

CORRECTED

**PENNSVILLE TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2021

Prepared by
Pennsville Township Board of Education
Finance Department

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OF THE TOWNSHIP OF PENNSVILLE SCHOOL DISTRICT
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INTRODUCTORY SECTION



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

Dr. Michael Brodzik, Superintendent
Heather Mayhew, Board Secretary/
Business Administrator
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January 28, 2022

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Pennsville Township School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Pennsville Township Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an average daily enrollment of 1,748 students, which is an increase from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u> <u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	1,748	(2.67%)
2019-20	1,796	5.83%
2018-19	1,697	(3.91%)
2017-18	1,766	(1.18%)
2016-17	1,787	(.11%)

2. MAJOR INITIATIVES:

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

The Pennsville School District is committed to having a strong early childhood foundation for our students. We are continuing to build on the components of a high-quality preschool program. Our staff are continuing to be trained through the state led curriculum and assessment tool. Our preschool through grade three teachers are working together to build a cohesive program that is developmentally appropriate for all students.

We are continuing to work with Standards Based Grading (SBG) at our elementary level to provide a better means of instruction and assessment for our staff and students. Parents are also being trained on the benefits of SBG and how to support their students each day. With many of our new benchmark programs (iReady, IXL, etc.) we have been able to really drill down what each individual student needs and work with them independently. Ongoing assessments are crucial and help our staff members provide appropriate instruction to both whole group and small groups of students.

We have worked hard over the past few months to build on best practices in interventions, I&RS, and RTI. During the pandemic we noticed students struggling in different areas and wanted to support our students on a different level. We have been able to hire four additional interventionists (one additional at each elementary school and one at our middle school). These interventionists are currently working and being trained to support our students. Differentiation and knowledge of students' needs are crucial.

2. MAJOR INITIATIVES (CONT'D):

Our summer academic program ran slightly differently this year with the invitation to all struggling students in all grade levels (including high school). We added additional weeks and additional days to help support our students. We are looking to incorporate after school STEAM, Project Based Learning (PBL), and Learning Acceleration programs to support our higher accelerated students. Both of our programs were and will be held in-person for the 2021-2022 school year.

Even before virtual learning that resulted from the effect of COVID-19 on our schools, the Pennsville School District had effectively implemented a 1:1 technology program in grades 3-12 by 2019. That program expanded to preK-12 in 2020. Many students' lives today are filled with technology that gives them ubiquitous access to information and resources, enabling them to pursue their interests in their own way and at their own pace. It is incumbent upon us to help facilitate their learning and provide meaningful ways to utilize technology available to them. Learning is being redefined as students will use their devices to accomplish tasks that otherwise would be extremely difficult. We will continue to utilize technology this upcoming school year with our students and staff using Google Classroom and the full Google Workspace suite. We will also stress synchronous learning if there is a need for virtual instruction and learning.

STEAM and Project Based Learning is a focus at both our Middle School and High School. New courses have been implemented over the past four years. New curriculum was written this summer which includes STEAM 3, Digital Art, and Game and Web Design. Students will have the opportunity to utilize 21st century skills to engage during each project and class period. Science and Social Studies electives have been introduced at the Middle School level to align to courses being taught at the high school level.

Social and Emotional Learning is one of our focuses this year with our staff, students, families, and community members. Our counselors will be working closely with all stakeholders, including administrations, to support all. Our staff has been trained on Suite 360, our new SEL program, to help support all stakeholders throughout the school year.

3. INTERNAL ACCOUNTING CONTROLS:

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

3. INTERNAL ACCOUNTING CONTROLS (CONT'D):

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

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. MANAGEMENT'S DISCUSSION AND ANALYSIS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

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

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Dr. Michael Brodzik

Dr. Michael Brodzik
Superintendent of Schools

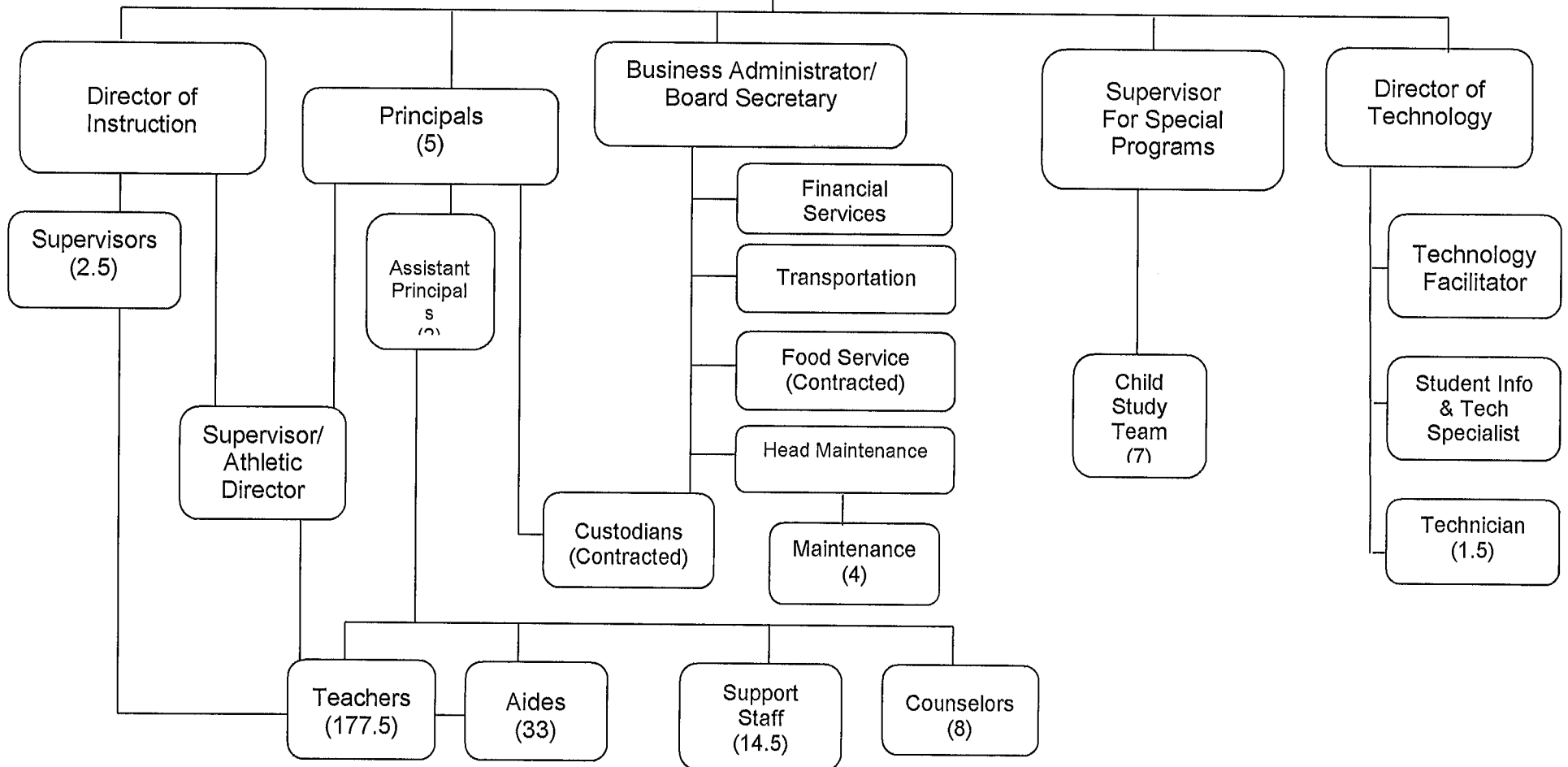
Heather Mayhew

Heather Mayhew
Board Secretary/
Business Administrator

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

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



PENNSVILLE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Keith Chambers	President	2023
Diana Staffieri-Morris	Vice President	2022
Sharon Cook		2021
Jack Nugent		2021
Thomas Mason		2022
Jeffery Thomas		2021
Stephanie Taylor		2023
Thomas W. Hassler, III		2022
Kathy Gralley-Smalley		2023

Other Officials

Michael Brodzik, Ed. D., Superintendent of Schools

Heather Mayhew, Business Administrator/Board Secretary

Mark Toscano, Solicitor

PENNSVILLE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ENGINEER

Remington & Vernick
232 Kings Highway
Haddonfield, New Jersey 08033

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

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

INSURANCE AGENT

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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Fax (856) 728-2245
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Pennsville Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2022 on our consideration of the Pennsville Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pennsville Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Pennsville Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2021**

(UNAUDITED)

This section of the Pennsville Township School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

Financial Highlights

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position for governmental and business-type activities were \$8,220,308 and \$290,588, respectively.
- Net position for governmental activities increased by \$5,625,973 from operations and net position for business-type activities increased by \$189,692 from July 1, 2020 to June 30, 2021.
- The general fund balance as of June 30, 2021 was \$5,495,035, an increase of \$4,035,713 when compared with the prior year.

Overview of the Financial Statements

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

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

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

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

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

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's net position for the fiscal years ended June 30, 2020 and 2021 is reflected in Table 2.

Table 2
Net Position

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and Other Assets	\$ 6,359,459	\$ 183,990	\$ 6,543,449	\$ 2,267,040	\$ 142,479	\$ 2,409,519
Capital Assets, net	40,359,399	126,290	40,485,689	40,290,920	100,896	40,391,816
Total Assets	46,718,858	310,280	47,029,138	42,557,960	243,375	42,801,335
Deferred Outflows of Resources	1,233,586		1,233,586	1,368,782		1,368,782
Liabilities:						
Current and Other Liabilities	574,569	19,692	594,261	876,246	142,479	1,018,725
Long Term Liabilities:						
Due Within One Year	1,595,219		1,595,219	1,545,552		1,545,552
Due in more than One Year	35,180,674		35,180,674	37,072,498		37,072,498
Total Liabilities	37,350,462	19,692	37,370,154	39,494,296	142,479	39,636,775
Deferred Inflows of Resources	2,381,674		2,381,674	2,236,141		2,236,141
Net Position						
Net Investment in Capital Assets	10,529,399	126,290	10,655,689	9,010,920	100,896	9,111,816
Restricted for:						
Capital Projects	1,171					
Permanent Endowment:						
Nonexpendable	88,725		88,725	88,724		88,724
Other Purposes	4,887,843		4,885,103	1,211,866		1,211,866
Unrestricted (Deficit)	(7,286,830)	164,298	(7,122,532)	(8,115,205)		(8,115,205)
Total Net Position (Deficit)	\$ 8,220,308	\$ 290,588	\$ 8,506,985	\$ 2,196,305	\$ 100,896	\$ 2,297,201

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

- Program revenues were \$11,088,389 (operating grants and contributions were \$10,359,835 and charges for services were \$728,554).
- General revenues, special items, extraordinary items, and transfers amounted to \$41,450,182.
- Expenditures, net of charges for services and grant revenue were \$35,634,517.
- Total District revenues, when added to the beginning net position along with adjustments, result in a calculation of net position of \$8,510,896 as of June 30, 2021.
- Total revenues of \$52,538,571 plus beginning net position of \$2,695,231 less total expenditures \$46,722,906 equals the ending net position of \$8,510,896.

Change in Net Position

Net position for governmental type activities increased and business-type activities increased from June 30, 2020 to June 30, 2021 as reflected in Table 3.

Table 3
Changes in Net Position

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Charges for Services	\$ 720,636	\$ 7,918	\$ 728,554	\$ 622,714	\$ 228,408	\$ 851,122
Operating Grants and Contributions	9,395,891	963,944	10,359,835	9,144,507	508,343	9,652,850
General Revenues:						
Property Taxes	23,418,858		23,418,858	22,965,588		22,965,588
Grants and Entitlements	16,659,008		16,659,008	11,114,366		11,114,366
Other	609,950		609,950	597,603		597,603
Special Items	727,415	34,951	762,366	(1,934,942)	41,918	
Total Revenues	\$ 51,531,758	\$ 1,006,813	\$ 52,538,571	\$ 42,509,836	\$ 778,669	\$ 45,181,529
Program Expenses						
Instruction	\$ 14,157,904		\$ 14,157,904	\$ 14,358,935		\$ 14,358,935
Tuition	2,057,357		2,057,357	2,241,100		2,241,100
Student and Instruction Related Serv	4,744,368		4,744,368	4,953,225		4,953,225
General Administration	622,275		622,275	624,736		624,736
School Administrative Serv	1,242,631		1,242,631	1,274,517		1,274,517
Central Services	381,058		381,058	417,557		417,557
Admin Information Tech	213,464		213,464	256,755		256,755
Plant Operations and Maint	2,351,926		2,351,926	2,961,606		2,961,606
Pupil Transportation	1,191,725		1,191,725	1,431,698		1,431,698
Unallocated Benefits	17,288,558		17,288,558	12,964,787		12,964,787
Debt Service	842,385		842,385	868,511		868,511
Unallocated Depreciation	812,134		812,134	349,385		349,385
Enterprise Operation		817,121	817,121		692,360	692,360
Total Expenses	45,905,785	817,121	46,722,906	42,702,812	692,360	43,395,172
Increase/(Decrease) in Net Position	\$ 5,625,973	\$ 189,692	\$ 5,815,665	\$ (192,976)	\$ 86,309	\$ 1,786,357

Total revenues for the District were \$51,776,205 (excluding special items). Government funding was the source of 52.2% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of provided 45.2% of revenues, while charges for services was 1.4%, and miscellaneous revenue was 1.2% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, and transportation fees.

The District's expenses for governmental activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$16,215,261 or 34.8% of total expenditures. Student support services totaled \$4,744,368 or 10.2% of total expenditures. Other administrative services totaled \$2,459,428 or 5.3% of total expenditures. Plant operations and maintenance and transportation expenses were \$3,543,651 or 7.5% of total expenditures. Employee benefit costs of \$17,288,558 amounted to 36.9% of total expenditures. Interest on debt, depreciation and food service expenses totaled 5.3%. Total revenues and special items were more than expenditures for governmental activities, increasing net position by \$5,815,665 from the beginning balance at July 1, 2020.

Activity Descriptions

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

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

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$5,594,837, as compared to \$1,287,206 at June 30, 2020.

All governmental funds had total revenues of \$44,954,217 and total expenditures of \$41,020,916.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

Table 4
Comparison of Revenues

	<u>Year Ended June 30,</u>		<u>Increase/ (Decrease)</u>	<u>Percentage Increase/ (Decrease)</u>
	<u>2021</u>	<u>2020</u>		
Local Sources				
Local Tax Levy	\$ 23,418,858	\$ 22,965,588	\$ 453,270	1.97%
Tuition Charges	425,824	364,286	61,538	16.89%
Transportation	42,001	34,776	7,225	20.78%
Interest Earned	916	2,806	(1,890)	-67.36%
Miscellaneous	289,984	195,735	94,249	48.15%
Government Sources				
State	19,353,857	17,553,875	1,799,982	10.25%
Federal	1,422,777	876,869	545,908	62.26%
Total	<u>\$ 44,954,217</u>	<u>\$ 41,993,935</u>	<u>\$ 2,960,282</u>	7.05%

One of the primary sources of funding for the District is received from local property taxes and accounted for 52% of total revenues. State aid accounted for 43.1% of total revenues.

Total governmental fund revenues increased by \$2,960,282, or 7.05% from the previous year. The major components of this increase were the increase in the local tax levy and state aid.

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

Table 5
Comparison of Expenditures

	For the Year Ended June 30,		Increase/ (Decrease)	Percentage Increase/ (Decrease)
	2021	2020		
Instruction				
Regular	\$ 10,237,358	\$ 9,955,201	\$ 282,157	2.83%
Special Education	2,671,318	2,615,177	56,141	2.15%
Other Special Instruction	304,017	653,006	(348,989)	-53.44%
Other Instruction	428,625	567,792	(139,167)	-24.51%
Support Services:				
Tuition	2,057,357	2,241,100	(183,743)	-8.20%
Student and Instruction Rel Serv	4,744,368	4,953,225	(208,857)	-4.22%
General Administration	622,275	624,736	(2,461)	-0.39%
School Administration	1,242,631	1,274,517	(31,886)	-2.50%
Central Services	381,058	417,557	(36,499)	-8.74%
Administrative Information Tech	213,464	199,650	13,814	6.92%
Plant Operations and Maint	2,348,912	2,958,592	(609,680)	-20.61%
Security		57,105	(57,105)	-100.00%
Pupil Transportation	1,191,725	1,431,698	(239,973)	-16.76%
Employee Benefits	6,288,335	6,482,993	(194,658)	-3.00%
TPAF and FICA Reimb	5,833,386	4,710,578	1,122,808	23.84%
Capital Outlay	156,212	501,177	(344,965)	-68.83%
Debt Service - Interest	849,875	883,313	(33,438)	-3.79%
Debt Service - Principal	1,450,000	1,380,000	70,000	5.07%
Total	\$ 41,020,916	\$ 41,907,417	\$ (886,501)	-2.12%

Total governmental fund expenditures decreased by \$886,501 or 2.12% from the previous year.

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

During the course of fiscal year 2021, the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

FOOD SERVICE ENTERPRISE FUND

The Food Service Fund had net position of \$290,588 as of June 30, 2021, which consisted of \$126,290 invested in fixed assets and \$164,298 unrestricted. This reflects an increase of \$189,692 from June 30, 2020, including with a fixed asset adjustment of \$34,951.

INTERNAL SERVICE FUNDS

The Internal Services Fund had net position of \$467,636 as of June 30, 2021. This reflects an increase of \$78,975 from June 30, 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

At the end of 2021, the District had capital assets allocated to governmental activities with a book value of \$40,485,689. This consists of a broad range of capital assets, including land, site and site improvements, and machinery and equipment. Total depreciation expense for the year was \$812,134. Table 6 summarizes capital assets:

Table 6
Capital Assets (Net of Depreciation)
As of June 30, 2021 and 2020

	2021			2020		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land, Site and Site Improvements	\$ 139,438	\$	\$ 139,438	\$ 137,246	\$	\$ 137,246
Building and Improvements	39,293,281		39,293,281	39,316,367		39,316,367
Machinery and Equipment	926,680	126,290	1,052,970	837,307	100,896	938,203
Total	\$ 40,359,399	\$ 126,290	\$ 40,485,689	\$ 40,290,920	\$ 100,896	\$ 40,391,816

Long-Term Obligations

At June 30, 2021, the District's outstanding debt was \$36,775,893 and included \$29,830,000 in Serial Bonds, \$1,365,022 in compensated absences and \$5,580,871 in Net Pension Liability.

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

Table 7 summarizes long-term obligations.

Table 7
Long-Term Obligations
As of June 30, 2021 and 2020

	2021			2020		
	Governmental Governmental Activities	Business- Type Activities	Total	Governmental Governmental Activities	Business- Type Activities	Total
Serial Bonds	\$ 29,830,000		\$ 29,830,000	\$ 31,280,000		\$31,280,000
Net Pension Liability	5,580,871		5,580,871	5,993,451		5,993,451
Compensated Absences	1,365,022		1,365,022	1,344,599		1,344,599
Total	\$ 36,775,893		\$ 36,775,893	\$ 38,618,050		\$38,618,050

For The Future

The focus for the school district is on helping students explore their potential while preparing them for a 21st Century world. The district is committed to having the appropriate programs and facilities needed to support student success while using taxpayer funds in the most efficient way possible.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 5,772,854	\$ 99,006	\$ 5,871,860
Receivables, Net	586,605	75,363	661,968
Inventory		9,621	9,621
Depreciable Capital Assets, Net	40,359,399	126,290	40,485,689
	46,718,858	310,280	47,029,138
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	1,233,586		1,233,586
	1,233,586		1,233,586
LIABILITIES:			
Accounts Payable	198,933		198,933
Accrued Interest Payable	277,583		277,583
Unearned Revenue	98,053	19,692	117,745
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,595,219		1,595,219
Due Beyond One Year	35,180,674		35,180,674
	37,350,462	19,692	37,370,154
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	2,381,674		2,381,674
NET POSITION:			
Invested in Capital Assets, Net of Related Debt Restricted for:	10,529,399	126,290	10,655,689
Permanent Endowment- Nonexpendable	88,725		88,725
Capital Reserve	1,171		1,171
Maintenance Reserve	1,151,750		1,151,750
Unemployment Compensation	112,675		112,675
Student Activities	206,602		206,602
Excess Surplus	3,416,816		3,416,816
Unrestricted (Deficit)	(7,286,830)	164,298	(7,122,532)
	\$ 8,220,308	\$ 290,588	\$ 8,510,896

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 10,237,358		\$ 2,063,147	\$ (8,174,211)		\$ (8,174,211)
Special Education	2,671,318			(2,671,318)		(2,671,318)
Other Special Instruction	820,603	595,561		(225,042)		(225,042)
Other Instruction	428,625			(428,625)		(428,625)
Support Services:						
Tuition	2,057,357			(2,057,357)		(2,057,357)
Student & Instruction Related Services	4,744,368	125,075	636,788	(3,982,505)		(3,982,505)
General Administrative Services	622,275			(622,275)		(622,275)
School Administrative Services	1,242,631			(1,242,631)		(1,242,631)
Central Services	381,058			(381,058)		(381,058)
Administrative Information Technology	213,464			(213,464)		(213,464)
Plant Operations and Maintenance	2,351,926			(2,351,926)		(2,351,926)
Pupil Transportation	1,191,725			(1,191,725)		(1,191,725)
Employee Benefits	17,288,558		6,695,956	(10,592,602)		(10,592,602)
Interest on Long-Term Debt	842,385			(842,385)		(842,385)
Unallocated Depreciation	812,134			(812,134)		(812,134)
Total Governmental Activities	45,905,785	720,636	9,395,891	(35,789,258)		(35,789,258)
Business-Type Activities:						
Food Service	817,121	7,918	963,944		154,741	154,741
Total Business-Type Activities	817,121	7,918	963,944		154,741	154,741
Total Primary Government	\$ 46,722,906	\$ 728,554	\$ 10,359,835	(35,789,258)	154,741	(35,634,517)
General Revenues:						
Property Taxes, Levied for General Purposes, Net				23,418,858		23,418,858
Federal and State Aid				16,659,008		16,659,008
Tuition				425,824		425,824
Transportation fees from Individuals				42,001		42,001
Investment Earnings				904		904
Investment Earnings Restricted.				12		12
Miscellaneous Income				141,209		141,209
Special Items:						
Fixed Assets Adjustment				727,415	34,951	762,366
				41,415,231	34,951	41,450,182
Change in Net Position				5,625,973	189,692	5,815,665
Net Position — Beginning of Year				2,196,305	100,896	2,297,201
Prior Period Adjustment				398,030		398,030
Net Position, July 1, (Restated)				2,594,335	100,896	2,695,231
Net Position — End of Year				\$ 8,220,308	\$ 290,588	\$ 8,510,896

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 3,891,811	\$ 431,494	\$ 678,301	\$ 88,725	\$ 5,090,331
Interfund Accounts Receivable	1,268,196				1,268,196
Accounts Receivable:					
State	399,749				399,749
Federal		174,810			174,810
Other	12,046				12,046
Total Assets	\$ 5,571,802	\$ 606,304	\$ 678,301	\$ 88,725	\$ 6,945,132
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$	\$ 129,928	\$	\$	\$ 129,928
Payroll Deductions and Withholdings Payable	26,251				26,251
Flexible Spending Reserve	22,902				22,902
Due to Other Funds		394,860	678,301		1,073,161
Unearned Revenue	27,614	70,439			98,053
Total Liabilities	76,767	595,227	678,301		1,350,295
Fund Balances:					
Non-expendable:					
Permanent Fund Principal				88,725	88,725
Restricted:					
Capital Reserve	1,171				1,171
Maintenance Reserve	1,151,750				1,151,750
Unemployment Compensation	112,675				112,675
Student Activities		206,602			206,602
Excess Surplus	2,357,620				2,357,620
Excess Surplus - Designated for Subsequent Year's Expenditures	1,059,196				1,059,196
Assigned					
Year-End Encumbrances	151,393				151,393
Unassigned - General Fund	661,230				661,230
Unassigned (Deficit) - Special Revenue Fund		(195,525)			(195,525)
Total Fund Balances	5,495,035	11,077		88,725	5,594,837
Total Liabilities and Fund Balances	\$ 5,571,802	\$ 606,304	\$ 678,301	\$ 88,725	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$50,356,556 and the accumulated depreciation is \$9,997,157 (See Note 5).	40,359,399
Deferred Outflow of Resources - Deferred Pension Contribution.	1,233,586
Deferred Inflows of Resources - Pension Actuarial Gains.	(2,381,674)
Long Term Net Pension Liability	(5,580,871)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(277,583)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 6).	(31,195,022)
Internal Service fund added in since the academic activities with other LEAs are governmental in nature	467,636
Net Position of governmental activities	\$ 8,220,308

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 21,890,250			\$ 1,528,608		\$ 23,418,858
Tuition Charges	425,824					425,824
Transportation Charges	42,001					42,001
Interest Earned - Unrestricted	903				1	904
Interest Earned - Restricted	12					12
Unrestricted Miscellaneous Revenues	164,909					164,909
Local Sources		125,075				125,075
Total Local Sources	22,523,899	125,075		1,528,608	1	24,177,583
State Sources	16,644,402	1,938,188		771,267		19,353,857
Federal Sources	65,662	1,357,115				1,422,777
Total Revenues	39,233,963	3,420,378		2,299,875	1	44,954,217
EXPENDITURES:						
Instruction						
Regular Instruction	8,174,211	2,063,147				10,237,358
Special Education Instruction	2,671,318					2,671,318
Other Special Instruction	304,017					304,017
Other Instruction	428,625					428,625
Support Services and Undistributed Costs:						
Tuition	2,057,357					2,057,357
Student and Instruction Related Services	3,879,149	865,219				4,744,368
General Administrative Services	622,275					622,275
School Administrative Services	1,242,631					1,242,631
Central Services	381,058					381,058
Administrative Information Technology	213,464					213,464
Plant Operations and Maintenance	2,348,912					2,348,912
Pupil Transportation	1,191,725					1,191,725
Employee Benefits	11,432,833	688,888				12,121,721
Capital Outlay	129,212	27,000				156,212
Debt Service - Interest				849,875		849,875
Debt Service - Principal				1,450,000		1,450,000
Total Expenditures	35,076,787	3,644,254		2,299,875		41,020,916
Excess (Deficiency) of Revenues over Expenditures	4,157,176	(223,876)			1	3,933,301
OTHER FINANCING SOURCES (USES):						
Transfer of Funds to Charter School	(23,700)					(23,700)
Transfer to Preschool Program	(97,763)	97,763				
Total Other Financing Sources and Uses	(121,463)	97,763				(23,700)
Net Changes in Fund Balances	4,035,713	(126,113)			1	3,909,601
Fund Balance, July 1	1,377,920	(179,438)			88,724	1,287,206
Prior Period Adjustment	81,402	316,628				398,030
Fund Balance, July 1 Restated	1,459,322	137,190			88,724	1,685,236
Fund Balance — End of Year	\$ 5,495,035	\$ 11,077		\$	\$ 88,725	\$ 5,594,837

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
June 30, 2021

Total Net Change in Fund Balances - Governmental Funds \$ 3,909,601

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	\$	(812,134)	
Capital Outlays		153,198	
Fixed Assets Adjustment		727,415	
			68,479

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 131,851

In the Statement of Activities, proceeds from Long-term Debt are not considered an other financing source of funds but as an increase in long-term liabilities in the Statement of Net Position.

Repayment of Bond Principal or Capital Lease Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.

Bond Principal 1,450,000

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. 7,490

Expenditures, net of charges, for services in the Statement of Activities that represent Internal Service Fund activity are not reported as expenditures in the Governmental Funds 78,975

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. (20,423)

Change in Net Position of Governmental Activities **\$ 5,625,973**

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

PROPRIETARY FUNDS

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 165,903	\$ 615,626	\$ 781,529
Accounts Receivable	75,363		75,363
Inventories	9,621		9,621
Total Current Assets	<u>250,887</u>	<u>615,626</u>	<u>866,513</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	428,385	193,479	621,864
Less: Accumulated Depreciation	(302,095)	(193,479)	(495,574)
Total Noncurrent Assets	<u>126,290</u>		<u>126,290</u>
Total Assets	<u>377,177</u>	<u>615,626</u>	<u>992,803</u>
LIABILITIES :			
Current Liabilities:			
Interfund Payable	66,897	128,138	195,035
Accounts Payable		19,852	19,852
Unearned Revenue	19,692		19,692
Total Current Liabilities	<u>86,589</u>	<u>147,990</u>	<u>234,579</u>
NET POSITION:			
Net Investment in Capital Assets	126,290		126,290
Unrestricted (Deficit)	164,298	467,636	631,934
Total Net Position	<u>\$ 290,588</u>	<u>\$ 467,636</u>	<u>\$ 758,224</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type</u> <u>Activities-</u>	<u>Governmental</u> <u>Activities</u>	
	<u>Food</u>	<u>Internal</u>	
	<u>Service</u>	<u>Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$	\$	\$
Daily Sales - Non-Reimbursable Programs			
Special Functions	5,498		5,498
Program Fees	2,420	595,561	597,981
Total Operating Revenues	7,918	595,561	603,479
OPERATING EXPENSES:			
Salaries and Benefits	322,091	457,865	779,956
Supplies and Materials	40,418	30,731	71,149
Cost of Sales - Reimbursable Programs	390,243		390,243
Cost of Sales - Non Reimbursable Programs	1,337		1,337
Other Purchased Services		27,990	27,990
Depreciation	12,970		12,970
Management/Admin Fee	45,900		45,900
Miscellaneous	4,162		4,162
Total Operating Expenses	817,121	516,586	1,333,707
Operating Income (Loss)	(809,203)	78,975	(730,228)
NON-OPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	27,836		27,836
Federal Sources:			
National School Breakfast Program	327,535		327,535
National School Lunch Program	515,778		515,778
Food Distribution Program	92,795		92,795
Total Non-Operating Revenues (Expenses)	963,944		963,944
Change in Net Position	154,741	78,975	233,716
Other Financing Sources and Uses:			
Fixed Assets Adjustment	34,951		34,951
Net Change in Position	189,692	78,975	268,667
Net Position — Beginning of Year	100,896	388,661	489,557
Net Position — Ending of Year	\$ 290,588	\$ 467,636	\$ 758,224

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities- Food Service	Governmental Activities Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 7,918	\$ 670,120	\$ 678,038
Payments to Employees and Employee Benefits	(322,091)	(457,865)	(779,956)
Payments to Suppliers	(387,660)	(38,869)	(426,529)
Net Cash Provided by (used for) Operating Activities	(701,833)	173,386	(528,447)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	27,836		27,836
Federal Sources	843,313		843,313
Net Cash Provided by (used for) Non-Capital Financing Activities	871,149		871,149
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	(3,413)		(3,413)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,413)		(3,413)
Net Increase (Decrease) in Cash and Cash Equivalents		173,386	339,289
Balances — Beginning of Year		442,240	442,240
Balances — End of Year	\$ 165,903	\$ 615,626	\$ 781,529
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (809,203)	\$ 78,975	\$ (730,228)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Depreciation and Net Amortization	12,970		12,970
Food Distribution Program	92,795		92,795
(Increase) Decrease in Accounts Receivable	59,144		59,144
(Increase) Decrease in Interfund Receivable		74,559	74,559
(Increase) Decrease in Inventories	(1,648)		(1,648)
Increase (Decrease) in Interfund Payable	(74,560)	19,852	(54,708)
Increase (Decrease) in Unearned Revenue	18,669		18,669
Total Adjustments	107,370	94,411	201,781
Net Cash Provided by (used for) Operating Activities	\$ (701,833)	\$ 173,386	\$ (528,447)

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity/Component Units:

The Pennsville Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2021 of 1,748 students.

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

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

B. Government-Wide and Fund Financial Statements:

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

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

Governmental Funds

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

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

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

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

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

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

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

Proprietary Funds

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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

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

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

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

Food service fund:
Machinery and equipment - 15 years

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

Fiduciary Funds

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

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

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

D. Measurement Focus

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Continued)

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

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

E. Basis of Accounting

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

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

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Continued)

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

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

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

F. Budgets/Budgetary Control

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

G. Encumbrances

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

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

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

H. Cash, Cash Equivalents, and Investments

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

I. Tuition Receivable

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

J. Tuition Receivable

Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories

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

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

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

Inventory consists of donated food, purchased food and supplies. As of June 30, 2021, Inventory in the Food Service Enterprise Fund consisted of the following:

Purchased Food	\$ 3,303
Supplies	6,318
Total	<u>\$ 9,621</u>

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

L. Prepaid Expense

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Prepaid Expense (Continued)

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

M. Short-Term Interfund Receivables/Payables

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

N. Capital Assets

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

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

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

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

O. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, there was no amount earned by employees but not disbursed.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Compensated Absences

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

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

Q. Unearned Revenue

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

R. Accrued Liabilities and Long-Term Obligations

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

S. Net Position

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

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

T. Fund Balance

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance (Continued)

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Operating and Non-Operating Revenues and Expenses

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

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

V. Interfund Activity

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

W. Use of Estimates

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

X. New Accounting Standards:

The School District has adopted the following GASB statements:

- **GASB No. 84 - *Fiduciary Activities*:** The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- **GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*:** The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of GASB 90 did not impact the financial statements of the School District.

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. New Accounting Standards (Continued):

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. New Accounting Standards (Continued):

- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32:* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District’s financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits- Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2021, the District’s bank balance of \$6,876,932 was insured or collateralized as follows:

Insurance	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		6,626,932
Total	\$	6,876,932

As of June 30, 2021, cash and cash equivalents in the fund financial statements of the District consisted of the following:

		Cash and Equivalents
Checking accounts	\$	5,783,135
Savings accounts		88,725
Total	\$	5,871,860

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 - CAPITAL RESERVE ACCOUNT

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

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

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

Beginning Balance July 1, 2020	\$	1,170
Added by Resolution		
Interst Earnings - Budget		1
		1
Ending Balance June 30, 2021	\$	1,171

NOTE 4 - ACCOUNTS RECEIVABLE

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
State	\$ 399,749			5,380	\$ 405,129
Federal		174,810		56,899	231,709
Other	12,046			13,084	25,130
Total	\$ 411,795	\$ 174,810	\$	\$ 75,363	\$ 661,968

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5- CAPITAL ASSETS

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

	<u>Balance as of June 30, 2020</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance as of June 30, 2021</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$	\$	\$	\$
Total Capital Assets, not being Depreciated				
Capital Assets, being Depreciated				
Site and Site Improvements	276,684			276,684
Buildings and Building Improvement	47,518,622			47,518,622
Machinery and Equipment	2,525,439	153,198	(117,387)	2,561,250
Total at Historical Cost	50,320,745	153,198	(117,387)	50,356,556
Less Accumulated Depreciation:				
Site and Site Improvement	(139,438)	(12,278)	14,470	(137,246)
Buildings and Building Improvements	(8,202,255)	(685,171)	662,085	(8,225,341)
Machinery and Equipment	(1,688,132)	(114,685)	168,247	(1,634,570)
Total Accumulated Depreciation	(10,029,825)	(812,134)	844,802	(9,997,157)
Total Capital Assets Being Depreciated, net	40,290,920	(658,936)	727,415	40,359,399
Governmental Activities Capital Assets, net	\$ 40,290,920	\$ (658,936)	\$ 727,415	\$ 40,359,399
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 429,937	\$ 3,413	\$ (4,965)	\$ 428,385
Less Accumulated Depreciation	(329,041)	(12,970)	39,916	(302,095)
Business-Type Activities Capital Assets, net	\$ 100,896	\$ (9,557)	\$ 34,951	\$ 126,290

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 812,134
Total Depreciation Expense	\$ 812,134

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 6 – LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the long-term obligation account group:

	Beginning Balance 7/1/2020	Additions/ (Reductions)	Ending Balance 6/30/2021	Amounts Due Within One Year	Long-term Portion
Governmental Activities					
Serial Bonds	\$ 31,280,000	\$(1,450,000)	\$ 29,830,000	\$ 1,525,000	\$ 28,305,000
Compensated Absences	1,344,599	20,423	1,365,022	70,219	1,294,803
Net Pension Liability	5,993,451	(412,580)	5,580,871		5,580,871
	<u>\$ 38,618,050</u>	<u>\$(1,842,157)</u>	<u>\$ 36,775,893</u>	<u>\$ 1,595,219</u>	<u>\$ 35,180,674</u>

As of June 30, 2021, there exists a balance of outstanding principal in the 2016 bond issues for \$17,450,000 and \$12,380,000. Combined Principal and interest due on the serial bond issue outstanding as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,525,000	\$ 814,751	\$ 2,339,751
2023	1,600,000	777,877	2,377,877
2024	1,680,000	739,189	2,419,189
2025	1,750,000	697,501	2,447,501
2026	1,825,000	652,813	2,477,813
2027	1,950,000	603,625	2,553,625
2028	2,025,000	549,875	2,574,875
2029	2,100,000	494,125	2,594,125
2030	2,175,000	433,125	2,608,125
2031	2,200,000	367,500	2,567,500
2032	2,200,000	301,500	2,501,500
2033	2,200,000	235,500	2,435,500
2034	2,200,000	168,938	2,368,938
2035	2,200,000	101,813	2,301,813
2036	2,200,000	34,125	2,234,125
	<u>\$ 29,830,000</u>	<u>\$ 6,972,257</u>	<u>\$ 36,802,257</u>

A. Bonds Payable

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

On February 17, 2016, the District issued \$20,900,000 in general obligation bonds at various interest rates for building improvements. Also, on November 9, 2016, the District issued \$14,725,000 in general obligation bonds at various interest rates for building improvements. The final maturity of the bonds will be in 2035. The Balance at June 30, 2021 was \$29,830,000.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

B. Capital Leases

At June 30, 2021, the District had no capital lease obligations.

C. Temporary Notes Payable

As of June 30, 2021, the District had no temporary notes payable.

D. Interest Expense

No interest expense was capitalized nor paid by the debt service fund during the fiscal year ending June 30, 2021.

E. Compensated Absences

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

NOTE 7. PENSION PLANS

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

Public Employees' Retirement System

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 194,841. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 15.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2021, and 2020, were \$389,968 and \$340,153 respectively.

The total payroll for the year ended June 30, 2021 was \$5,100,226. Payroll covered by PERS was \$2,557,408 for fiscal year 2021.

Components of Net Pension Liability - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$5,580,871. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.034223% which was an increase of 0.00096% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2021 PERS pension expense, with respect to GASB 68, was \$292,347. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,618	\$ 19,736
Changes of assumptions	181,050	2,336,763
Net difference between projected and actual earnings on pension plan investments	190,759	
Changes in proportion	370,191	25,175
Contributions subsequent to the measurement date	389,968	
Total	\$ 1,233,586	\$ 2,381,674

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

<u>Year</u>		<u>PERS</u>
2021	\$	(659,926)
2022		(483,807)
2023		(229,841)
2024		(133,677)
2025		(30,805)
Thereafter		
Total	\$	(1,538,056)

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

<u>Year</u>		<u>2021</u>		<u>2020</u>
Collective deferred outflows of resources	\$	1,233,586	\$	1,368,782
Collective deferred inflows of resources	\$	2,381,674	\$	2,236,141
Collective Net Pension Liability	\$	5,580,871	\$	5,993,451
District's Proportion		0.034223%		0.033263%

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> (6.00%)	<u>Current</u> <u>Discount</u> (7.00%)	<u>1% Increase</u> (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>7,080,629</u>	\$ <u>5,580,871</u>	\$ <u>4,389,407</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$3,665,997 to the TPAF for pension contributions, \$1,148,867 for post-retirement benefits on behalf of the School, and \$2,252 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,016,270 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2021, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2021, the District recognized pension expense of \$4,988,546 and revenue of \$4,988,546 for support provided by the State.

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

	TPAF
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 94,437,212	\$ 80,222,007	\$ 68,741,329
State's Share of the Net Pension Liability	\$ 77,517,093,055	\$ 65,993,498,688	\$ 56,425,087,777

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$4,058 and the District's employer contribution, recognized in pension expense, was \$2,213. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$111,561,951. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.16452%. The total OPEB liability for the School District measured as of June 30, 2020 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2020 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Discount rate

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

Changes in the Total OPEB Liability

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

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

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

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

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$5,104,583. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 16,938,101	\$ 15,087,777
Changes of Assumptions	18,976,320	12,729,851
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,920,204	1,875,401
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 37,834,625</u>	<u>\$ 29,693,029</u>

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

<u>Measurement Period Ending June 30,</u>		<u>OPEB</u>
2021	\$	92,932
2022		92,932
2023		92,932
2024		92,932
2025		92,932
Thereafter		<u>7,676,936</u>
Total	\$	<u>8,141,596</u>

NOTE 9 - CONTINGENT LIABILITIES

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there is one pending litigation which has been assigned to Board's insurance carrier. In addition, the Board is not aware of any formal claims, assessments of contingent liability against the District.

NOTE 10 - COMPENSATED ABSENCES

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - COMPENSATED ABSENCES (Continued)

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the proprietary fund types.

NOTE 11- DEFERRED COMPENSATION

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

The Legend Group Financial Services
MetLife
Lincoln Investments
Equitable
Valic

NOTE 12 - RISK MANAGEMENT

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

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

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2021 for the joint insurance pool.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12 - RISK MANAGEMENT (Continued)

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2020-2021		\$ 63,454	\$ 32,181	\$ 112,675
2019-2020	102	44,848	34,875	81,402
2018-2019		42,482	19,013	71,327

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balances at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General	\$ 1,268,196	\$
Special Revenue		394,860
Capital Projects		678,301
Food Service		66,897
Internal Service		128,138
	<u>\$ 1,268,196</u>	<u>\$ 1,268,196</u>

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

NOTE 14 - FUND BALANCE APPROPRIATED

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

Nonspendable:

As of June 30, 2021, the balance in the permanent fund account is \$88,725.

Spendable:

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 14 - FUND BALANCE APPROPRIATED (Continued)

Spendable (Continued):

Restricted Capital reserve - As of June 30, 2021, the balance in the capital reserve account is \$1,171 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Restricted Maintenance reserve - The Board of Education budgeted \$350,000 in the maintenance reserve account, which is restricted for future expenditures. In June of 2021, the Board of Education approved \$250 in interest earnings, resulting in a balance of \$1,151,750 at June 30, 2021.

Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$3,416,816, of which \$1,059,196 was assigned for utilization in the 2021-22 budget and \$2,357,620 will be utilized in the 2022-23 budget.

Assigned Other Purposes - As of June 30, 2021, the District had \$151,393 in encumbrances outstanding for purchase orders and contracts signed by the District but not completed.

Unassigned - This is the remainder of the District's equity in the governmental fund types. The total GAAP basis balance is \$661,230 as of June 30, 2021.

NOTE 15 - TAX ABATEMENT

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 16 - MAINTENANCE RESERVE ACCOUNT

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

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

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

Beginning Balance July 1, 2020	\$	151,500
Increased by:		
Resolution		1,000,000
Interest Earnings - Budget		250
		1,151,750
Ending Balance June 30, 2021	\$	1,151,750

NOTE 17. PRIOR YEAR ADJUSTMENT

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

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities			
Net Position	\$ 2,196,305	\$ 398,030	\$ 2,594,335
Statement of Revenues, Expenditures and Changes in			
Fund Balances - Governmental Funds:			
General Fund	1,377,920	81,402	1,459,322
Special Revenue	(179,438)	316,628	137,190
Statement of Changes in Fiduciary Net Position -			
Fiduciary Funds:			
Unemployment Compensation Trust	81,402	(81,402)	
Student Activities	316,628	(316,628)	

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 18 - SUBSEQUENT EVENTS

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

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 21,890,250	\$	\$ 21,890,250	\$ 21,890,250	\$
Tuition from other LEA's	150,000		150,000	425,824	275,824
Transportation Fees from Individuals	60,000		60,000	42,001	(17,999)
Interest Earned				652	652
Interest Earned on Capital Reserve Funds	1		1	1	
Interest Earned on Maintenance Reserve Funds	250		250	250	
Interest Earned on Unemployment Compensation				12	12
Unrestricted Miscellaneous Revenues	212,000		212,000	164,909	(47,091)
Total - Local Sources	22,312,501		22,312,501	22,523,899	211,398
State Sources:					
Equalization Aid	9,398,548	(761,289)	8,637,259	8,637,259	
Categorical Special Education Aid	1,010,823		1,010,823	1,010,823	
School Choice Aid	186,732	7,676	194,408	194,408	
Categorical Security Aid	67,439		67,439	67,439	
Categorical Transportation Aid	528,133		528,133	528,133	
Extraordinary Aid				397,563	397,563
Non-public Transportation Aid				2,030	2,030
Homeless Tuition				156	156
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,665,997	3,665,997
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,148,867	1,148,867
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				2,252	2,252
Reimbursed TPAF Social Security (Non-Budgeted)				1,016,270	1,016,270
Total - State Sources	11,191,675	(753,613)	10,438,062	16,671,197	6,233,135
Federal Sources:					
Medical Reimbursement	73,732		73,732	65,662	(8,070)
Total - Federal Sources	73,732		73,732	65,662	(8,070)
Total Revenues	\$ 33,577,908	\$ (753,613)	\$ 32,824,295	\$ 39,260,758	\$ 6,436,463
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool	\$	\$	\$	\$	\$
Kindergarten	371,522	51,498	423,020	342,680	80,340
Grades 1-5	2,688,287	(40,250)	2,648,037	2,588,417	59,620
Grades 6-8	1,789,702	(14,906)	1,774,796	1,768,416	6,380
Grades 9-12	2,470,473	10,476	2,480,949	2,480,949	
Home Instruction:					
Salaries of Teachers	5,000		5,000		5,000
Purchased Professional / Educational Services	40,000	(8,500)	31,500	28,845	2,655
Other Purchased Services	185,000	5,000	190,000	189,895	105
Regular Programs - Undistributed Instruction:					
Purchased Professional / Educational Services	75,550	4,608	80,158	65,105	15,053
Purchased Technical Services	3,750	400	4,150	4,150	
Other Purchased Services	99,218	(429)	98,789	92,014	6,775
General Supplies	608,224	23,617	631,841	570,151	61,690
Textbooks	50,768	(5,226)	45,542	41,678	3,864
Other Objects	7,460		7,460	1,911	5,549
Total Regular Programs	8,394,954	26,288	8,421,242	8,174,211	247,031
Special Education:					
Cognitive-Moderate:					
Salaries of Teachers					
Total Cognitive-Moderate					
Learning and/or Language Disabilities:					
Learning and/or Language Disabilities:					
Salaries of Teachers	535,080	4,066	539,146	512,192	26,954
Other Salaries for Instruction	183,799	(43,710)	140,089	136,177	3,912
General Supplies	15,000	(7,540)	7,460	6,183	1,277
Other Objects	1,000		1,000		1,000
Total Learning and/or Language Disabilities	734,879	(47,184)	687,695	654,552	33,143

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES (Continued)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$	\$	\$	\$	\$
Total Behavioral Disabilities					
Multiple Disabilities:					
Salaries of Teachers		53,091	53,091	53,091	
Other Salaries for Instruction	3,234	15,993	19,227	19,227	
General Supplies	2,600	1,178	3,778	3,688	90
Textbooks	1,000		1,000	660	340
Total Multiple Disabilities	6,834	70,262	77,096	76,666	430
Resource Room - Instruction:					
Salaries of Teachers	1,378,037	(31,660)	1,346,377	1,346,377	
Other Salaries for Instruction	441,371	39,106	480,477	461,096	19,381
General Supplies	12,400	(7,890)	4,510	3,758	752
Textbooks	6,000	(1,805)	4,195	2,642	1,553
Total Resource Room - instruction	1,837,808	(2,249)	1,835,559	1,813,873	21,686
Preschool Disabilities - Full-Time:					
Salaries of Teachers	98,407		98,407	84,481	13,926
Other Salaries for Instruction	58,348	(13,000)	45,348	41,066	4,282
General Supplies	1,250		1,250	680	570
Total Preschool Disabilities - Full -Time	158,005	(13,000)	145,005	126,227	18,778
Cognitive Severe					
Salaries of Teachers	9,475		9,475		9,475
Total Cognitive Severe	9,475		9,475		9,475
TOTAL SPECIAL EDUCATION	2,747,001	7,829	2,754,830	2,671,318	83,512
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	187,815		187,815	177,380	10,435
General supplies	20,100		20,100	14,323	5,777
Other Objects	300		300	293	7
Total Basic Skills / Remedial - Instruction	208,215		208,215	191,996	16,219
Bilingual Education - Instruction					
Salaries of Teachers	113,364		113,364	109,435	3,929
General Supplies	5,000		5,000	2,586	2,414
Total Bilingual Education - Instruction	118,364		118,364	112,021	6,343
School Sponsored Co-curricular Activities - Instruction					
Salaries	89,950		89,950	40,735	49,215
Other Objects	41,380		41,380	11,936	29,444
Total School Sponsored Co-curricular Activities-Instruction	131,330		131,330	52,671	78,659
School Sponsored Athletics - Instruction					
Salaries	272,192		272,192	264,355	7,837
Purchased Services	93,082	(9,700)	83,382	49,056	34,326
Supplies and Materials	90,875		90,875	54,256	36,619
Other Objects	26,620		26,620	8,287	18,333
Total School Sponsored Athletics - Instruction	482,769	(9,700)	473,069	375,954	97,115
Total Instruction	12,082,633	24,417	12,107,050	11,578,171	528,879

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Current Expense (Continued)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 69,682	\$	\$ 69,682	\$ 28,319	\$ 41,363
Tuition to Other LEAs Within the State - Special	44,654		44,654	4,829	39,825
Tuition to County Voc. School Dist.-Regular	707,585	47,000	754,585	754,480	105
Tuition to CSSD & Regional Day Schools	1,363,024	(180,743)	1,182,281	1,020,656	161,625
Tuition to Private Schools for the Disabled - Within State	181,420	79,720	261,140	249,073	12,067
Total Undistributed Expenditures - Instruction	2,366,365	(54,023)	2,312,342	2,057,357	254,985
Attendance & Social Work services:					
Salaries	149,272		149,272	143,794	5,478
Total attendance and social work services:	149,272		149,272	143,794	5,478
Health Services					
Salaries	364,526	12,339	376,865	372,914	3,951
Purchased Professional and Technical Services	26,800	(12,339)	14,461	9,250	5,211
Supplies and Materials	8,947	3,432	12,379	3,627	8,752
Total Health Services	400,273	3,432	403,705	385,791	17,914
Speech, OT, PT & Related Services					
Salaries	325,986	17,049	343,035	330,321	12,714
Purchased Professional - Educational Services	134,060	1,683	135,743	126,792	8,951
Supplies and Materials	10,750	(3,683)	7,067	6,775	292
Total - Speech, OT, PT & Related Services	470,796	15,049	485,845	463,888	21,957
Other Supp Serv STD-Extra Serv					
Salaries	134,676	11,531	146,207	146,097	110
Purchased Professional - Educational Services	772,882	(30,343)	742,539	613,121	129,418
Supplies and Materials	1,000		1,000		1,000
Total Other Supp Serv STD-Extra Serv	908,558	(18,812)	889,746	759,218	130,528
Guidance					
Salaries of Other Professional Staff	747,594	(7,966)	739,628	723,837	15,791
Salaries of Secretarial and Clerical Assistants	66,702	(5,000)	61,702	56,853	4,849
Other Purchased Professional and Technical Services	3,425	(388)	3,037	2,650	387
Other Purchased Services	400		400		400
Supplies and Materials	28,640	(6,000)	22,640	14,963	7,677
Other Objects	726	388	1,114	1,094	20
Total - Guidance	847,487	(18,966)	828,521	799,397	29,124
Child Study Teams					
Salaries of Other Professional Staff	374,881	5,567	380,448	380,448	
Salaries of Secretarial and Clerical Assistants	76,523	36,024	112,547	104,712	7,835
Other Salaries	35,000	(2,367)	32,633	32,633	
Other Purchased Professional and Technical Services	30,000		30,000	18,650	11,350
Other Purchased Services (400-500 Series)	5,000		5,000	268	4,732
Supplies and Materials	25,739		25,739	19,325	6,414
Other Objects	1,500		1,500	845	655
Total - Child Study Team	548,643	39,224	587,867	556,881	30,986
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	138,350	679	139,029	119,516	19,513
Salaries of Other Professional Staff	340,615	(679)	339,936	307,313	32,623
Salaries of Secretarial and Clerical Assistants	62,522		62,522	62,522	
Other Purchased Professional and Technical Services	15,000		15,000	8,400	6,600
Other Purchased Services	40,700	10,742	51,442	48,741	2,701
Supplies and Materials	4,940	2,156	7,096	7,096	
Other Objects	6,750	(1,899)	4,851	4,176	675
Total - Improvement of Instruction Services	608,877	10,999	619,876	557,764	62,112

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Continued)					
Educational Media Services/School Library					
Salaries	\$ 272,288	\$	\$ 272,288	\$ 177,076	\$ 95,212
Purchased Professional and Technical Services	3,842		3,842		3,842
Supplies and Materials	30,050		30,050	27,522	2,528
Other Objects	440		440	315	125
Total Educational Media Services/School Library	306,620		306,620	204,913	101,707
Instructional Staff Training Services					
Other Purchased Services	11,225		11,225	7,503	3,722
Total Instructional Staff Training Services	11,225		11,225	7,503	3,722
Support Services - General Administration:					
Salaries	252,377	7,640	260,017	259,757	260
Legal Services	45,000		45,000	27,212	17,788
Audit Fees	24,000	(4,000)	20,000	19,820	180
Architectural/Engineering Services	15,000	9,000	24,000	22,121	1,879
Other Purchased Professional Services	19,000		19,000	14,907	4,093
Communications/Telephone	168,000	(10,500)	157,500	154,118	3,382
BOE Other Purchased Services	5,000		5,000	76	4,924
Miscellaneous Purchased Services	129,500	(2,420)	127,080	102,013	25,067
BOE in-house training/meeting supplies	7,000	(1,595)	5,405	143	5,262
Miscellaneous Expenditures	22,000	1,595	23,595	22,108	1,487
Total - Support Services - General Administration	686,877	(280)	686,597	622,275	64,322
Support Service - School Administration:					
Salaries of Principals/Assistant Principals	780,134	122	780,256	771,760	8,496
Salaries of Secretarial and Clerical Assistants	494,646	(32,417)	462,229	430,277	31,952
Other Purchased Services		10,850	10,850	10,850	
Supplies and Materials	20,757	1,292	22,049	22,049	
Other Objects	225	7,695	7,920	7,695	225
Total - Support Services - School Administration	1,295,762	(12,458)	1,283,304	1,242,631	40,673
Central Services:					
Salaries	358,168		358,168	355,480	2,688
Purchased Technical Services	26,000	1,400	27,400	16,580	10,820
Supplies and Materials	10,000		10,000	7,908	2,092
Other Objects	3,500		3,500	1,090	2,410
Total - Central Services	397,668	1,400	399,068	381,058	18,010
Administrative Information Technology					
Salaries	213,941	15,318	229,259	208,319	20,940
Other Purchased Services	4,500	(2,000)	2,500	1,145	1,355
Supplies and Materials	1,000		1,000	3,000	
Other Objects	1,000	(1,000)			
Total - Administrative Information Technology	220,441	15,318	235,759	213,464	22,295
Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	391,500	(136,727)	254,773	41,818	212,955
General Supplies	75,000		75,000	2,530	72,470
Total - Required Maintenance for School Facilities	466,500	(136,727)	329,773	44,348	285,425

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Continued)					
Custodial Services:					
Salaries	\$ 445,919	\$	\$ 445,919	\$ 372,110	\$ 73,809
Purchased Professional and Technical Services	1,208,178	(25,000)	1,183,178	998,188	184,990
Cleaning, Repair and Maintenance Services	104,400	22,594	126,994	113,056	13,938
Other Purchased Property Services	67,000		67,000	39,279	27,721
Insurance	123,000	(7,900)	115,100	114,452	648
Miscellaneous purchased services	4,300		4,300	3,937	363
General Supplies	110,000	7,925	117,925	110,127	7,798
Energy (Natural Gas)	250,000		250,000	232,717	17,283
Energy (Electricity)	350,000		350,000	309,915	40,085
Energy (Oil)	17,000		17,000	10,783	6,217
Total - Custodial Services	2,679,797	(2,381)	2,677,416	2,304,564	372,852
Security:					
Salaries					
General Supplies					
Total Security					
Total Maintenance and Repairs	3,146,297	(139,108)	3,007,189	2,348,912	658,277
Student Transportation Services					
Other Purchased Prof and Technical Serv	45,000		45,000	17,627	27,373
Contracted Services - Aid in Lieu Payments - Non-Public	10,000		10,000	1,983	8,017
Contracted Services - (Between Home and School) - Vendors	940,000		940,000	630,111	309,889
Contracted Services - Aid in Lieu Payments Charter	1,000	1,000	2,000	1,227	773
Contracted Services - Aid in Lieu Payments Choice School	10,000	(1,000)	9,000	2,461	6,539
Contracted Services (Special Ed) - Joint Agreements	15,000		15,000		15,000
Contracted Services (Regular Students) - ESC's	175,000		175,000	141,949	33,051
Contracted Services (Special Education Students) - ESC's	630,000		630,000	396,367	233,633
Total Student Transportation Services	1,826,000		1,826,000	1,191,725	634,275
Unallocated Benefits:					
Social Security Contributions	295,000		295,000	281,800	13,200
Other Retirement Contributions - PERS	375,000	20,000	395,000	393,790	1,210
Unemployment Compensation	25,000	7,819	32,819	32,819	
Workmen's Compensation	180,000	(20,000)	160,000	106,030	53,970
Health Benefits	5,285,994	(7,819)	5,278,175	4,702,088	576,087
Tuition Reimbursement	75,000		75,000	43,800	31,200
Other Employee Benefits	66,500		66,500	2,650	63,850
Unused Sick Payment to Terminated/Retired Staff	65,000		65,000	36,470	28,530
Total Unallocated Benefits	6,367,494		6,367,494	5,599,447	768,047
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				3,665,997	(3,665,997)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,148,867	(1,148,867)
TPAF Long-Term Disability (On-Behalf - Non-Budgeted)				2,252	(2,252)
Reimbursed TPAF Social Security (Non-Budgeted)				1,016,270	(1,016,270)
Total On-Behalf Contributions				5,833,386	(5,833,386)
Total Undistributed Expenditures	20,558,655	(158,225)	20,400,430	23,369,404	(2,968,974)
Total Expenditures - Current Expense	32,641,288	(133,808)	32,507,480	34,947,575	(2,440,095)

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Capital Outlay					
Increase in Maintenance Reserve	\$ 250		\$ 250		\$ 250
Interest Deposit on Capital Reserve	1		1		1
Equipment:					
School-Sponsored and Other Instructional Program	10,000	10,000	20,000	12,285	7,715
Undistributed Expenditures:					
Undist. Expend. - Administrative Info. Tech.	99,000		99,000	92,104	6,896
Undist. Expend. Required Maint for School		94,573	94,573	13,909	80,664
Undist. Expend. - Custodial Services		52,344	52,344	7,900	44,444
Total Equipment	109,000	156,917	265,917	126,198	139,719
Facilities Acquisition and Construction Services					
Other Objects - Debt Service Assessment	3,014		3,014	3,014	
Total Facilities Acquisition and Construction Services	3,014		3,014	3,014	
Total Capital Outlay	112,265	156,917	269,182	129,212	139,970
Total Expenditures	32,753,553	23,109	32,776,662	35,076,787	(2,300,125)
Excess (Deficiency) of Revenues Over (Under) Expenditures	824,355	(776,722)	47,633	4,183,971	4,136,338
OTHER FINANCING SOURCES (USES):					
Operating Transfers :					
Transfer to Preschool Program	(97,763)		(97,763)	(97,763)	
Transfer to Enterprise Fund	(45,000)		(45,000)		45,000
Transfer of Funds to Charter School		(23,700)	(23,700)	(23,700)	
Total Other Financing Sources (Uses):	(142,763)	(23,700)	(166,463)	(121,463)	45,000
Net Change in Fund Balances	681,592	(800,422)	(118,830)	4,062,508	4,181,338
Fund Balances, July 1	2,259,224		2,259,224	2,259,224	
Prior Period Adjustment				81,402	81,402
Fund Balance, July 1, (Restated)	2,259,224		2,259,224	2,340,626	81,402
Fund Balances - End of Year	\$ 2,940,816	\$ (800,422)	\$ 2,140,394	\$ 6,403,134	\$ 4,262,740
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,171	
Maintenance Reserve				1,151,750	
Maintenance Reserve - Designated for Subsequent Year's Expenditures					
Unemployment Compensation				112,675	
Excess Surplus				2,357,620	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,059,196	
Assigned Fund Balance:					
Year-End Encumbrances				151,393	
Designated for Subsequent Year's Expenditures					
Unassigned				1,569,329	
				6,403,134	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(908,099)	
				\$ 5,495,035	

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:	\$ 2,053,012	\$	\$ 2,053,012	\$ 1,954,275	\$ (98,737)
Federal Sources:	1,136,801	254,765	1,391,566	1,387,861	(3,705)
Local Sources		7,000	7,000	125,075	118,075
Total Revenues	3,189,813	261,765	3,451,578	3,467,211	15,633
EXPENDITURES:					
Instruction					
Salaries of Teachers	913,312	(21,689)	891,623	890,908	715
Salaries of Paraprofessional	281,996	1,561	283,557	283,557	
Purchased Technical Services	39,000	92,954	131,954	131,954	
Other Professional Services	80,000		80,000	80,000	
Tuition	500,026		500,026	500,026	
General Supplies	84,389	123,598	207,987	207,448	539
Total Instruction	1,898,723	196,424	2,095,147	2,093,893	1,254
Support					
Salaries of Principal/Asst	46,093	5,232	51,325	51,325	
Salaries of Other Professional	82,804	20,364	103,168	103,168	
Salaries of Master Teacher	57,325	1,428	58,753	58,753	
Personal Services - Employee Benefits	634,849	54,039	688,888	688,888	
Purchased Professional - Educational Services	3,704	(715)	2,989		2,989
Cleaning, Repair, and Maintenance	100,795	35,190	135,985	135,985	
Transportation	332,880	(50,197)	282,683	282,683	
Supplies & Materials	5,000		5,000	4,874	126
Student Activities				228,431	(228,431)
Total Support Services	1,263,450	65,341	1,328,791	1,554,107	(225,316)
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	27,640		27,640	27,000	640
Total Facilities Acquisition and Construction Services	27,640		27,640	27,000	640
Total Expenditures	3,189,813	261,765	3,451,578	3,675,000	(223,422)
Excess (Deficiency) of Revenues Over (Under)				(207,789)	(207,789)
Transfer from General Fund				97,763	
Fund Balance, July 1					
Prior Period Adjustment				316,628	
Fund Balance, July 1, (Restated)				316,628	
Fund Balance, June 30				<u>\$ 206,602</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 206,602</u>	

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:					
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	[C-1]	\$ 39,260,758	[C-2]	\$	3,467,211
Difference - Budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					(30,746)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		881,304			179,438
The last State aid payment is recognized for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(908,099)			(195,525)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 39,233,963	[B-2]	\$	3,420,378
Uses/Outflows of Resources:					
Actual amounts (budgetary basis) "total expenditures" and "financing uses" from the budgetary comparison schedule.	[C-1]	\$ 35,076,787	[C-2]	\$	3,675,000
Differences - Budget to GAAP:					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					(30,746)
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 35,076,787	[B-2]	\$	3,644,254

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.034223%	0.033263%	0.032690%	0.032928%	0.031319%	0.030279%	0.030272%	0.030237%
District's Proportionate Share of the Net Pension Liability	\$ 5,580,871	\$ 5,993,450	\$ 6,436,401	\$ 7,665,219	\$ 9,275,839	\$ 6,796,945	\$ 5,667,678	\$ 5,778,952
District's Covered-Employee Payroll	\$ 2,557,408	\$ 2,554,514	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	218.22%	234.62%	266.58%	328.30%	410.13%	310.13%	269.03%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 389,968	\$ 340,153	\$ 341,872	\$ 323,951	\$ 294,813	\$ 275,290	\$ 249,555	\$ 227,832
Contributions in relation to the Contractually Required Contribution	(389,968)	(340,153)	(341,872)	(323,951)	(294,813)	(275,290)	(249,555)	(227,832)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 2,557,408	\$ 2,554,514	\$ 2,414,432	\$ 2,334,847	\$ 2,261,681	\$ 2,191,654	\$ 2,106,721	N/A
Contributions as a Percentage of Covered-Employee Payroll	15.25%	13.32%	14.16%	13.87%	13.04%	12.56%	11.85%	N/A

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.121828%	0.119702%	0.117355%	0.119390%	0.125891%	0.123139%	0.129144%	0.126836%
District's Proportionate Share of the Net Pension Liability	\$ 80,222,007	\$ 73,462,079	\$ 74,658,811	\$ 80,496,760	\$ 99,033,914	\$ 77,828,931	\$ 69,023,508	\$ 64,101,774
District's Covered-Employee Payroll	\$ 13,473,936	\$ 13,606,702	\$ 13,521,159	\$ 13,110,071	\$ 12,702,380	\$ 12,089,237	\$ 12,340,840	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	595.39%	539.90%	552.16%	614.01%	779.65%	643.79%	559.31%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 2,557,179	2,469,095	\$ 2,758,354	\$ 3,344,541
Interest Cost	2,443,375	3,029,524	3,201,226	2,780,136
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	19,879,099	(13,116,197)	(5,986,201)	
Changes of Assumptions	20,378,535	1,016,675	(8,815,375)	(11,700,058)
Member Contributions	58,868	62,047	70,993	74,751
Gross Benefit Payments	(1,942,202)	(2,093,141)	(2,054,115)	(2,030,026)
Net Change in Total OPEB Liability	<u>43,374,854</u>	<u>(8,631,997)</u>	<u>(10,825,118)</u>	<u>(7,530,656)</u>
Total OPEB Liability - Beginning	<u>76,819,094</u>	<u>76,819,094</u>	<u>87,644,212</u>	<u>95,174,868</u>
Total OPEB Liability - Ending	<u>\$ 120,193,948</u>	<u>68,187,097</u>	<u>\$ 76,819,094</u>	<u>\$ 87,644,212</u>
Covered-Employee Payroll	<u>\$ 16,031,344</u>	<u>16,161,216</u>	<u>\$ 15,935,591</u>	<u>\$ 15,444,918</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	749.74%	421.92%	482.06%	567.46%

Notes to Schedule:

Changes of Benefit Terms: None

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

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
REVENUES:				
State Sources	\$	\$ 1,954,275		\$ 1,954,275
Federal Sources	1,387,861			1,387,861
Local Sources			\$ 125,075	125,075
Total Revenues	<u>1,387,861</u>	<u>1,954,275</u>	<u>125,075</u>	<u>3,467,211</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	304,269	586,639		890,908
Salaries of Paraprofessional	19,753	263,804		283,557
Purchased Technical Services	131,954			131,954
Other Professional Services	80,000			80,000
Tuition	500,026			500,026
General Supplies	141,281	59,497	6,670	207,448
Total Instruction	<u>1,177,283</u>	<u>909,940</u>	<u>6,670</u>	<u>2,093,893</u>
Support Services:				
Salaries of Principal/Asst		51,325		51,325
Salaries of Other Professional Staff		103,168		103,168
Salaries of Master Teacher		58,753		58,753
Personal Services - Employee Benefits	210,578	478,310		688,888
Cleaning, Repair, and Maintenance		135,985		135,985
Transportation		282,683		282,683
Materials and supplies		4,874		4,874
Student Activities			228,431	228,431
Total Support Services	<u>210,578</u>	<u>1,115,098</u>	<u>228,431</u>	<u>1,554,107</u>
Facilities Acquisition and Const. Serv.:				
Instructional Equipment		27,000		27,000
Total Facilities Acquisition and Construction Services		<u>27,000</u>		<u>27,000</u>
Total Expenditures	<u>\$ 1,387,861</u>	<u>\$ 2,052,038</u>	<u>\$ 235,101</u>	<u>\$ 3,675,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures		(97,763)	(110,026)	(207,789)
Transfer from General Fund		97,763		97,763
Fund Balance, July 1				
Prior Period Adjustment			316,628	316,628
Fund Balance, July 1, (Restated)			316,628	316,628
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$ 206,602</u>	<u>\$ 206,602</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Literacy</u> <u>Grant</u>	<u>ED</u> <u>Foundation</u>	<u>Student</u> <u>Activity</u>	<u>Total</u>
REVENUES:				
State sources	\$	\$	\$	\$
Local sources	1,919	4,751	118,405	125,075
Total Revenues	<u>1,919</u>	<u>4,751</u>	<u>118,405</u>	<u>125,075</u>
EXPENDITURES:				
Instruction:				
General Supplies	1,919	4,751		6,670
Total Instruction	<u>1,919</u>	<u>4,751</u>		<u>6,670</u>
Support Services:				
Student Activities			228,431	228,431
Purchased Educational Services				
Total Support Services			<u>228,431</u>	<u>228,431</u>
Total Expenditures	<u>\$ 1,919</u>	<u>\$ 4,751</u>	<u>\$ 228,431</u>	<u>\$ 235,101</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			<u>(110,026)</u>	<u>(110,026)</u>
Fund Balance, July 1				
Prior Period Adjustment			316,628	316,628
Fund Balance, July 1, (Restated)			<u>316,628</u>	<u>316,628</u>
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$ 206,602</u>	<u>\$ 206,602</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 586,639	\$ 586,639	\$
Other Salaries for Instruction	263,804	263,804	
General Supplies	59,706	59,497	209
Total Instruction	910,149	909,940	209
Support:			
Salaries of Principal/Asst	51,325	51,325	
Salaries of Other Professional	103,168	103,168	
Salaries of Master Teacher	58,753	58,753	
Personal Services - Employee Benefits	478,310	478,310	
Cleaning, Repair, and Maintenance	135,985	135,985	
Transportation	282,683	282,683	
Supplies and Materials	5,000	4,874	126
Total Support Services	1,115,224	1,115,098	126
Facilities Acquisition and Const. Services:			
Instructional Equipment	27,640	27,000	640
Total Facilities Acquisition and Const. Services:	27,640	27,000	640
Total Expenditures	\$ 2,053,013	\$ 2,052,038	\$ 975

CALCULATION OF BUDGET & CARRYOVER

Total revised 2020-2021 Preschool Education Aid Allocation	\$ 1,955,250	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2020)	34,388	(2)
Add: Budgeted Transfer from the General Fund 2020-2021	97,763	(3)
Total Preschool Education Aid Funds Available for 2020-2021 Budget	2,087,401	(4)
Less: 2020-2021 Budgeted Preschool Education Aid (including prior year budget carryover)	(2,053,013)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	34,388	(6)
Add: June 30, 2021 Unexpended Preschool Education Aid	975	(7)
Less: 2020-2021 Commissioner-approved Transfer to the General Fund	(975)	(8)
2020-2021 Carryover - Preschool Education Aid/Preschool Programs	\$ 35,363	(9)
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-2022	\$ 34,388	(10)

Note: Since the 2020-21 Actual Carryover is less than the amount budgeted in 2021-22, the District should consider revising its 2021-22 Preschool Education Program Budget in the amount of \$975.

CAPITAL PROJECTS FUND DETAIL STATEMENT

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021

ASSETS:

Current Assets:

Cash	\$	165,903
Accounts Receivable:		
Federal		56,899
State		5,380
Other		13,084
Inventories		9,621

Total Current Assets 250,887

Fixed Assets:

Equipment	428,385
Accumulated Depreciation	(302,095)

Total Fixed Assets 126,290

Total Assets 377,177

LIABILITIES:

Current Liabilities:

Unearned Revenue	19,692
Interfund Payable	66,897

Total Current Liabilities 86,589

Total Liabilities 86,589

NET POSITION:

Net Position:

Net Investment in Capital Assets	126,290
Unrestricted	164,298

Total Net Position \$ 290,588

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OPERATING REVENUES:

Local Sources:

Daily Sales-Reimbursable Programs:

School Lunch Program

\$

School Breakfast Program

Daily Sales Non-Reimbursable Programs

5,498

Special Functions and Miscellaneous

2,420

Total Operating Revenue

7,918

OPERATING EXPENSES:

Salaries and Benefits

322,091

Supplies and Materials

40,418

Cost of Sales - Reimbursable Programs

390,243

Cost of Sales - Non Reimbursable Programs

1,337

Depreciation

12,970

Management/Admin Fee

45,900

Miscellaneous

4,162

Total Operating Expenses

817,121

Operating Loss

(809,203)

Non-Operating Revenues (Expenses):

State Sources:

State School Lunch Program

27,836

Federal Sources:

National School Breakfast Program

327,535

National School Lunch Program

515,778

Food Distribution Program

92,795

Total Non-Operating Revenues

963,944

Net Income (Loss) Before Contributions and Transfers

154,741

Other Financing Sources and Uses:

Fixed Assets Adjustment

34,951

Change in Net Position

189,692

Total Net Position-July 1

100,896

Total Net Position-June 30

\$ 290,588

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 7,918
Payments to Employees and Employee Benefits	(322,091)
Payments to Suppliers	(387,660)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	(701,833)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
State Sources	27,836
Federal Sources	843,313
	<hr/>
Net Cash Provided by (Used For) Non-Capital Financing Activities	871,149
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,413)
	<hr/>
Net Cash Provided by (Used For) Capital and Related Financing Activities	(3,413)
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	165,903
Cash and Cash Equivalents, July 1	
	<hr/>
Cash and Cash Equivalents, June 30	\$ 165,903
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (809,203)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	12,970
Food Distribution	92,795
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	59,144
(Increase)/Decrease in Inventory	(1,648)
Increase/(Decrease) in Interfund Payable	(74,560)
Increase/(Decrease) in Unearned Revenue	18,669
	<hr/>
Net Cash Used by Operating Activities	\$ (701,833)
	<hr/> <hr/>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021

ASSETS

Current Assets:	
Cash	\$ 615,626
Total Current Assets	<u>615,626</u>
Fixed Assets	
Equipment	193,479
Accumulated Depreciation	<u>(193,479)</u>
Total Fixed Assets	<u> </u>
Total Assets	<u>615,626</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	19,852
Due to General Fund	<u>128,138</u>
Total Current Liabilities	<u>147,990</u>
Total Liabilities	<u>147,990</u>

NET POSITION

Net Position:	
Net Investment In Capital Assets	
Unrestricted	<u>467,636</u>
Total Net Position	<u>\$ 467,636</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>SCC Interlocal</u>	<u>Pennsville Township Interlocal</u>	<u>Graphic Arts Academy</u>	<u>Creative Arts Academy</u>	<u>Quinton B.O.E.</u>	<u>Total</u>
OPERATING REVENUES:						
Program Fees	\$	\$ 18,331	\$ 246,700	\$ 290,786	\$ 39,744	\$ 595,561
Total Operating Revenue		18,331	246,700	290,786	39,744	595,561
OPERATING EXPENSES:						
Salaries		12,291	154,266	182,924	17,607	367,088
Employee Benefits			44,695	38,323	7,759	90,777
Other Purchased Services				27,990		27,990
Supplies and Materials			10,530	20,201		30,731
Total Operating Expenses		12,291	209,491	269,438	25,366	516,586
Operating Income (Loss)		6,040	37,209	21,348	14,378	78,975
Non-Operating Sources and Uses:						
Retained Earnings - July 1	65,881	22,186	142,417	95,843	62,334	388,661
Retained Earnings - June 30	\$ 65,881	\$ 28,226	\$ 179,626	\$ 117,191	\$ 76,712	\$ 467,636

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>June 30, 2021</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 670,120
Payments to Employees and Employee Benefits	(457,865)
Payments to Suppliers	(38,869)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	173,386
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Cash Flows from Non-Capital Financing Activities:	
Transfer to General Fund	
	<hr/>
Total Cash Flows from Non-Capital Financing Activities	
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	173,386
Cash and Cash Equivalents, July 1	442,240
	<hr/>
Cash and Cash Equivalents, June 30	\$ 615,626
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ 78,975
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	
(Increase)/Decrease in Interfund Receivable	74,559
Increase/(Decrease) in Accounts Payable	
Increase/(Decrease) in Interfund Payable	19,852
	<hr/>
Net Cash Used by Operating Activities	\$ 173,386
	<hr/> <hr/>

LONG-TERM DEBT SCHEDULES

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School and Pennsville Memorial High School; Equipment and Associate Site Work	2/17/16	\$ 20,900,000	9/1/21	\$ 850,000	2.25%	\$ 18,250,000		\$ 800,000	\$ 17,450,000
			9/1/22	900,000	2.25%				
			9/1/23	950,000	2.25%				
			9/1/24	1,000,000	2.50%				
			9/1/25	1,050,000	2.50%				
			9/1/26	1,150,000	2.50%				
			9/1/27	1,200,000	2.50%				
			9/1/28	1,250,000	2.50%				
			9/1/29-35	1,300,000	3.00%				
Various Improvements and Renovations to Central Park, Penn Beach and Valley Park Elementary Schools; Pennsville Middle School; Pennsville Memorial High School for the Auditorium Masonry Work and Stadium and Bleachers	11/9/16	14,725,000	9/1/21	675,000	2.50%	13,030,000		650,000	12,380,000
			9/1/22	700,000	2.50%				
			9/1/23	730,000	2.50%				
			9/1/24	750,000	2.50%				
			9/1/25	775,000	2.50%				
			9/1/26	800,000	3.00%				
			9/1/27	825,000	3.00%				
			9/1/28	850,000	3.00%				
			9/1/29	875,000	3.00%				
			9/1/30-32	900,000	3.00%				
			9/1/33-34	900,000	3.125%				
9/1/35	900,000	3.25%							
						<u>\$ 31,280,000</u>	<u>\$</u>	<u>\$ 1,450,000</u>	<u>\$ 29,830,000</u>

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,528,608	\$	\$ 1,528,608	\$ 1,528,608	\$
State Sources:					
Debt Service Aid Type II	771,267		771,267	771,267	
Total Revenues	2,299,875		2,299,875	2,299,875	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	849,875		849,875	849,875	
Redemption of Principal	1,450,000		1,450,000	1,450,000	
Total expenditures	2,299,875		2,299,875	2,299,875	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

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

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net Investment in Capital Assets	\$ 10,529,399	\$ 9,010,920	\$ 9,417,084	\$ 6,310,701	\$ (6,650,564)	\$ (12,697,942)	\$ 4,202,433	\$ 2,394,049	\$ 2,417,555	\$ 1,239,386
Restricted	4,977,739	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092	2,186,240	2,006,486
Unrestricted (Deficit)	(7,286,830)	(8,115,205)	(8,038,537)	(7,683,923)	(7,762,564)	(6,648,633)	(6,330,384)	(1,784,221)	(1,581,023)	(1,635,105)
Total Governmental Activities Net Position	\$ 8,220,308	\$ 2,196,305	\$ 2,389,281	\$ 1,755,245	\$ (14,481)	\$ 235,512	\$ (1,285,248)	\$ 2,696,920	\$ 3,022,772	\$ 1,610,767
Business-Type Activities										
Net Investment in Capital Assets	\$ 126,290	\$ 100,896	\$ 51,299	\$ 29,527	\$ 17,994	\$ 20,111	\$ 39,310	\$ 38,498	\$ 39,874	\$ 34,986
Restricted										
Unrestricted (Deficit)	164,298		(36,712)	(29,527)	(4,132)			12,601	24,633	54,969
Total Business-Type Activities Net Position	\$ 290,588	\$ 100,896	\$ 14,587	\$	\$ 13,862	\$ 20,111	\$ 39,310	\$ 51,099	\$ 64,507	\$ 89,955
District-wide Activities:										
Invested in Capital Assets,										
Net of Related Debt (Deficit)	\$ 10,655,689	\$ 9,111,816	\$ 9,468,383	\$ 6,340,228	\$ (6,632,570)	\$ (12,677,831)	\$ 4,241,743	\$ 2,432,547	\$ 2,457,429	\$ 1,274,372
Restricted	4,977,739	1,300,590	1,010,734	3,128,467	14,398,647	19,582,087	842,703	2,087,092	2,186,240	2,006,486
Unrestricted (Deficit)	(7,122,532)	(8,115,205)	(8,075,249)	(7,713,450)	(7,766,696)	(6,648,633)	(6,330,384)	(1,771,620)	(1,556,390)	(1,580,136)
	\$ 8,510,896	\$ 2,297,201	\$ 2,403,868	\$ 1,755,245	\$ (619)	\$ 255,623	\$ (1,245,938)	\$ 2,748,019	\$ 3,087,279	\$ 1,700,722

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,237,358	9,955,201	9,893,375	9,226,363	8,823,154	8,461,512	8,786,497	8,250,989	8,548,429	9,021,795
Special Education	2,671,318	2,615,177	2,472,257	2,409,443	2,505,567	2,706,249	2,601,154	2,666,345	2,569,675	2,484,988
Other Special Instruction	820,603	653,006	566,459	532,027	334,218	322,866	306,440	222,500	227,489	215,568
Other Instruction	428,625	1,135,551	1,086,792	1,291,863	1,205,322	1,163,229	1,034,293	1,050,172	937,070	1,088,855
Support Services										
Tuition	2,057,357	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457	1,225,452	859,808
Student and Instruction Related Services	4,744,368	4,953,225	4,231,591	3,618,092	3,554,227	3,295,108	3,024,580	3,183,312	3,322,246	3,303,486
General and Business Administration	622,275	624,736	649,281	604,557	603,386	669,175	649,670	627,813	681,586	680,987
School Administrative Services	1,242,631	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901	1,327,618	930,355
Central Services	381,058	417,557	437,095	404,197	410,757	419,505	389,746	374,769	381,669	365,581
Administrative Information Technology	213,464	256,755	195,707	131,935	201,139	244,064	218,615	249,148	310,434	331,290
Plant Operations and Maintenance	2,351,926	2,961,606	2,674,750	2,724,632	2,675,206	2,802,953	2,277,076	3,112,268	2,843,147	2,895,503
Pupil Transportation	1,191,725	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096	1,261,716	1,300,477
Other Support Services	17,288,558	12,964,787	14,659,703	17,115,766	15,956,422	12,221,353	6,753,509	7,292,506	7,308,903	6,428,462
Special Schools										
Interest on Long-Term Debt	842,385	868,511	904,265	934,326	801,841	217,154	10,307	513	12,214	25,207
Unallocated Depreciation	812,134	349,385	357,376	112,292	99,361	80,275	354,211	308,453	260,016	248,000
Total Governmental Activities Expenses	45,905,785	42,702,812	43,534,649	44,407,425	41,794,105	36,477,104	30,160,820	31,720,242	31,217,664	30,180,262
Business-Type Activities										
Food Service										
	817,121	692,360	695,221	661,287	651,121	675,221	664,682	637,617	659,151	648,243
Total Business-Type Activities Expense	817,121	692,360	695,221	661,287	651,121	675,221	664,682	637,617	659,151	648,243
Total District Expenses	\$ 46,722,906	43,395,172	44,229,870	45,068,712	42,445,226	37,152,325	30,825,502	32,357,859	31,876,815	30,828,505
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 720,636	622,714	500,378	594,296	598,423	604,953	614,946	592,269	644,753	673,440
Operating Grants and Contributions	9,395,891	9,144,507	10,223,120	2,998,342	2,949,400	2,927,881	2,879,293	3,408,167	3,684,433	3,134,513
Total Governmental Activities Prog Revenues	10,116,527	9,767,221	10,723,498	3,592,638	3,547,823	3,532,834	3,494,239	4,000,436	4,329,186	3,807,953
Business-Type Activities										
Charges for Services										
Food Service	7,918	228,408	277,824	302,761	315,910	328,832	345,167	355,732	368,799	410,109
Operating Grants and Contributions	963,944	508,343	359,471	331,744	328,962	318,978	290,717	268,477	264,903	278,725
Total Business-Type Activities Prog Revenues	971,862	736,751	637,295	634,505	644,872	647,810	635,884	624,209	633,702	688,834
Total District Program Revenues	\$ 11,088,389	10,503,972	11,360,793	4,227,143	4,192,695	4,180,644	4,130,123	4,624,645	4,962,888	4,496,787
Net (Expense)/Revenue										
Governmental Activities	\$ (35,789,258)	(32,935,591)	(32,811,151)	(40,814,787)	(38,246,282)	(32,944,270)	(26,666,581)	(27,719,806)	(26,888,478)	(26,372,309)
Business-Type Activities	154,741	44,391	(57,926)	(26,782)	(6,249)	(27,411)	28,798	(13,408)	(25,449)	40,591
Total District-Wide Net Expense	\$ (35,634,517)	(32,891,200)	(32,869,077)	(40,841,569)	(38,252,531)	(32,971,681)	(26,637,783)	(27,733,214)	(26,913,927)	(26,331,718)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 23,418,858	22,965,588	22,521,557	22,063,034	20,792,706	19,610,791	18,968,608	18,596,675	18,232,034	17,874,543
Taxes Levied for Debt Service								206,967	208,838	210,678
Unrestricted Grants and Contributions	16,659,008	11,114,366	10,507,121	20,046,030	16,705,692	14,353,051	8,917,099	8,643,567	8,625,509	8,578,128
Restricted Grants and Contributions								64,992		589,340
Tuition Received	425,824	364,286	164,996	297,768	227,126	172,231	127,810	87,733	161,614	152,888
Transportation Fees from Individuals	42,001	34,776	55,236	82,283	39,003	32,989	58,571	55,705	59,014	57,801
Investment Earnings	916	2,806	5,014	12,110	29,094	16,714	3,679	3,611	5,569	8,169
Miscellaneous Income	141,209	195,735	241,722	101,481	202,668	300,924	176,275	27,709	353,234	394,969
Transfers			(50,459)	(12,920)		(11,937)	(17,009)			
Fixed Asset Adjustments	727,415	(1,934,942)		(5,273)		(9,733)		886,076	559,514	(662,889)
Capital Lease Issued								(1,200,000)		(1,332,314)
Capital Lease Adjustment										
Compensated Absences (Increase)/reduction								20,919	95,157	98,711
Total Governmental Activities	41,415,231	32,742,615	33,445,187	42,584,513	37,996,289	34,465,030	28,235,033	28,573,035	28,205,326	27,303,627
Business-Type Activities										
Miscellaneous Income										
Fixed Asset Disposals and Prior Period Adjustments	34,951	41,918	22,054	12,920		(3,725)				5,009
Transfers			50,459			11,937	17,009			1,464
Total Business-Type Activities	34,951	41,918	72,513	12,920		8,212	17,009			6,473
Total District-Wide	\$ 41,450,182	32,784,533	33,517,700	42,597,433	37,996,289	34,473,242	28,252,042	28,573,035	28,205,326	27,310,100
Change in Net Position										
Governmental Activities	\$ 5,625,973	(192,976)	634,036	1,769,726	(249,993)	1,520,760	1,568,452	853,229	1,316,848	931,318
Business-Type Activities	189,692	86,309	14,587	(13,862)	(6,249)	(19,199)	45,807	(13,408)	(25,449)	47,064
Total District-Wide	\$ 5,815,665	(106,667)	648,623	1,755,864	(256,242)	1,501,561	1,614,259	839,821	1,291,399	978,382

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 4,682,412	\$ 1,211,866	\$ 579,708	\$ 1,179,327	\$ 1,140,329	\$ 539,944	\$ 1,137	\$ 77,650	\$ 79,089	\$ 99,189
Assigned	151,393	118,830	413,884	365,233	141,238	488,588	1,403,984	667,455	1,495,183	133,860
Unassigned (Deficit)	661,230	47,224	(117,542)	(58,939)	(135,250)	(197,144)	(389,220)	(442,214)	(212,450)	(165,361)
Total General Fund	\$ 5,495,035	\$ 1,377,920	\$ 876,050	\$ 1,485,621	\$ 1,146,317	\$ 831,388	\$ 1,015,901	\$ 302,891	\$ 1,361,822	\$ 67,688
All Other Governmental Funds										
Restricted - Special Revenue	\$ 206,602		\$ 342,303	\$ 1,861,581	\$ 13,170,754	\$ 18,954,570	\$	\$ 62,124	\$ 62,124	\$ 535,196
Committed to Capital Projects Fund										
Unassigned, reported in:										
Special Revenue Fund (Deficit)	(195,525)	(179,438)	(69,272)					(86,697)	(79,059)	(78,660)
Nonspendable Permanent Fund	88,725	88,724	88,723	88,722	88,721	88,720	88,719			
Total All Other Governmental Funds	\$ 99,802	\$ (90,714)	\$ 361,754	\$ 1,950,303	\$ 13,259,475	\$ 19,043,290	\$ 88,719	\$ (24,573)	\$ (16,935)	\$ 456,536

Source: CAFR Schedule B-1

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax Levy	\$ 23,418,858	22,965,588	22,521,557	\$ 22,063,034	\$ 20,792,706	\$ 19,610,791	\$ 18,968,608	\$ 18,803,642	\$ 18,440,872	\$ 18,085,221
Tuition Charges	425,824	364,286	164,996	297,768	227,126	172,231	127,810	87,733	161,614	152,888
Transportation Charges	42,001	34,776	55,236	82,283	39,003	32,989	58,571	55,705	59,014	57,801
Interest Earnings	916	2,806	5,014	12,110	29,094	16,714	3,679	3,611	5,569	8,169
Miscellaneous	289,984	195,735	241,722	101,481	202,668	300,924	176,275	27,709	373,996	394,969
State Sources	19,353,857	17,553,875	15,675,679	14,673,570	12,662,364	12,742,683	11,555,209	11,167,790	11,394,253	11,146,578
Federal Sources	1,422,777	876,869	1,057,049	863,325	894,605	794,024	907,416	948,936	902,726	1,255,403
Total Revenues	44,954,217	41,993,935	39,721,253	38,093,571	34,847,566	33,670,356	31,797,568	31,095,126	31,338,044	31,101,029
Expenditures										
Instruction										
Regular Instruction	10,237,358	9,955,201	9,893,375	9,221,957	8,818,051	8,455,906	8,786,497	8,250,988	8,548,429	9,021,795
Special Education Instruction	2,671,318	2,615,177	2,472,257	2,408,713	2,504,837	2,705,519	2,601,154	2,666,345	2,569,676	2,484,988
Other Special Instruction	304,017	653,006	566,459	532,027	334,218	322,866	306,440	222,500	227,489	215,568
Other Instruction	428,625	567,792	596,991	555,154	531,701	519,059	481,560	467,418	468,408	438,538
Support Services										
Tuition	2,057,357	2,241,100	2,496,827	2,343,389	1,799,241	1,222,309	930,820	1,608,457	1,225,452	859,808
Student and Instruction Related Services	4,744,368	4,953,225	4,231,591	3,615,370	3,551,505	3,292,386	3,024,580	3,183,312	3,209,515	3,303,486
General Administration	622,275	624,736	649,281	597,077	595,906	661,695	649,670	627,813	681,586	680,987
School Administrative Services	1,242,631	1,274,517	1,364,623	1,313,658	1,278,644	1,255,280	1,403,824	1,361,901	1,327,618	1,295,935
Central Services	381,058	417,557	437,095	404,197	410,757	419,505	389,746	374,769	381,669	365,581
Administrative Information Technology	213,464	199,650	195,707	131,935	201,139	244,064	218,614	249,148	310,434	331,290
Plant Operations and Maintenance	2,348,912	2,958,592	2,671,736	2,626,350	2,569,927	2,696,540	2,576,717	3,112,268	2,843,147	2,529,822
Security		57,105								
Pupil Transportation	1,191,725	1,431,698	1,544,548	1,644,885	1,545,620	1,396,072	1,420,078	1,411,096	1,261,716	1,300,477
Employee Benefits	12,121,721	11,230,687	10,366,944	9,264,412	9,212,690	8,259,660	7,515,131	7,292,506	7,308,903	6,428,462
Special Schools										
Capital Outlay	156,212	501,177	2,152,936	11,668,159	21,118,034	4,337,500	1,864,831	2,706,628	625,047	2,002,278
Debt Service										
Principal	1,450,000	1,380,000	1,315,000	1,650,000				270,991	261,424	252,314
Interest and Other Charges	849,875	883,313	913,544	1,073,236				6,160	18,228	29,802
Total Expenditures	41,020,916	41,944,533	41,868,914	49,050,519	54,472,270	35,788,361	32,169,662	33,812,300	31,268,741	31,541,131
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	3,933,301	49,402	(2,147,661)	(10,956,948)	(19,624,704)	(2,118,005)	(372,094)	(2,717,174)	69,303	(440,102)
Other Financing Sources (Uses)										
Bond Proceeds					14,725,000	20,900,000				
Proceeds from Capital Lease								1,178,748		
Capital Leases								1,200,000		1,332,314
Transfers In							8,538	1		
Transfers Out	(23,700)		(50,459)	(12,920)		(11,937)	(17,009)	(1)		
Total Other Financing Sources (Uses)	(23,700)		(50,459)	(12,920)	14,725,000	20,888,063	(8,471)	2,378,748		1,332,314
Net Change in Fund Balances	\$ 3,909,601	49,402	(2,198,120)	\$ (10,969,868)	\$ (4,899,704)	\$ 18,770,058	\$ (380,565)	\$ (338,426)	\$ 69,303	\$ 892,212
Debt Service as a Percentage of										
Noncapital Expenditures	5.63%	5.46%	5.61%	7.28%	0.00%	0.00%	0.00%	0.89%	0.91%	0.96%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investment</u>	<u>Transportation</u> <u>Fees</u>	<u>Solar</u> <u>Renewable</u> <u>Credits</u>	<u>Prior Year</u> <u>Tuition</u> <u>and</u> <u>Transportation</u>	<u>Prior Year</u> <u>Order</u> <u>Adjustments</u>	<u>ERATE</u>	<u>Miscellaneous</u>	<u>Total</u>
2021	\$ 425,824	\$ 915	\$ 42,001	\$ 64,594	\$ 6,786	\$	\$ 47,963	\$ 45,566	\$ 633,649
2020	364,286	2,803	34,776		1,000		59,803	120,203	582,871
2019	164,996	5,010	55,236		4,493		49,845	18,384	297,964
2018	297,768	7,312	82,283		3,620		52,716	45,145	488,844
2017	227,126	2,751	39,003	67,404	38,614	14,146	56,425	26,089	471,558
2016	172,231	10,382	32,989	63,940	96,054	78,195		62,735	516,526
2015		3,669	58,571	44,480	91,003	28,601		12,200	238,524
2014	87,733	3,611	55,705					27,709	174,758
2013	161,614	5,569	59,014					373,996	600,193
2012	152,888	8,169	57,801					394,969	613,827

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate**
2021	\$ 19,950,432	\$ 708,895,343	\$ 10,551,600	\$ 1,454,900	\$ 101,188,640	\$ 112,114,500	\$ 29,698,300	\$ 983,853,715	\$ 1,686,095	\$ 985,539,810	\$ 1,029,135,685	\$ 2.4
2020	20,379,832	711,130,043	10,551,600	1,556,200	106,102,440	117,114,500	29,698,300	996,532,915	1,545,538	998,078,453	999,536,234	2.325
2019	20,506,032	713,092,743	10,652,200	1,554,800	107,469,040	122,114,500	29,748,300	1,005,137,615	1,545,538	1,006,683,153	999,536,234	2.254
2018	21,254,797	717,424,427	10,652,200	1,581,500	107,201,840	151,114,500	29,860,100	1,038,214,399	1,533,759	1,039,748,158	1,015,628,349	2.14
2017	22,034,897	722,771,132	10,397,400	1,582,200	105,785,300	151,114,500	29,860,100	1,043,545,529	1,517,052	1,045,062,581	980,683,704	2.11
2016	21,416,297	726,819,334	10,285,200	1,558,200	108,446,400	151,114,500	30,360,100	1,050,000,031	1,511,704	1,051,511,735	997,620,210	1.92
2015	21,897,997	729,661,534	10,492,000	1,562,200	126,578,900	153,447,700	29,973,300	1,073,613,631	1,539,239	1,075,152,870	1,115,270,411	1.80
2014	21,943,897	731,985,434	10,730,400	1,557,600	129,111,400	166,993,000	29,973,300	1,092,295,031	1,451,982	1,093,747,013	1,179,652,954	1.73
2013	22,701,800	733,533,934	10,992,200	1,685,200	132,021,500	166,993,000	30,560,300	1,098,487,934	1,813,332	1,100,301,266	1,232,034,873	1.69
2012	23,648,600	734,678,147	11,129,700	1,685,200	134,762,900	177,993,000	30,560,300	1,114,457,847	2,051,986	1,116,509,833	1,264,372,477	1.64

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

Source: District records Tax list summary & Municipal Tax Assessor

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

**Tax rates are per \$100

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

(Rate Per \$100 of Assessed Value)

(UNAUDITED)

Township of Pennsville

Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate *	General Obligation Debt Service **	Total Direct School Tax Rate	Municipality	County	
2021	\$ 2.243	\$ 0.157	\$ 2.400	\$ 0.890	\$ 1.330	\$ 4.620
2020	2.173	0.152	2.325	0.891	1.267	4.483
2019	2.106	0.148	2.254	0.891	1.116	4.261
2018	2.001	0.139	2.140	0.762	1.206	4.108
2017	2.053	0.058	2.111	0.737	1.115	3.963
2016	1.924	0.000	1.924	0.698	1.005	3.627
2015	1.776	0.019	1.795	0.673	1.012	3.480
2014	1.708	0.019	1.727	1.600	0.864	4.191
2013	1.674	0.019	1.693	1.512	0.946	4.151
2012	1.617	0.019	1.636	1.450	0.940	4.026

Source: District Records and Municipal Tax Collector

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

- * The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- ** Rates for Debt Service are based on each year's requirements.

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
The Chemours Company FC LLC	85,000,000	1	8.64%			
Siegfried USA, LLC	16,181,900	2	1.64%			
Calpine New Jersey Generation, LLC	10,932,600	3	1.11%			
Orchard Court Apartments LLC	8,752,200	4	0.89%			
Lauras Glen Apartments LLC	8,000,000	5	0.81%		Not Available	
Pennsville Holdings, LLC	5,363,800	6	0.55%			
ACP Pennsville Assoc.	4,754,900	7	0.48%			
M & P Re, LLC	3,606,600	8	0.37%			
12 Meadow Road LLC	3,600,000	9	0.37%			
Sunrise Gardens Deerot LLC	3,144,700	10	0.32%			
Total	\$ 149,336,700		15.18%	\$		0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2021	\$ 23,418,858	\$ 23,418,858	100.00%	\$
2020	22,965,588	\$ 22,965,588	100.00%	
2019	22,521,557	22,521,557	100.00%	
2018	22,063,034	22,063,034	100.00%	
2017	20,792,706	20,792,706	100.00%	
2016	19,610,791	19,610,791	100.00%	
2015	18,968,608	18,968,608	100.00%	
2014	18,803,642	18,803,642	100.00%	
2013	18,440,872	18,440,872	100.00%	
2012	18,085,221	18,085,221	100.00%	

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2021	\$ 29,830,000	\$	\$ 29,830,000	4.79%	593
2020	31,280,000		31,280,000	5.32%	658
2019	32,660,000		32,660,000	5.56%	685
2018	33,975,000	246,831	34,221,831	5.90%	728
2017	35,625,000	489,736	36,114,736	6.56%	830
2016	20,900,000	790,201	21,690,201	3.78%	476
2015		1,296,435	1,296,435	0.23%	29
2014		1,796,975	1,796,975	0.32%	42
2013	270,991	855,241	1,126,232	0.21%	85
2012	532,414	1,107,335	1,639,749	0.30%	123

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property*</u>	<u>Per Capita**</u>
2021	\$ 29,830,000	2.90%	\$ 2,411
2020	31,280,000	3.13%	2,527
2019	32,660,000	3.27%	2,649
2018	33,975,000	3.35%	2,756
2017	35,625,000	3.63%	2,833
2016	20,900,000	2.13%	1,653
2015		0.00%	
2014		0.00%	
2013	270,991	0.02%	20
2012	532,414	0.05%	40

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

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pennsville Township	\$ 7,252,912		\$ 7,252,912
Salem County General Obligation Debt	38,650,075	20.45%	7,903,467
Subtotal, Overlapping Debt			<u>15,156,379</u>
District's Direct Debt			<u>29,830,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 44,986,379</u></u>

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

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

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

Local Debt Margin Calculation for Fiscal Year 2021:

Equalized valuation basis:	
2020	\$ 1,042,398,447
2019	1,004,936,628
2018	983,706,678
	<u>\$ 3,031,041,753</u>
Average equalized valuation of taxable property	\$ 1,010,347,251
Debt Limit (4% of average equalized value)*	40,413,890
Net Bonded Debt	29,830,000
	<u>10,583,890</u>
Local Debt Margin	<u>\$ 10,583,890</u>

Fiscal Year Ending June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 40,413,890	\$ 40,115,029	\$ 39,847,473	\$ 40,358,084	\$ 41,067,528	\$ 42,908,845	\$ 45,058,170	\$ 47,146,163	\$ 48,911,352	\$ 50,927,114
Total Net Debt Applicable to Limit	<u>29,830,000</u>	<u>31,280,000</u>	<u>32,660,000</u>	<u>33,975,000</u>	<u>35,625,000</u>	<u>20,900,000</u>			<u>270,991</u>	<u>532,414</u>
Legal Debt Margin	<u>\$ 10,583,890</u>	<u>\$ 8,835,029</u>	<u>\$ 7,187,473</u>	<u>\$ 6,383,084</u>	<u>\$ 5,442,528</u>	<u>\$ 22,008,845</u>	<u>\$ 45,058,170</u>	<u>\$ 47,146,163</u>	<u>\$ 48,640,361</u>	<u>\$ 50,394,700</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	73.81%	77.98%	81.96%	84.18%	86.75%	48.71%	0.00%	0.00%	0.55%	1.05%

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

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

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

<u>Year</u>	<u>Population*</u>	<u>Personal Income (thousands of dollars)**</u>	<u>Per Capita Personal Income***</u>	<u>Unemployment Rate****</u>
2021	[^] 12,372	\$ 622,342,941	\$ 50,303	7.8%
2020	12,428	588,356,033	50,253	8.2%
2019	12,409	587,602,899	50,203	4.1%
2018	12,499	546,874,820	48,105	4.6%
2017	12,540	577,922,796	46,715	5.3%
2016	12,651	575,499,200	45,932	5.7%
2015	12,754	573,609,750	45,220	6.7%
2014	12,883	554,904,594	43,240	7.5%
2013	12,991	545,875,714	42,218	8.9%
2012	13,143	547,294,140	41,672	10.5%

[^] Estimate

Source:

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

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

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

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

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

TOWNSHIP OF PENNSVILLE

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSE&G	1600	5.23%		
E.I DuPont	1094	3.57%		
Mannington Mills	1078	3.52%		
Memorial Hospital of Salem County	775	2.53%		
Atlantic City Electric	543	1.77%		Not Available
R.E Pierson Construction	400	1.31%		
Elmer Hospital	400	1.31%		
Anchor Glass	376	1.23%		
McLane NJ	370	1.21%		
Walmart	251	0.82%		
	<u>6,887.00</u>	<u>22.49%</u>		

Source: Salem County Office of Development

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

N/A - Information not available

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

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction										
Regular and Special Education	173.0	179.0	171.5	164.5	166.0	167.0	166.5	166.5	166.5	163.5
Other Special Education	50.0	44.0	38.0	37.0	35.0	34.0	33.0	33.0	33.0	36.0
Other Instruction	11.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Support Services:										
Student & Instruction Related Services	13.0	13.0	13.0	15.0	15.0	15.0	15.0	15.0	15.0	16.0
General Administrative Services	5.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Administrative Services	5.0	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5
School Administrative Services	15.0	17.0	17.0	15.0	15.5	15.5	15.5	15.5	15.5	15.5
Business Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	4.0	5.0	4.5	4.5	4.5	4.5	4.5	4.0
Plant Operations and Maintenance	4.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5
Total	285.0	289.0	274.5	267.5	267.5	267.5	266.0	266.0	266.0	267.0

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)***	Average Daily Attendance (ADA)***	% Change in Average Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2021	1,748	35,076,787	20,067	-10.00%	192	1 : 10	1 : 10	1 : 8	1,747.6	1,671.0	-0.29%	95.62%
2020	1,796	37,043,285	20,625	-7.49%	198	1 : 10	1 : 9	1 : 8	1,795.3	1,713.8	2.43%	95.46%
2019	1,697	37,835,545	22,296	-13.30%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	0.00%	94.85%
2018	1,766	45,416,631	25,717	-14.20%	192	1 : 12	1 : 10	1 : 9	1,752.7	1,662.5	-1.37%	94.85%
2017	1,787	53,560,382	29,972	53.35%	198	1 : 12	1 : 10	1 : 9	1,777.0	1,646.5	1.20%	92.66%
2016	1,789	34,966,080	19,545	17.67%	198	1 : 12	1 : 10	1 : 9	1,756.0	1,675.5	-3.70%	95.41%
2015	1,790	31,259,846	17,464	5.14%	199	1 : 12	1 : 10	1 : 9	1,762.0	1,674.4	-3.37%	95.03%
2014	1,856	30,828,521	16,610	4.59%	199	1 : 12	1 : 9.7	1 : 9.3	1,823.5	1,738.9	-4.63%	95.36%
2013	1,912	30,364,042	15,881	6.01%	199	1 : 13	1 : 10.7	1 : 10.3	1,912.0	1,779.7	-2.10%	93.08%
2012	1,953	29,256,238	14,980	5.63%	198	1 : 15	1 : 10.6	1 : 8.9	1,953.0	1,838.7	4.80%	94.15%

Sources: District records

Note: Enrollment based on annual October district count.

- * Operating expenditures equal total expenditures less debt service and capital outlay.
- ** Teaching staff includes only full-time equivalents of certificated staff.
- *** Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>District Building</u>										
<u>Administrative Offices:</u>										
Square Feet	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096	42,096
Capacity (Students)										
Enrollment										
<u>Elementary</u>										
Central Park Elementary School (1956):										
Square Feet	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960	34,960
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	259	270	257	305	281	267	241	259	306	274
Penn Beach Elementary School (1964):										
Square Feet	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330	36,330
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	299	307	265	258	244	262	282	265	272	294
Valley Park Elementary School (1969):										
Square Feet	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132	61,132
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	329	361	289	276	297	283	303	323	305	295
<u>Middle School</u>										
Pennsville Middle School (1959)										
Square Feet	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938	98,938
Capacity (students)	984	984	984	984	984	984	984	984	984	984
Enrollment	428	416	399	411	422	423	423	458	451	446
<u>High School</u>										
Pennsville Memorial High School										
Square Feet	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426	158,426
Capacity (students)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Enrollment	433	442	487	516	543	554	541	551	571	596

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

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District Office	42,096	\$ 6,690	\$ 7,578	\$ 3,968	\$ 4,360	\$ 5,482	\$ 7,257	\$ 4,327	\$ 17,775	\$ 31,886	\$ 3,715
Pennsville Memorial High School	158,426	10,891	16,656	35,396	26,398	20,631	97,866	58,350	239,675	177,323	45,447
Pennsville Middle School	98,938	6,808	47,046	10,142	9,117	12,884	18,964	11,307	46,444	65,066	36,179
Central Park Elementary School	34,960	6,653	7,580	3,228	3,568	4,553	16,908	10,081	41,407	46,334	840
Penn Beach Elementary School	36,330	6,653	7,580	22,028	3,964	4,731	50,130	29,889	58,860	29,860	17,401
Valley Park Elementary School	61,132	6,653	313,983	4,250	9,313	7,962	24,036	14,330	122,770	39,404	15,212
Total School Facilities		<u>44,348</u>	<u>400,423</u>	<u>79,012</u>	<u>56,720</u>	<u>56,243</u>	<u>215,161</u>	<u>128,284</u>	<u>526,931</u>	<u>389,873</u>	<u>118,794</u>
Grand Total		<u>\$ 44,348</u>	<u>\$ 400,423</u>	<u>\$ 79,012</u>	<u>\$ 56,720</u>	<u>\$ 56,243</u>	<u>\$ 215,161</u>	<u>\$ 128,284</u>	<u>\$ 526,931</u>	<u>\$ 389,873</u>	<u>\$ 118,794</u>

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
(UNAUDITED)

	<u>Coverage</u>	<u>GCSSDJIF Self Insured Retention</u>	<u>Deductible</u>
School Package Policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property, Inland Marine and Automobile physical damages	\$ 175,000,000	\$ 250,000	\$ 500
Property Valuation			
Buildings and Contents	Replacement Cost	N/A	N/A
Contractors Equipment	Actual Cash Value	N/A	N/A
Automobiles	Replacement Cost	N/A	N/A
Boiler and Machinery	125,000,000	None	1,000
Crime	500,000	250,000	500
General Automobile Liability	20,000,000	250,000	None
Worker's Compensation	Statutory	250,000	None
Educator's Legal Liability	20,000,000	250,000	None
Pollution Legal Liability	3,000,000	None	
Pollution Deductible			25,000
Mold Deductible			100,000 - 250,000
Cyber Liability	2,000,000	None	50,000 - 100,000
Crisis Protection & Disaster Management Services	1,000,000	None	10,000
Public Employees' Faithful Performance Blanket			
Position Bond - Ohio Casualty Insurance:			
Board Secretary/Business Administrator	250,000		N/A
* Excess and reinsurance carries involved:			
Property and Crime		SPELLJIF, Great American Ins. Co. Westchester Fire Ins. Co. Mitsui Sumitomo Ins. Co. of America Everest Insurance Co. Evanston Insurance Co. RSUI Indemnity Company James River Insurance Co. BRIT / Lloyd's of London Hallmark Specialty Insurance Co. Houston Casualty Co. Arch Specialty Insurance Co. Endurance American Specialty Insurance Co. Colony Insurance Co. Ategrity Specialty Insurance Co. Independent Specialty Insurance Co. Interstate Fire & Casualty Insurance Co. QBE Specialty Insurance Co. Starstone Specialty Insurance Co. General Security Indemnity Co. Allied World Assurance Co. Axis Insurance Company	
General Liability and Automobile Liability		SPELLJIF, Great American Ins. Company, General Reinsurance Corp.	
Workers Compensation		SPELLJIF, Great American Ins. Company, Safety National Casualty Corp.	
Educator's Legal Liability		SPELLJIF, Great American Ins. Company, General Reinsurance Corp.	
Group Purchase of primary insurance coverage carrier array:			
Boiler and Machinery		Travelers Insurance Company	
Pollution Legal Liability		Beazley / Lloyd's of London	
Cyber Liability		Starr Surplus Lines Ins. Co.	
Crisis Protection & disaster Management Services		Lloyd's of London	
Public Employees' Faithful Performance Blanket			
Position Bond - Selective Insurance Company:			
Board Secretary/Business Administrator	250,000	N/A	N/A
Treasurer of School Monies	250,000	N/A	N/A
Student Accident Insurance - AIG Educational Markets	5,000,000	N/A	None
Volunteer Workers Policy - Markel Insurance Company	1,000,000	N/A	None

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pennsville Township School District
County of Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the of Education of the Pennsville Township School District's basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pennsville Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



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

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pennsville Township School District
County of Salem, New Jersey 08079

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Pennsville Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Pennsville Township School District's major federal and state programs for the fiscal year ended June 30, 2021. The Pennsville Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated January 28, 2022. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Federal FAIN Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2020			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Repayment of Prior Year Balance	JUNE 30, 2021		
						Accounts Receivable	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education:																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	N/A	7/1/20-6/30/21	\$ 65,662	\$	\$	\$	\$ 65,662	\$ (65,662)	\$	\$ (65,662)	\$	\$	\$	
Total General Fund									65,662	(65,662)		(65,662)				
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
E.S.E.A.:																
Title I - Part A	84.010	S010A200030	ESEA407520	7/1/19-9/30/20	262,167	(124,182)			124,182							
Title I - Part A	84.010	S010A200030	ESEA407521	7/1/20-9/30/21	293,135				188,639	(293,135)		(293,135)		(104,496)		
Title II A	84.367A	S367A200029	ESEA407520	7/1/19-9/30/20	68,908	(27,312)			27,312							
Title II A	84.367A	S367A200029	ESEA407521	7/1/20-9/30/21	49,456				35,326	(49,456)		(49,456)		(14,130)		
Title III Immigrant	84.365A	S365A200030	ESEA407520	7/1/19-9/30/20	1,292	(1,292)			1,292							
Title III Immigrant	84.365A	S365A200030	ESEA407521	7/1/20-9/30/21	1,439				1,439	(1,439)		(1,439)				
Title IV	84.424A	S424A200031	ESEA407520	7/1/19-9/30/20	20,151	(3,316)			3,316							
Title IV	84.424A	S424A200031	ESEA407521	7/1/20-9/30/21	24,561				18,683	(24,561)		(24,561)		(5,878)		
Education Stabilization Fund:																
CARES ACT	84.426D	S426D200027	CARES407520	3/13/20-9/30/22	244,868				195,355	(244,868)		(244,868)		(49,513)		
COVID Relief Grant	21.019	N/A	21E00041	7/1/20-12/31/20	121,158				121,168	(121,158)		(121,158)				
Digital Divide	84.426D	S426D200027	NA	7/1/20-10/31/20	131,954				131,954	(131,954)		(131,954)				
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA407520	7/1/19-9/30/20	460,244	(7,273)			7,273							
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA407521	7/1/20-9/30/21	503,730				500,026	(500,026)		(500,026)				
I.D.E.A. Preschool	84.173	H173A200114	IDEAPS407521	7/1/20-9/30/21	21,264				20,471	(21,264)		(21,264)		(793)		
Total US Department of Education						(163,376)			1,376,426	(1,387,861)		(1,387,861)		(174,810)		
U.S. Dept. of Agriculture Passed-through State Dept. of Education:																
Enterprise Fund																
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	316,299	(80,483)			80,483							
National School Lunch Program	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	516,778				482,247	(515,778)		(515,778)		(33,531)		
National School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	118,384	(60,520)			50,520							
National School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20-6/30/21	327,535				304,167	(327,535)		(327,535)		(23,368)		
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	N/A	7/1/20-6/30/21	92,795				92,795	(92,795)		(92,795)				
Total U.S. Department of Agriculture						(131,003)			1,010,212	(936,108)		(936,108)		(56,899)		
Total Federal Financial Awards						\$ (294,378)	\$	\$	\$ 2,462,300	\$ (2,389,631)	\$	\$ (2,389,631)	\$	\$ (231,709)	\$	

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

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

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2020			Carry-Over	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	June 30, 2021			MEMO		
				(Accounts Receivable)	Due to Grantor	Cash Received				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
General Fund - Current Expense:															
Equalization Aid	20-495-034-5120-078	\$ 8,282,638	7/1/19 to 6/30/20	\$ (682,770)	\$	\$ 682,770	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equalization Aid	21-495-034-5120-078	8,637,259	7/1/20 to 6/30/21			7,885,827		(8,637,259)		(751,432)			(751,432) *	8,637,259	
Special Education Categorical Aid	20-495-034-5120-089	1,010,823	7/1/19 to 6/30/20	(112,314)		112,314							(87,940) *	1,010,823	
Special Education Categorical Aid	21-495-034-5120-089	1,010,823	7/1/20 to 6/30/21			922,883		(1,010,823)		(87,940)			(87,940) *	1,010,823	
School Choice Aid	20-495-034-5120-068	180,403	7/1/19 to 6/30/20	(20,044)		20,044									
School Choice Aid	21-495-034-5120-068	194,408	7/1/20 to 6/30/21			177,495		(194,408)		(16,913)			(16,913) *	194,408	
Security Aid	20-495-034-5120-084	67,439	7/1/19 to 6/30/20	(7,494)		7,494									
Security Aid	21-495-034-5120-084	67,439	7/1/20 to 6/30/21			61,572		(67,439)		(5,867)			(5,867) *	67,439	
Transportation Aid	20-495-034-5120-014	528,133	7/1/19 to 6/30/20	(58,682)		58,682									
Transportation Aid	21-495-034-5120-014	528,133	7/1/20 to 6/30/21			482,186		(528,133)		(45,947)			(45,947) *	528,133	
Homeless Aid	N/A	37,116	7/1/19 to 6/30/20	(37,116)		37,116									
Homeless Aid	N/A	156	7/1/20 to 6/30/21					(156)		(156)			*	156	
Extraordinary Aid	20-495-034-5120-473	287,517	7/1/19 to 6/30/20	(287,517)		287,517									
Extraordinary Aid	21-495-034-5120-473	397,563	7/1/20 to 6/30/21					(397,563)		(397,563)			*	397,563	
Non-Public Transportation aid		2,030	7/1/20 to 6/30/21					(2,030)		(2,030)			*	2,030	
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	979,157	7/1/19 to 6/30/20	(47,500)		47,500									
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	1,016,270	7/1/20 to 6/30/21			1,016,270		(1,016,270)					*	1,016,270	
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	3,665,997	7/1/20 to 6/30/21			3,665,997		(3,665,997)					*	3,665,997	
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	1,148,867	7/1/20 to 6/30/21			1,148,867		(1,148,867)					*	1,148,867	
On-Behalf Long-term Disability	21-495-034-5094-004	2,252	7/1/20 to 6/30/21			2,252		(2,252)					*	2,252	
				(1,253,437)		16,616,786		(16,671,197)		(1,307,848)			(908,099)	16,671,197	
Special Revenue Fund:															
Preschool Education Expansion Aid	20-495-034-5120-086	1,794,380	7/1/19 to 6/30/20	(145,050)		179,438	(34,388)								
Preschool Education Expansion Aid	21-495-034-5120-086	2,053,013	7/1/20 to 6/30/21			1,857,488	34,388	(2,052,038)		(195,525)	35,363		(195,525) *	2,052,038	
N.J. Nonpublic Aid:															
Security Aid	20-100-034-5120-509	16,050	7/1/19 to 6/30/20		13,133				(13,133)						
Auxiliary Services:															
Compensatory Education Aid	20-100-034-5120-067	21,091	7/1/19 to 6/30/20	(2,109)		2,109									
Handicapped Services:															
Supplemental Instruction Aid	20-100-034-5120-066	5,666	7/1/19 to 6/30/20	(1,360)		1,360									
Total Special Revenue Fund				(148,519)	13,133	2,040,395		(2,052,038)	(13,133)	(195,525)	35,363		(195,525)	2,052,038	
Capital Projects Fund:															
PMHS Fire Alarm Renovations	4075-050-14-1003	148,240	7/1/15 - Closing	(136,307)		136,307									
PMHS Window/Transom Replacement	4075-050-14-1010	502,656	7/1/15 - Closing	(502,656)		502,656									
Total Capital Projects Fund				(638,963)		638,963									
Debt Service Fund:															
Debt Service Aid Type II	21-495-034-5120-075	771,267	7/1/20 to 6/30/21			771,267		(771,267)					*	771,267	
State Department of Agriculture:															
Enterprise Fund															
National School Lunch Program (State Share)	20-100-010-3350-023	8,373	7/1/19 to 6/30/20	(3,055)		3,055									
National School Lunch Program (State Share)	21-100-010-3350-023	27,836	7/1/20 to 6/30/21			22,456		(27,836)		(5,380)			*	27,836	
				(3,055)		25,511		(27,836)		(5,380)				27,836	
Total State Financial Assistance				\$ (2,043,974)	\$ 13,133	\$ 20,092,922	\$	\$ (19,522,338)	\$ (13,133)	\$ (1,508,753)	\$ 35,363	\$	\$ (1,103,624)	\$ 19,522,338	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	3,665,997	7/1/20 to 6/30/21			\$ 3,665,997		\$ (3,665,997)							
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	1,148,867	7/1/20 to 6/30/21			1,148,867		(1,148,867)							
On-Behalf Long-term Disability	21-495-034-5094-004	2,252	7/1/20 to 6/30/21			2,252		(2,252)							
Total State Financial Assistance - Major Program Determination						\$ 15,275,806		\$ (14,705,222)							

See accompanying notes to schedules of financial assistance

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,795) for the general fund and (\$46,833) for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 16,644,402	\$ 65,662	\$ 16,710,064
Special Revenue Fund	1,938,188	1,357,115	3,295,303
Debt Service Fund	771,267		771,267
Food Service	27,836	936,108	963,944
	<u>\$ 19,381,693</u>	<u>\$ 2,358,885</u>	<u>\$ 21,740,578</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Pennsville Township School District had no outstanding State or federal loans at June 30, 2021.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There was one adjustment in the amount of (\$13,133) on the Schedule of State Financial Assistance, as reflected on Schedule B.

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
10.555	21NJ304N1099	National School Lunch Program
10.553	21NJ304N1099	National School Breakfast Program
84.425	CARES407520	Education Stabilization Fund

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

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

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-068	School Choice Aid
21-495-034-5120-014	Transportation Aid

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNSVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR 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 basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.