
2020	1.240	0.084	1.324	1.812		0.912	4.048
2016	1.206	0.074	1.280	1.753		0.962	3.995
2015	1.153	0.059	1.212	1.648		0.871	3.731
2014	1.164	0.062	1.226	1.600		0.864	3.690
2013	1.150	0.063	1.213	1.512		0.946	3.671
2012	1.124	0.065	1.189	1.450		0.940	3.579

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

Township of Carneys Point TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
The Chemours % Chambers Cogen Ltd	\$ 41,750,000	6.34%	Not available	
McLane New Jersey, Inc.	27,900,000	4.23%		
The Chemours Co. FC, LLC	24,381,000	3.70%		
PHI Service Co % Connective Real Estate	12,900,000	1.96%		
RBA Assoc LLC C/O Switzenbaum	11,650,000	1.77%		
Sandy Ridge Apartments LLC	8,670,000	1.32%		
Delaware River Bay Authority	8,200,000	1.24%		
CFJ Properties % Pilot Travel #688	7,480,800	1.14%		
Southgate Realty LLC	7,159,500	1.09%		
Meriod Gardens Assisted Living Co.	4,933,000	0.75%		
Total	\$ 155,024,300	23.53%	\$	-

Borough of Penns Grove TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
Incollingo's Penn Grove Properties	\$ 2,028,100	1.51%	Not available	
NJEC Assoc % Walgreens Real Estate	1,928,000	1.43%		
Rite Aid of New Jersey	1,890,600	1.41%		
Argyosomus LLC	1,476,000	1.10%		
Spirit Master Funding VII LLC	1,407,500	1.05%		
Realty Inc Property	1,181,000	0.88%		
99 Regional LLC	998,400	0.74%		
Jaz Assets, LLC	958,900	0.71%		
Salem Day Care Realty, LLC	838,300	0.62%		
Bell Atlantic % Duff & Phelps	708,600	0.53%		
Total	\$ 13,415,400	9.98%		

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

Township of Carneys Point

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2021	\$ 9,725,715	\$ 9,725,715	100.00%	-
2020	9,959,995	9,959,995	100.00%	-
2019	9,886,967	9,886,967	100.00%	-
2018	9,544,213	9,544,213	100.00%	-
2020	9,909,059	9,909,059	100.00%	-
2016	9,802,772	9,802,772	100.00%	-
2015	9,511,374	9,511,374	100.00%	-
2014	8,291,816	8,291,816	100.00%	-
2013	8,568,357	8,568,357	100.00%	-
2012	7,929,924	7,929,924	100.00%	-

Borough of Penns Grove

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2021	\$ 2,041,155	\$ 2,041,155	100.00%	-
2020	2,221,140	2,221,140	100.00%	-
2019	2,067,976	2,067,976	100.00%	-
2018	2,242,492	2,242,492	100.00%	-
2020	2,300,147	2,060,167	89.57%	239,980
2016	2,150,167	1,904,393	88.57%	245,774
2015	2,130,951	1,880,739	88.29%	250,212
2014	2,076,826	1,437,025	69.19%	639,801
2013	2,152,277	1,655,511	76.92%	496,766
2012	2,114,023	1,624,776	76.86%	489,247

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

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				BOND ANTICIPATION NOTES (BANs)	BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	CAPITAL LEASES				
2021	\$ 4,920,000	N/A	N/A	N/A	N/A	4,920,000	0.79%	
2020	5,280,000	N/A	N/A	N/A	N/A	5,280,000	0.95%	
2019	6,225,000	N/A	N/A	N/A	N/A	6,225,000	1.12%	
2018	7,175,000	N/A	N/A	N/A	N/A	7,175,000	1.29%	
2020	8,110,000	N/A	N/A	N/A	N/A	8,110,000	1.44%	
2016	9,040,000	N/A	N/A	N/A	N/A	9,040,000	1.64%	
2015	9,995,000	N/A	N/A	N/A	N/A	9,995,000	1.82%	
2014	4,795,000	N/A	N/A	N/A	N/A	4,795,000	0.90%	
2013	5,640,000	N/A	N/A	N/A	N/A	5,640,000	1.06%	
2012	6,460,000	N/A	N/A	N/A	N/A	6,460,000	0.61%	

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 4,920,000	\$ -	\$ 4,920,000	0.62%	395
2020	5,280,000	-	5,280,000	0.74%	429
2019	6,225,000	-	6,225,000	0.87%	499
2018	7,175,000	-	7,175,000	1.06%	574
2020	8,110,000	-	8,110,000	1.09%	647
2016	9,040,000	-	9,040,000	1.05%	717
2015	9,995,000	-	9,995,000	1.17%	787
2014	4,795,000	-	4,795,000	0.56%	374
2013	5,640,000	-	5,640,000	0.64%	438
2012	6,460,000	-	6,460,000	0.71%	497

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Carneys Point	\$5,050,493	100.00%	\$5,050,493
Borough of Penns Grove	1,111,895	100.00%	1,111,895
Other Debt:			
Salem County General Obligation Debt	78,474,542	15.094%	<u>11,844,947</u>
Subtotal, Overlapping Debt			<u>18,007,336</u>
Regional School District Direct Debt	4,920,000	100.00%	<u>4,920,000</u>
Total Direct & Overlapping Debt			<u><u>\$22,927,336</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation.

Debt outstanding data provided by each governmental unit.

NOTE - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the above Townships. This process recognizes that, when considering the District's ability to issue and repay Long-Term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$27,192,827	\$30,124,797	\$29,443,364	\$34,559,511	34,559,511	34,559,511	34,559,511	34,599,511	34,599,511	34,238,463
Total Net Debt Applicable to Limit	4,920,000	5,280,000	6,225,000	7,175,000	8,110,000	9,040,000	9,995,000	4,795,000	5,640,000	6,460,000
Legal Debt Margin	\$22,272,827	\$24,844,797	\$23,218,364	\$27,384,511	\$26,449,511	\$25,519,511	\$24,564,511	\$29,804,511	\$28,959,511	\$27,778,463
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.09%	17.53%	21.14%	20.76%	23.47%	26.16%	28.92%	13.86%	16.30%	18.87%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis	
	Carneys Point	Penns Grove
		Total
	2021	787,507,181
	2020	760,368,094
	2019	782,938,502
		<u>\$2,330,813,777</u>
Average Equalized Valuation of Taxable Property		<u>\$776,937,926</u>
Debt Limit (3.5 % of Average Equalization Value)		<u>\$27,192,827</u>
Net Bonded School Debt		<u>4,920,000</u>
Legal Debt Margin		<u>\$22,272,827</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Carneys Point				
2021	N/A	N/A	N/A	N/A
2020	7,692	N/A	N/A	10.0%
2019	7,669	385,006,807	50,203	6.3%
2018	7,726	371,659,230	48,105	6.6%
2017	7,746	361,854,390	46,715	6.0%
2016	7,781	357,396,892	45,932	5.8%
2015	7,825	353,846,500	45,220	6.8%
2014	7,890	341,163,600	43,240	8.0%
2013	7,913	334,071,034	42,218	9.0%
2012	7,980	332,542,560	41,672	11.2%
Penns Grove				
2021	N/A	N/A	N/A	N/A
2020	4,752	N/A	N/A	13.6%
2019	4,754	238,665,062	50,203	7.7%
2018	4,790	230,422,950	48,105	7.7%
2017	4,807	224,559,005	46,715	8.1%
2016	4,833	221,989,356	45,932	9.0%
2015	4,873	220,357,060	45,220	10.0%
2014	4,928	213,086,720	43,240	11.4%
2013	4,965	209,612,370	42,218	14.2%
2012	5,015	208,985,080	41,672	16.3%

Source:

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

^b Personal income

^c Per Capita

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

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

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
PSE&G	1,500	1	N/A
El DuPont	800	2	N/A
Mannington Mills	720	3	N/A
Memorial Hospital of Salem Co.	685	4	N/A
Atlantic City Electric	401	5	N/A
RE Peirson Construction	400	6	N/A
Anchor Glass	400	7	N/A
McLane NJ	376	8	N/A
Elmer Hospital	275	9	N/A
Walmart	250	10	N/A
	<u>5,807</u>		

2012

Not Available

Source: Information provided by the Salem County Office of Economic Development and Employer Directly.

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	129.0	146.0	144.0	140.0	142.0	147.0	149.0	160.0	157.0	155.0
Special Education	56.9	40.0	40.0	38.0	39.0	41.0	42.0	41.0	45.0	46.0
Other Special Education	29.1	25.0	25.0	30.0	31.0	30.0	27.0	31.0	29.0	30.0
Other Instruction	9.9	10.0	10.0	17.0	12.0	33.0	32.0	32.0	30.0	33.0
Support Services:										
Student & Instruction Related Services	31.0	20.0	23.0	23.0	21.0	21.0	21.0	21.0	20.0	18.0
General Administration Services	16.0	11.0	10.0	10.0	9.0	10.0	9.0	9.0	9.0	9.0
School Administration Services	18.0	20.0	20.0	21.0	21.0	22.0	23.0	23.0	24.0	22.0
Business Administrative Services	4.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0
Plants Operations & Maintenance	31.0	36.0	35.0	37.0	37.0	46.0	54.0	41.0	41.0	41.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	15.6	29.0	31.0	29.0	32.0	34.0	30.0	36.0	33.0	31.0
Total	341.5	343.0	344.0	351.0	349.0	390.0	393.0	400.0	394.0	391.0

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO				HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						LAFAYETTE ELEMENTARY	PERSHING ELEMENTARY	FIELD STREET ELEMENTARY	PAUL W. CARLETON CARLETON ELEMENTARY					
2021	2,188	\$ 40,597,951	18,555	0.83%	186	14.3	13.8	13.1	13.0	11.6	2,184.7	2,019.9	0.68%	92.46%
2020	2,171	39,949,060	18,401	-0.76%	186	10.9	12.8	12.2	12.2	11.4	2,212.7	2,122.8	1.97%	95.94%
2019	2,170	40,236,916	18,542	-1.98%	207	12.0	10.7	12.0	9.7	9.3	2,169.9	2,029.8	0.62%	93.54%
2018	2,057	38,911,116	18,916	6.29%	186	13.5	12.1	12.1	10.1	9.1	2,156.5	2,018.1	0.61%	93.58%
2020	2,160	38,440,652	17,797	7.76%	186	13.2	12.1	10.8	9.1	9.8	2,143.5	2,001.4	-2.85%	93.37%
2016	2,212	36,530,271	16,515	4.35%	197	13.2	12.1	10.8	9.1	9.8	2,206.3	2,058.5	-3.54%	93.30%
2015	2,289	36,226,675	15,826	2.88%	208	12.8	12.0	10.4	9.1	8.9	2,287.3	2,122.2	-2.31%	92.78%
2014	2,341	36,011,810	15,383	0.78%	212	12.8	12.0	10.4	9.1	8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	220	14.2	10.8	11.1	8.8	8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	221	8.3	11.0	10.8	9.1	9.0	2,258.7	2,120.7	-4.91%	93.89%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Lafayette-Pershing (1991):										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	271	324	324	316	304	350	350	393	375	370
Field Street (1955):										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901
Capacity (Students)	489	489	489	489	489	489	489	489	489	489
Enrollment	496	493	493	504	530	547	547	552	513	511
Paul W. Carleton (1951):										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115
Capacity (Students)	369	369	369	369	369	369	369	369	369	369
Enrollment	328	362	362	347	328	312	312	313	347	334
Middle School:										
Penns Grove Middle School (1935):										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (Students)	541	541	541	541	541	541	541	541	541	541
Enrollment	535	468	468	463	444	485	485	500	475	499
High School:										
Penns Grove High School (1971):										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (Students)	990	990	990	990	990	990	990	990	990	990
Enrollment	558	524	523	504	519	544	544	564	515	546
Administration Building:										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2021:
 Elementary School = 3
 Middle School = 1
 Senior High School = 1
 Other = 1

Source: District Facilities Office

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

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

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	GROSS SQUARE * FOOTAGE										
Penns Grove High School	166,000	\$ 73,848	\$ 57,009	\$ 79,369	\$ 96,025	\$ 139,153	\$ 95,285	\$ 99,482	\$ 72,038	\$ 71,404	\$ 122,078
Penns Grove Middle School	85,540	40,156	28,265	104,031	24,732	135,689	39,016	97,369	55,072	51,927	76,144
Paul W. Carleton School	53,115	26,324	18,207	48,046	26,736	38,698	37,958	34,679	30,633	17,804	53,584
Field Street School	67,901	31,578	19,959	66,098	64,966	93,009	35,080	30,521	120,897	41,541	55,353
Lafayette-Pershing School	47,470	21,245	23,557	62,624	40,266	56,874	25,932	24,385	41,598	26,822	46,138
Total School Facilities		193,151	146,997	360,168	252,725	463,423	233,271	286,436	320,238	209,498	353,297
Other Facilities		24,874	1,094	15,441	2,768	4,104	7,375	8,908	5,227	9,314	7,352
Grand Total		\$ 218,025	\$ 148,091	\$ 375,609	\$ 255,493	\$ 467,527	\$ 240,646	\$ 295,344	\$ 325,465	\$ 218,812	\$ 360,649

* 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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

	COVERAGE	DEDUCTIBLE
Property, Inland Marine and Automobile Physical Damages		
Limits of Liability	\$175,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		\$500
Perils Included	*All Risk*	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limits of Liability	125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		1,000
Crime		
Limits of Liability	500,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		500
General and Automobile Liability		
Limits of Liability	20,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Educator's Legal Liability		
Limits of Liability	20,000,000	
GCSSDJIF Self Insured Retention	175,000	
Member District Deductible		None
Pollution Logal Liability		
Limits of Liability	3,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		25,000
Member District Deductible - Mold Incident		100,000-250,000
Cyber Liability		
Limits of Liability	2,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		50,000-100,000
Disaster Management Services		
Limits of Liability	1,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		10,000

Source: District Records.

This page intentionally left blank

SINGLE AUDIT SECTION

This page intentionally left blank



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 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, each major fund and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Penns Grove-Carneys Point Regional School District's basic financial statements, and have issued our report thereon dated May 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Penns Grove-Carneys Point Regional School District's internal control over financial reporting (internal control) to determine the 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 Penns Grove-Carneys Point Regional School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control that we consider to be a material weakness, described in the accompanying comments and recommendation section as Finding No's. 2021-001 and 2021-002.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 as finding no.'s 2021-001, 2021-002, 2021-003 and 2021-004.

The Penns Grove-Carneys Point Regional School District's Response to Findings

The Penns Grove-Carneys Point Regional 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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors



Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
May 18, 2022



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Penns Grove-Carneys Point Regional School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 School District's compliance.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Opinion on Each Major Federal and State Program

In our opinion, the School District 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 year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 or 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Purpose of this Report

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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

A handwritten signature in black ink that reads "Michael Holt". The signature is written in a cursive, flowing style.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
May 18, 2022

This page intentionally left blank

PENNS GROVE-CARNEY'S POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM/TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2021 DUE TO GRANTOR	UNEARNED REVENUE
U.S. DEPARTMENT OF AGRICULTURE													
Passed through Pennsylvania Agency Department of Agriculture:													
Child Nutrition Cluster:													
COVID-19 School Breakfast Program	10.553	211NJ04N1099	100-010-3350-100	212,504	7/1/20-6/30/21	\$ -	\$ 197,276	\$ (212,504)	\$ -	\$ -	\$ (15,228)	\$ -	\$ -
COVID-19 School Breakfast Program	10.553	201NJ04N1099	100-010-3350-100	369,466	7/1/19-6/30/20	(31,805)	31,805	-	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	201NJ04N1099	100-010-3350-098	730,072	7/1/19-6/30/20	(50,470)	50,470	-	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	211NJ04N1099	100-010-3350-098	363,768	7/1/20-6/30/21	-	339,135	(663,768)	-	-	(24,633)	-	-
COVID-19 National School Lunch Program	10.555	211NJ04N1099	100-010-3350-098	5,841	7/1/20-6/30/21	-	5,841	-	-	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	211NJ04N1099	100-010-3350-098	6,896	7/1/20-6/30/21	-	6,408	(6,896)	-	-	(488)	-	-
Food Distribution Program (Noncash Assistance)	10.555	211NJ04N1099	Unavailable	109,656	7/1/20-6/30/21	14,337	95,319	(95,319)	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	201NJ04N1099	Unavailable	98,879	7/1/19-6/30/20	(67,938)	726,254	(698,665)	-	-	(40,349)	-	-
Total Child Nutrition Cluster													
Fresh Fruits and Vegetables	10.582	211NJ04L1603	100-010-3350-006	35,969	7/1/20-6/30/21	-	31,960	(35,969)	-	-	(4,009)	-	-
Fresh Fruits and Vegetables	10.582	201NJ04L1603	100-010-3350-006	18,286	7/1/19-6/30/20	(1,860)	1,860	-	-	-	(4,009)	-	-
Total Enterprise Fund													
						(69,798)	760,074	(734,654)	-	-	(44,358)	-	-
U.S. DEPARTMENT OF TREASURY PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue Fund:													
COVID-19 Coronavirus Relief Fund	21.019		100-034-5120-517	251,741	3/27/20-6/30/21	-	251,859	(251,741)	-	-	-	118	-
COVID-19 Digital Divide	21.019		100-034-5120-513	63,809	7/16/20-10/31/20	-	63,809	(63,799)	-	-	-	10	-
Total Special Revenue Fund													
						-	315,668	(315,540)	-	-	-	128	-
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
General Fund:													
Medical Assistance Program	93.778	2005NJS MAP	100-054-7540-211	83,384	7/1/20-6/30/21	-	83,384	(83,384)	-	-	-	-	-
Total General Fund													
						-	83,384	(83,384)	-	-	-	-	-
Special Revenue Fund:													
Title I - Part A	84.010	S010A190030	100-034-5064-194	1,546,721	7/1/19-9/30/20	(478,149)	478,149	-	-	-	-	-	-
Title I - Part A	84.010	S010A200030	100-034-5064-194	1,480,304	7/1/20-9/30/21	-	854,189	(1,257,276)	-	-	(403,087)	-	-
Subtotal						(478,149)	1,332,338	(1,257,276)	-	-	(403,087)	-	-
Title II - Part A	84.367A	S367A190029	100-034-5063-290	117,804	7/1/19-9/30/20	(11,050)	11,050	-	-	-	-	-	-
Title II - Part A	84.367A	S367A200029	100-034-5063-290	94,344	7/1/20-9/30/21	(11,050)	60,742	(54,887)	-	-	(5,195)	-	-
Subtotal						(22,100)	71,792	(59,774)	-	-	(10,390)	-	-
Title III	84.365A	S365A190009	100-034-5064-187	55,721	7/1/19-9/30/20	(7,745)	7,745	-	-	-	-	-	-
Title III	84.365A	S365A200030	100-034-5064-187	34,505	7/1/20-9/30/21	(7,745)	34,988	(40,191)	-	-	(12,668)	-	-
Subtotal						(15,490)	42,733	(47,880)	-	-	(25,336)	-	-
Title IV	84.424A	S424A200031	100-034-5069-031	46,180	7/1/20-9/30/21	-	32,308	(35,746)	-	-	(3,438)	-	-
Subtotal						-	32,308	(35,746)	-	-	(3,438)	-	-
COVID-19 CARES Emergency Relief Grant	84.425D	S425D200027	100-034-5120-513	989,530	5/13/20-9/30/22	(251,430)	418,620	(449,370)	-	-	(282,180)	-	-
Subtotal						(251,430)	418,620	(449,370)	-	-	(282,180)	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	100-034-5065-016	614,693	7/1/20-9/30/21	-	-	(585,051)	-	-	(585,051)	-	-
Subtotal						-	-	(585,051)	-	-	(585,051)	-	-
I.D.E.A. Preschool Incentive	84.173	H173A190100	100-034-5065-016	22,123	7/1/19-9/30/20	(2,927)	2,927	-	-	-	(22,121)	-	-
I.D.E.A. Preschool Incentive	84.173	H173A200114	100-034-5065-016	22,382	7/1/20-9/30/21	(2,927)	2,927	-	-	-	(22,121)	-	-
Subtotal						(5,854)	5,854	-	-	-	(44,242)	-	-
Total Special Education Cluster						(8,781)	8,781	(607,172)	-	-	(607,172)	-	-
Total Special Revenue Fund						(751,301)	1,881,903	(2,444,642)	-	-	(1,314,040)	-	-
Total Federal Financial Assistance						(821,099)	3,041,029	(3,578,200)	-	-	(1,558,998)	128	\$ -

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

**PENNS GROVE-CARNEYS POINT REGIONAL 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 present the activity of all federal awards and state financial assistance programs of the Penns Grove-Carneys Point Regional School District. The School District is defined in Note 1 of the 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 New Jersey OMB's Circular 15-08, *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 is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

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

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$60,937) for the general fund and (\$8,603) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District’s basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 83,384	\$ 31,422,367	\$ 31,505,751
Special Revenue Fund	2,760,182	688,705	3,448,887
Food Service Fund	734,634	17,135	751,769
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 3,578,200</u>	<u>\$ 32,128,207</u>	<u>\$ 35,706,407</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The School District had no loan balances outstanding at June 30, 2021.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Qualified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

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

2) 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 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>COVID-19 CARES Emergency Relief Grant</u>
<u>21.019</u>	<u>SLT0007</u>	<u>COVID-19 Covid Relief Funds Grant</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes no

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$799,619.00 _____

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____	State Aid - Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-084	Categorical Security Aid _____
495-034-5120-089	Categorical Special Education Aid _____
_____	_____
_____	_____
_____	_____
_____	_____

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Financial Statement Findings

Finding No. 2021-001

Criteria or Specific Requirement:

The State Department of Education requires districts to maintain a capital assets record that accounts for all assets with a historical value of at least \$2,000.

Condition:

The capital assets records were not properly updated for additions, disposals or depreciation. No detail of land, construction in progress, land improvements and building and building improvements could not be provided.

Context:

The District did not properly track capital asset activity. Due to this oversight, asset additions and depreciation were made by audit adjustment.

Effect:

The District's financial records related to those accounts may not be accurate.

Cause:

Due to high degree of turnover in the business office.

Recommendation:

The district should have adequate internal control procedures over its capital assets, including periodic update of the general ledger for additions, disposals and depreciation.

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with this recommendation and will address the matter as part of their corrective action plan.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (continued)

Finding No. 2021-002

Criteria or Specific Requirement:

The maintenance of a general ledger accounting record is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

Condition:

The District did not maintain an accurate general ledger for the food service fund and academy program.

Context:

The general ledger was not reconciled to other District records and as a result material audit adjustments were required.

Cause:

Due to high degree of turnover in the business office.

Effect:

By not maintaining an accurate general ledger, the District risks material misstatements within their records.

Recommendation:

That the District properly maintain a general ledger for all funds.

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.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (continued)

Finding No. 2021-003

Criteria or Specific Requirement:

The District should evaluate collectability of all accounts receivable.

Condition:

The District has accounts receivable within the Capital Projects Fund of over \$7 million that has been outstanding for over 4 years.

Context:

A review of accounts receivable revealed several material outstanding balances of over 4 years.

Cause:

High amount of turnover in the business office.

Effect:

The District continues the need to issue Grant Anticipation Notes due to the receivables not yet being received.

Recommendation:

That the District take all appropriate action to collect outstanding accounts receivable 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.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (continued)

Finding No. 2021-004

Criteria or Specific Requirement:

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

Condition:

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

Context:

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceed three months' average expenditures by \$159,550 as of June 30, 2021.

Cause:

Due to large amount of federal funding received compared to the decrease of operating expenditures.

Effect:

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

Recommendation:

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

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.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2020-001

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average.

Current Status:

This finding has not been corrected.